OFFER DOCUMENT

MANDATORY OFFER BY

HAYLEYS PLC
(Company Registration No. PQ 22)

TO PURCHASE ALL OF THE REMAINING ORDINARY VOTING SHARES OF

HARISCHANDRA MILLS PLC
(Company Registration No. PQ 225)

MANAGERS & REGISTRARS TO THE OFFER

Hayleys Group Services (Private) Limited
No. 400, Deans Road,
Colombo 10
(PV 4339)

THIS DOCUMENT IS IMPORTANT AND WARRANTS YOUR IMMEDIATE AND CAREFUL CONSIDERATION. If you are in any doubt as to the action you should take, you should seek advice from your stockbroker, bank manager, legal advisor, accountant or other independent professional financial advisor immediately.

This Offer is made as per terms of the Company Takeovers and mergers Code 1995 (as amended in 2003) (Code) and this document has been prepared in accordance with the provisions of the said Code.

If you have sold or otherwise transferred all your shares in Harischandra Mills PLC please send this document and the accompanying Form of Acceptance to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onwards transmission to the purchaser or transferee.

The procedure for acceptance is set out in Clauses 4 and 5 of this document and in the accompanying Form of Acceptance. The Form of Acceptance and related documents should be returned to the Registrars to the Offer, Hayleys Group Services (Private) Limited, No. 400, Deans Road, Colombo 10, Sri Lanka to be received by them not later than **4.30 p.m. on 16th December 2025** being the Closing Date of the Offer or such later date (subject to the SEC's approval) as maybe announced.

If you have any queries with regard to completion of the Form of Acceptance or other documents, please contact Registrars to the Offer "Hayleys Group Services (Private) Limited" on Telephone Nos. +94 11 2627652/ +94 11 2627653

THE SECURITIES & EXCHANGE COMMISSION OF SRI LANKA HAS TAKEN REASONABLE CARE TO ENSURE FULL AND FAIR DISCLOSURE OF INFORMATION IN THIS OFFER DOCUMENT AS REQUIRED BY THE COMPANY TAKEOVERS AND MERGERS CODE 1995 (AS AMENDED IN 2003). HOWEVER, THE COMMISSION ASSUMES NO RESPONSIBILITY FOR ACCURACY OF THE STATEMENTS MADE, OPINIONS EXPRESSED, OR REPORTS INCLUDED IN THIS OFFER DOCUMENT.

"Shareholders of Harischandra Mills PLC are reminded that the Board of Harischandra Mills PLC is obliged to communicate to every shareholder its views, comments and advice on the offer document along with the advice given to it by the independent advisor within fourteen (14) days of receipt of the Offer Document as stipulated under Rules 12 and 13 of the Code. Shareholders are therefore advised to wait the receipt of such a communication in order to enable a decision to be made on the merits and demerits of the Offer."

CONTENTS

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Acceptance unless the context otherwise requires:

CDS	Central Depository Systems (Private) Limited
Offer Period	The period commencing on the date on which the Offer Document is forwarded to the shareholders of Harischandra Mills PLC and ending on the Closing Date of the Offer (i.e. from 21st November 2025 to 16th December 2025).
Offer Price	Rs. 3,300/- Per Ordinary Voting Share of Harischandra Mills PLC
Offer Opening Date	**21st November 2025**
Offer Closing Date	**16th December 2025**
Code	Company Takeovers and Mergers Code 1995 gazetted in Gazette Extraordinary No. 875/9 dated June 16th, 1995 and amended by the Gazette No. 1299/6 dated July 29th, 2003, published under the rules made by the Securities and Exchange Commission of Sri Lanka under Section 53 of the Securities and Exchange Commission Act of Sri Lanka Act No. 36 of 1987 (now referred to under Section 183 of the Securities and Exchange Commission of Sri Lanka, Act No. 19 of 2021)
CSE	Colombo Stock Exchange
Form of Acceptance	The Form of Acceptance which accompanies this document as per Appendix II
Offeror	Hayleys PLC
Offeree	Harischandra Mills PLC
LPD	Last Practicable Date 16th December 2025
Offer	Mandatory Offer by the Offeror pursuant to Rule 31(1) (a)of the Code to purchase 1,140,654 Ordinary Voting Shares of the Offeree which shall include any revision or variation or extension thereto.
SEC	Securities and Exchange Commission of Sri Lanka
Acting in concert	An individual or a company and their nominee who pursuant to an agreement or understanding (whether formal or informal) actively co-operate through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company, and include the following: • A company, its parent company, any subsidiary company and any subsidiary company of any such subsidiary company, and any company in which such parent or subsidiary company owns or controls twenty per centum (20%) or more of the equity shares of that company, and any company in which twenty per centum (20%) or more of the equity shares are owned by the last -mentioned company, each with the other; • A company with any of its directors (together with their close relations and trusts established to hold the interest of such directors or close relations); • A company with any of its pension funds.
Close relations	the spouse, child or spouse of a child, grandchild or spouse of a grandchild any parent, brother or, sister, and their spouses;
Recent Director	any person who had ceased to be a member of the Board of Directors during the preceding six months.
Recent Shareholder	any person who had ceased to be a shareholder during the preceding six months.

21st November 2025

To: The Shareholders of Harischandra Mills PLC

MANDATORY OFFER BY HAYLEYS PLC TO PURCHASE 1,140,654 ORDINARY VOTING SHARES CONSTITUTING 59.42% OF SHARES IN ISSUE OF HARISCHANDRA MILLS PLC

1. BACKGROUND TO THE OFFER

Hayleys PLC a Company incorporated in Sri Lanka bearing Company Registration No. PQ 22 and having its Registered Office at No. 400, Deans Road, Colombo 10, acquired Seven Hundred and Seventy Eight Thousand Nine Hundred and Forty Six (778,946) Ordinary Shares constituting Forty Decimal Fifty Eight per centum (40.58%) of the total number of ordinary voting shares in issue of Harischandra Mills PLC (' Harischandra') at a price of Rupees Three Thousand Three Hundred (Rs. 3,300/-) per share on 17th October 2025.

Subsequent to the purchase of 778,946 Ordinary Voting shares of Harischandra by Hayleys PLC, it has not acquired any additional shares as at the date of this Mandatory Offer Document and their shareholding remains at 40.58% of the issued ordinary shares in Harischandra.

Consequently, Hayleys PLC became obliged in terms of rule 31(1)(a) of the Company Takeovers and Mergers code 1995 (as amended in 2003) to make an offer to the remaining shareholders of the said company, to purchase the balance ordinary voting shares in issue of One Million One Hundred and Forty Thousand Six Hundred and Fifty Four (1,140,654) constituting Fifty Nine Decimal Forty Two per centum (59.42%) at a price of Rupees Three Thousand and Three Hundred (Rs. 3,300/-) per share (being the highest price paid by Hayleys PLC for the shares of Harischandra within twelve month period preceding the aforementioned date of acquisition.

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 carrying 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 control in Harischandra.

2. THE OFFER

Hayleys PLC (hereinafter referred to as the Offeror) offers to purchase from the shareholders of Harischandra (hereinafter referred to as the Offeree), 1,140,654 Ordinary Voting Shares at a price of Rupees Three Thousand and 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 Rs. 3,300/- per share (which is the highest price paid by the Offeror during the period from 18th October 2024 to 17th October 2025) for 778,946 shares which were acquired by the Offeror on 17th October 2025 which amounts to 40.58% of the issued shares in Harischandra.

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.

Accordingly, the financial commitment required to meet the acceptance in respect of the ordinary voting shares under the Offer, amounts to Rupees Three Billion Seven Hundred and Sixty Four Million One Hundred and Fifty Eight Thousand Two Hundred (Rs. 3,764,158,200/).

The ordinary voting shares under the Offer, will be acquired together with all the rights now and hereafter attaching thereto, including the right to receive dividends and other distributions declared, paid or made after such acquisition but excluding liens, charges, encumbrances, equities, rights of pre-emption and any other third-party rights of whatsoever nature and howsoever arising.

As stipulated by Rule 31(5) of the Code, confirmations by Hatton National Bank PLC and Nations Trust Bank PLC (the financial advisors of the Offeror) that resources are available to the Offeror sufficient to satisfy the full acceptance of the Offer contained in Appendix II of this Offer Document.

Acceptance should be dispatched as soon as possible and, in any event, so as to be received by the Registrars to the Offer, Hayleys Group Services (Private) Limited, No. 400, Deans Road, Colombo 10, Sri Lanka not later than 4.30 p.m. on 16th December 2025. Instructions in regard to the acceptance of the Offer are set out in Clause 4 and 5 herein and in the Form of Acceptance (Appendix II). If you have any queries as to the completion of the Form of Acceptance, please contact the Registrars to the Offer on Telephone Numbers: +94 11 2627652/ +94 11 2627653.

3. INFORMATION ON THE OFFEROR

3.1. Brief Profile and Principal Activities of the Offeror

Hayleys PLC is a public quoted company incorporated in 1952, bearing company registration number PQ22 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 14 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.

The principal activities of the Group are categorized into fourteen (14) business verticals namely, Eco Solutions, Hand Protection, Purification, Textiles, Construction Materials, Plantations, Agriculture, Consumer & Retail, Leisure, Industry Inputs and Power & Energy, Transportation and Logistics, Projects & Engineering, Tea Export and Others.

3.1.2 Directors

A. M. Pandithage	- Chairman & Chief Executive
K. D. D. Perera	- Co- Chairman, Non Executive Director
S. C. Ganegoda	- Executive Director
H. S. R. Kariyawasan	- Executive Director
L. R. V. Waidyaratne	- Executive Director
J. Dharmasena (Ms.)	- Executive Director
R. Karunarajah	- Executive Director
Dr. H. Cabral, PC	- Non Executive Director
K. D. G. Gunaratna	- Non Executive Director
T.A.B. Speldewinde	- Independent Director
P.Y.S. Perera	- Independent Director
A. J. Alles	- Independent Director
R. Fernando (Ms.)	- Independent Director

3.1.3. Financial Information

Profit and Loss Statement (consolidated)
Rs. Mn

Financial Year Ended	From 01st April 2025 to 30th September 2025 (unaudited)	31st March 2025 (audited)	31st March 2024 (audited)	31st March 2023 (audited)
Turnover	269,526	492,201	436,732	487,431
Net Profit Before Tax	13,335	35,373	25,336	42,749
Net Profit After Tax	7,563	22,513	14,847	27,672
Attributable Profit	3,898	13,449	6,889	16,352
Earnings Per Share before Tax	17.78	47.16	33.78	57.00
Earnings Per Share After Tax (Based on attributable profit)	5.20	17.93	9.19	21.80
Dividends paid Per share	-	6.00	5.35	5.35

Balance Sheet (consolidated)
Rs. Mn

Financial Year Ended	From 01st April 2025 to 30th September 2025 (unaudited) Rs. '000	31st March 2025 (audited) Rs. '000	31st March 2024 (audited) Rs. '000	31st March 2023 (audited) Rs. '000
Non Current Assets (Fixed)	230,024	216,558	184,718	175,163
Current Assets	329,530	294,134	257,326	237,579
Current Liabilities	284,423	253,877	225,663	195,109
Net Current Assets	45,107	40,257	31,663	42,470
Net Assets	153,099	144,092	125,530	122,707
Share Capital & Reserves	98,749	93,142	80,163	78,930
Non Controlling Interest	54,350	50,950	45,367	43,777
Total Equity	153,099	144,092	125,530	122,707
Non-Current Liabilities	122,032	112,724	90,851	94,926
Total Assets	559,554	510,692	442,044	412,742
Total Liabilities	406,455	366,601	316,514	290,035

3.2. Statutory Disclosures

3.2.1. The Shareholding of the Offeror in the Offeree:
The Offeror holds 778,946 shares constituting 40.58% of the Offeree.

3.2.2. The shareholding in Offeree in which the Directors of the Offeror have an interest as at Date: *Nil*

3.2.3. The shareholding in Offeree in which any person Acting in Concert with the Offeror owns or controls: *Nil*

3.2.4. The shareholding in Offeree owned or controlled by any person who prior to the posting of the Offer Document, has made an irrevocable commitment to accept the Offer: *Nil*

3.2.5. Dealings in shares for value by the Offeror and any party Acting in Concert with the Offeror during the period commencing 17th October 2025 to ending on the Last Practicable Date: *Nil*

3.2.6. Statements to be given by the Offeror in terms of the Code:

a) No agreement, arrangement or understanding exists between the Offeror and any Director or recent Director(s), shareholder(s) or recent shareholder(s) of the Offeree having any connection with the Offer.

b) No shares acquired in pursuance of this Offer will be transferred to any other person.

c) No margin trading facilities were used by the Offeror in acquiring the shares of the Offeree.

d) Settlement of the consideration to which any shareholder is entitled under this Offer will be implemented in full in accordance with the terms of the Offer without having regard to any lien, right to set off, counter claim or other analogous rights to which the Offeror may otherwise be or claim to be entitled to against such shareholder.

e) The intention of the Offeror is to continue business operations of the Offeree Company as a going concern with no intention of scaling down or discontinuing any major segments. The Offeror would work aggressively on realizing synergies with the Hayleys Group of Companies to explore openings arising from opportunities.

f) The Offeror does not intend to implement any major changes to the business, including any redeployment of the fixed assets of the Offeree.

g) The long-term commercial justification for the proposed Offer;
The strategic acquisition by Hayleys PLC is anticipated to yield substantial opportunities for new business synergies within the Hayleys Group. Hayleys plans to strengthen the Group's retail sector by leveraging on the diversity of the Hayleys products and services portfolio and combining it with the time tested and extensive expertise of the products of Harischandra. Hayleys anticipates unprecedented new business opportunities for both entities in future.

h) The Offeror intends to continue employment of the employees of the Offeree.

i) None of the Offerors' Directors emoluments will be affected by the acquisition of the Offeree Company.

4. TERMS OF THE OFFER

4.1. Date of the Offer

The Offer is made on 21st November 2025 and will remain open for a period of 25 days from the date the Offer Document is posted to the shareholders of the Offeree. Copies of this Offer Document, the Form of Acceptance, the Transfer Form, and related documents are available with the Registrars to the Offer, Hayleys Group Services (Private) Limited, No. 400, Deans Road, Colombo 10, Sri Lanka.

4.2 **Conditions of the Offer**

The Offeror declares that the Offeror will acquire all the shares for which acceptance is received from shareholders of the Offeree.

The shares shall be acquired free from all liens, charges, pledges and other encumbrances together with all rights now or hereafter attached thereto.

Accordingly, the Offeror is liable to accept and pay for all the shares tendered at the Offer Price and the shareholders of the Offeree would lose their right to withdraw the shares once accepted.

It must be noted that "acceptance" by the shareholder shall mean the procedure set out in Clause 5 being complied with.

4.3. **Offer Period**

a) The Offer will initially be open for acceptance until 16th December 2025 but may be extended subject to paragraph (c) below. Although no revision is envisaged, if the Offer is revised, it will remain open for acceptance for a period of at least 14 days from the date on which written notification of a revision is posted to Harischandra Mills PLC shareholders. Where the Offer is revised, all shareholders who accepted the initial Offer will receive the revised consideration.

b) The Offer may, with the approval of the SEC, be extended beyond the sixtieth day after the date on which the Offer Document is forwarded to the Offeree's shareholders, if a competing offer has been made or announced.

c) If an extension of the Offer has been granted by the SEC pursuant to paragraph (b) above, the Offeror will inform the Offeree's shareholders of the next expiry date of the Offer.

4.4. **Announcements**

By 4.30 p.m. on the market day immediately following the day on which the Offer expires or is revised or extended, the Offeror will issue a statement to the CSE specifying whether the Offer has expired or has been revised or extended and will also state the total number of Offeree shares (as nearly as practicable).

a) for which acceptances of the Offer have been received,
b) held before the Offer period and;
c) acquired or agreed to be acquired during the Offer period and will specify the percentage of Offeree shares represented by these figures. The Offeror will simultaneously request the CSE to make an announcement to that effect on the Trading Floor.

4.5. **Non-Resident Shareholders of Offeree**

Offeree shareholders who are not residents of Sri Lanka and who are citizens, residents or nationals of other countries should take into consideration their jurisdiction and any laws directly related thereto. The Offeror will not be responsible for any statutory or other approvals that maybe necessary in the event of such persons accepting the Offer.

Non-Resident shareholders of Offeree should also indicate details of their Inward Investment Account (IIA) to which the purchase proceeds are to be remitted in the cages provided for such information, together with confirmation that the shares accepted/tendered for sale were purchased from proceeds channeled through the same IIA.

4.6. **General Information Relating to the Offer**

a) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance unless the context otherwise requires.

b) No acknowledgement of receipt of any Form of Acceptance, Share Transfer Form, Share Certificates or other document(s) will be given by or on behalf of the Offeror.

c) All communications, notices, certificates, other documents and remittances to be sent to Offeree shareholders (or their designated agents) will be sent at their (Offeree shareholders') risk.

d) The Offer and all acceptances thereof or pursuant thereto and the relevant Form of Acceptance, Transfer Form, Letter of Authorization to CDS and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with the Laws of Sri Lanka.

   Execution by or on behalf of an Offeree shareholder of a Form of Acceptance will constitute his submission in relation to all matters arising out of or in connection with the Offer and the Form of Acceptance, Form of Transfer, Letter of Authorization to CDS to the jurisdiction to the Courts of Sri Lanka.

e) Any failure to receive the duly dispatched document by any person to whom the Offer is made or should be made, shall not invalidate the Offer in any way.

5. PROCEDURE FOR ACCEPTANCE OF THE OFFER

The following procedure should be followed in the event you decide to accept the Offer.

5.1. **To accept the Offer**

To accept the Offer, you must complete **Form A -** Form of Acceptance and Transfer (Appendix II) in accordance with the instructions printed thereon in the presence of a witness who should also sign and return the Form of Acceptance and Transfer <u>together with the related documents</u> in accordance with the procedure set out in paragraph 5.2 below to be received by the Registrars, Hayleys Group Services (Private) Limited or the CDS through your Stockbroker or Custodian Bank as applicable to you not later than 4.30 p.m. on 16th December 2025.

5.2. Return of Form A - Form of Acceptance and Transfer

i. If your Harischandra Mills PLC shares are not deposited with the CDS;

   The completed and signed Form A - Form of Acceptance and Transfer (Appendix II) signed by you as Transferor with your signature duly witnessed together with the relative share certificate(s) and/or other document(s) of title or otherwise as hereinafter set out should be returned by post or by hand to the Registrars, Hayleys Group Services (Private) Limited, No. 400, Deans Road, Colombo 10, Sri Lanka not later than 4.30 p.m. on 16th December 2025.

ii. If your Harischandra Mills PLC shares are deposited with the CDS and you wish to effect the transfer through the CDS;

The completed and signed Form A - Form of Acceptance and Transfer (Appendix II) and Form B - the Letter of Authorization (Appendix III) addressed to the CDS duly completed and signed with your signature witnessed thereon should be returned through **your Stockbroker** to the CDS not later than **4.30 p.m. on 16th December 2025** who will in turn send it to the Registrars.

iii. If you hold Harischandra Mills PLC shares in more than one CDS Account please use separate Form A - Forms of Acceptance and Transfer and Form B - Letters of Authorization to CDS for each account held. You may use photocopies of the forms provided for this purpose.

Please note that in the event your shares are deposited in the CDS, and you do not submit your "Form A - Form of Acceptance and Transfer" (Appendix II) and the "Form B - Letter of Authorization to CDS" (Appendix III) through your Stockbroker/Custodian Bank , neither Harischandra Mills PLC nor the Registrars to the Offer, Hayleys Group Services (Private) Limited, will assume any responsibility to obtain the Stockbroker Authorization for the transfer of your Harischandra Mills PLC shares and the said forms so submitted will be rejected.

If you hold your shares in a “locked balance” of the CDS, you are advised to sign and execute CDS Form 6(A) issued by the CDS and available with the stockbroker/custodian bank, expressing consent to the transfer the shares from the “locked balance” to the “trading balance” of your CDS account. The duly completed CDS Form 6(A) should be returned to the stockbroker or the custodian bank along with the “Form A – Form of Acceptance and Transfer” and “Letter of authorisation to CDS”.

5.3. **Documents signed under Power of Attorney**

If any document is signed under a Power of Attorney (POA), the POA should be registered with the Company Secretary of Harischandra Mills PLC or the Registrars to the offer made by Hayleys PLC. A copy thereof duly certified by a Notary Public should be sent together with the Form/s of Acceptance and Transfer. [Powers of Attorneys submitted should be in compliance with the Powers of Attorney (Amendment) Act No. 28 of 2022 & Powers of Attorney (Amendment) Act No. 3 of 2024].

5.4. **Document(s) of Title not readily available or lost**

If, for any reason, the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and return Form A - the Form of Acceptance and Transfer as stated above so as to be received by the Registrars, Hayleys Group Services (Private) Limited, No. 400, Deans Road, Colombo 10, Sri Lanka not later than 4.30 p.m. on 16th December 2025.

Such shareholders shall also complete the Declaration of Indemnity (Appendix IV) and an Affidavit (as per Appendix V) and forward the same together with the Form A - Form of Acceptance and Transfer to the Registrars, Hayleys Group Services (Private) Limited at No. 400, Deans Road, Colombo 10, Sri Lanka to facilitate the issue of a duplicate certificate for processing of the Acceptance.

In the case of deceased shareholders, their legal representatives are to contact the Registrars of the Offer immediately for information regarding the documents to be forwarded to constitute valid acceptance of the Offer.

5.5. Validity of Acceptance

The Offeror reserves the right, subject to the terms of the Offer and the Code, to treat as valid any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. However, in that event, the consideration under the Offer will not be paid until the share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Offeror are received.

6. SETTLEMENT

The Offeror will forward the consideration payable to any shareholder who have submitted valid acceptance to the Offer on or before the Offer closure date not later than twenty-one (21) days after closure.

7. PAYMENT OF CONSIDERATION

The consideration to which any accepting shareholder is entitled to will be paid to such shareholder (i) by way of a credit to the Bank Account of the shareholder that is specified in Appendix II - "Form A - Form of Acceptance and Transfer" submitted by the shareholder via a SLIPS or RTGS transfer or (ii) in the event the shareholder has not provided accurate or complete details of his/her Bank Account in the "Appendix II - Form A - Form of Acceptance and Transfer", by way of a Bank Draft crossed "Not Negotiable - Account Payee Only" and mailed by post to such shareholder at the risk of such shareholder, within the period referred to above.

In the case of Non-Resident shareholders who have provided details of their Inward Investment Account or Capital Transaction Rupee Account, the consideration will be paid to such Bank Accounts.

In the case of joint shareholders, a Bank Draft will be drawn in favour of the first shareholder as it appears in "Appendix II - Form A - Form of Acceptance and Transfer" "Appendix - III Form B - Letter of Authorisation to CDS" where applicable.

Please note that if the fund transfer through SLIPS is rejected by the Bank due to any reason, the relevant payments would be made via a Bank Draft in favour of the shareholder and sent by post at the risk of such shareholder.

The consideration to which any shareholder is entitled to under the Offer shall be sent to such shareholder; and in the case of non-resident shareholders who have provided details of their IIA (formerly SIA or SIERA) to the relevant Banks as soon as practicable, and in any case not later than twenty-one (21) days of the Closure Date.

Payment to shareholders on acceptances which are not entirely in order and which have been treated as valid by the Offeror under the provisions of Clause 5.5 above will not be made until the share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Offeror are received.

Settlement of the consideration to which any shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled to as against such shareholder.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Offer Document and Appendices I, II, III, IV, V listed below will be available for inspection at the Registrars to the Offer, Hayleys Group Services (Private) Limited, No. 400, Deans Road, Colombo 10, Sri Lanka during normal business hours on any weekday, while the Offer remains open for acceptance.

This document and the Appendices set out below;

Appendix I	Confirmation by the Offeror's Banks as to the availability of resources
Appendix II	Form A - Form of Acceptance and Transfer
Appendix III	Form B - Letter of Authorisation to CDS
Appendix IV	Format of Indemnity
Appendix V	Format of Affidavit

9. DECLARATION BY THE OFFEROR

We, the undersigned being two Directors of Hayleys PLC, hereby declare and confirm that the Board of Hayleys PLC approves the Offer Document, and collectively and individually accept full responsibility for the completeness and the accuracy of the information contained in the Offer Document and confirm that to the best of our knowledge and belief that there are no other facts, the omission of which would make any statement herein misleading in any material respect.

For and on behalf of Hayleys PLC

Chairman & Chief Executive
Hayleys PLC

Executive Director
Hayleys PLC

On this 21st day of November 2025

APPENDIX I: CONFIRMATION BY THE OFFEROR'S FINANCIAL ADVISORS AS TO THE AVAILABILITY OF RESOURCES

HNB

Without prejudice

22nd October 2025

The Securities and Exchange Commission,
Level 28-29, East Tower,
World Trade Centre,
Colombo 01.

Dear Sir/ Madam,

<u>Mandatory Offer under Rule 31 of the Company Takeovers and Mergers Code 1995 (as amended in 2003) by Hayleys PLC, which acquired 778,946 shares of Harischandra Mills PLC on 17th October 2025, to acquire the remaining ordinary voting shares</u>

On the request of Hayleys PLC we Hatton National Bank PLC of No. 479, T B Jaya Mawatha, P O Box 837, Colombo 10, hereby confirm that our client has demonstrated the ability to source adequate financial resources to meet the full acceptance of the above offer amounting to Rs. 3,500,000,000 (Rupees Three Billion Five Hundred Million only).

This confirmation shall be in force until the payment is made in full to the shareholders who accept the above mentioned offer.

This letter is issued at the request of our client in strict confidence without any financial commitment or responsibilities on the part of the Bank or its officers.

Yours faithfully,

Pramith Ponnamperuma
Assistant Vice President
Corporate Banking

Majella Rodrigo
Senior Vice President
Head of Wholesale Banking

Hatton National Bank PLC (PQ82)
ප්‍රධාන කාර්යාලය. එච් එන් බී ටවර්, නො. 479, ටී බී ජයා මාවත, කොළඹ 10. දුරකථන: 0112 664 664 විද්‍යුත් ලිපිනය: moreinfo@hnb.net වෙබ් අඩවිය: www.hnb.net
தலைமை அலுவலகம். எச் என் பி டவர்ஸ், இல. 479, டி பி ஜயா மாவத்தை, கொழும்பு 10. தொலைபேசி: 0112 664 664 மின்னஞ்சல்: moreinfo@hnb.net இணையத்தளம்: www.hnb.net
Head Office . HNB Towers, No. 479, T B Jayah Mawatha, Colombo 10. Tel: 0112 664 664 E-mail: moreinfo@hnb.net Web: www.hnb.net

22nd October 2025
The Securities and Exchange Commission
Level 28-29, East Tower,
World Trade Centre
Colombo 01

Dear Sir/ Madam,

Mandatory Offer under Rule 31 of the Company Takeovers and Mergers Code 1995 (as amended in 2003) by Hayleys PLC, which acquired 778,946 shares of Harishchandra Mills PLC on 17th October 2025, to acquire the remaining ordinary voting shares

On the request of Hayleys PLC (the "Customer") we Nations Trust Bank PLC of 46/58 Nawam Mawatha, Colombo 02, hereby confirm that our customer has existing credit facilities amounting to Rs. 1 Bn (Rupees One Billion) with us, which may be utilized to part finance the acceptance of the above offer.

This letter is issued at the request of our customer in strict confidence without any financial commitment or responsibilities on the part of the Bank or its officers and is valid for a period of 6 months from the date of issuance of this letter

Yours faithfully,

NATIONS TRUST BANK PLC PQ 118 COLOMBO

Lasitha Ranasinghe
Assistant Vice President
Corporate Banking – Large Corporates

NATIONS TRUST BANK PLC PQ 118 COLOMBO

Inakshi de S Wijeyeratne
Manager
Corporate Banking

APPENDIX II: FORM A - FORM OF ACCEPTANCE AND TRANSFER

PLEASE READ THE INSTRUCTIONS GIVEN IN APPENDIX III CAREFULLY AND STRICTLY COMPLY WITH SAME

Offer made to the shareholders of Harischandra Mills PLC by Hayleys PLC through the Offer Document dated 21st November 2025 to acquire a total of 1,140,654 Ordinary Voting Shares in Harischandra Mills PLC (the "Offer") at a price of Rs. 3,300/- per share.

Section A: Acceptance								
Date	D	D	M	M	Y	Y	Y	Y
I/We, shareholders of Harischandra Mills PLC whose details appear in Section B below, wish to accept the Offer by Hayleys PLC for ………………………………………………………… Shares of Harischandra Mills PLC being the number of shares which I/we wish to sell from the total number of shares held by me/us at a price of Rs. 3,300/- per share.								

Section B: Shareholder Information			
Principal/Sole Shareholder			
Name:	Address:	Contact No.	NIC/PP/Co. Reg. No.
1st Joint Shareholder			
Name:	Address:	Contact No.	NIC/PP/Co. Reg. No.
2nd Joint Shareholder			
Name:	Address:	Contact No.	NIC/PP/Co. Reg. No.

Section C: Transfer of Harischandra Mills PLC Shares	
My/Our Harischandra Mills PLC Shares are currently - (Please tick as applicable)	
☐	To be completed by Shareholders who hold shares through a share certificate (held in scrip form) Held in scrip form and the share certificates bearing No.(s). .... are enclosed herewith. I/We, the Shareholder(s) of Harischandra Mills PLC whose details appear in Section B above (hereinafter referred to as the "Transferor") for consideration as detailed in the Offer Document dated 21st November 2025 forwarded by Hayleys PLC (hereinafter referred to as the "Transferee"), do hereby transfer to the said transferee the number of shares of Harischandra Mills PLC as stated in Section A standing in my/our name(s) in the books of Harischandra Mills PLC. I/We understand that the amount due to me/us will be made via SLIPS /RTGS to my/our bank account, the details of which are given in Section D below or a bank draft in favour of the principal/sole shareholder stated in Section B above, and crossed "Not Negotiable - Account Payee Only" and mailed to me/us at my/our own risk to the address appearing in Section B above.
☐	To be completed by shareholders who hold shares through the Central Depository Systems (Private) Limited (Held in the CDS) Deposited with the CDS in Account No. ☐☐☐ - ☐☐☐☐☐☐☐☐☐ - ☐☐ - ☐☐ I/We have completed "Form B - Letter of Authorisation to CDS" attached hereto, authorising the CDS to transfer the number of Harischandra Mills PLC shares specified in Section A standing in my/our name(s) in the books of Harischandra Mills PLC. I/We understand that the amount due to me/us will be made via SLIPS/RTGS to my/our bank account, details of which are given in Section D below or by a bank draft in favour of the Principal/Sole shareholder stated in Section B above, and crossed "Not negotiable - Account Payee Only" and mailed to me/us at my own risk to the address appearing in Section B above.

SECTION D: Declaration & Signature(s) of Transferor (s)	
I/We the transferor (s) of the Harischandra Mills PLC shares, hereby expressly and solemnly state and declare that: (please tick one box as is applicable to you)	
	I am a/We are Citizen(s) of Sri Lanka resident in Sri Lanka or a Private/Public Company/Corporation incorporated in Sri Lanka
	I am a/We are Citizen (s) of Sri Lanka resident outside Sri Lanka or Non -citizens of Sri Lanka or Company/Corporation incorporated outside Sri Lanka
The payments due to me/us in respect of the Offer should be paid to me: (please tick one box as is applicable to you)	
	By a bank draft posted at my/our risk to my address specified above

<table>
<tr><td></td><td>By a fund transfer through SLIPS/RTGS to my/our bank account number given below</td></tr>
<tr><td></td><td>By fund transfer to my Inward Investment Account/Capital Transaction Rupee Account, the details of which are given below. I/We further confirm that the shares accepted/tendered for sale were purchased from proceeds channeled through the aforesaid IIA and the bank details are provided below.

<table>
<tr><td colspan="4">Bank Code</td><td colspan="3">Branch Code</td><td colspan="12">Account No.</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

Name of Bank : ………………………………………………………………………………………

Branch : ………………………………………………………………………………………

Address of Bank : ………………………………………………………………………………………

Account No. : ………………………………………………………………………………………

Please note that if the fund transfer through SLIPS is rejected by the bank for any reason, a Bank Draft will be posted at the risk of the shareholder to the address of the Shareholder specified above, and in the case of a non-resident shareholder, to the Bank address given above.
<table>
<tr><td>Signature of Principal Shareholder</td><td rowspan="3">Company Seal (if applicable only)</td></tr>
<tr><td>Signature of 1st Joint Shareholder</td></tr>
<tr><td>Signature of 2nd Joint Shareholder</td></tr>
</table>
Signed by transferor(s) in the presence of the witness whose details appear below.
<table>
<tr><td>Full Name of Witness</td><td></td></tr>
<tr><td>Address</td><td></td></tr>
<tr><td>NIC/PP No. of witness
<table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></td><td>……………………………………………………
Signature of Witness</td></tr>
</table>
</td></tr>
</table>

Section E: Signature of the Transferee (To be completed by the Transferee after the transfer form is returned to the Registrars)	
We, Hayleys PLC being the Transferee of the shares referred to in the above transfer do hereby declare that we are a company incorporated in Sri Lanka, and that we are not acting as nominee for any persons resident outside Sri Lanka.	
Sgd. Chairman & Chief Executive Hayleys PLC	Sgd. Executive Director Hayleys PLC

APPENDIX III : FORM B - LETTER OF AUTHORISATION TO CDS

The Manager,
Central Depository Systems (Private) Limited Date ……………………………………..

Dear Sir,

AUTHORITY TO TRANSFER SHARES DEPOSITED IN CDS

CDS Account No.				-										-			-		
Name of Broker																			
Name of Security	Ordinary shares of Harischandra Mills PLC																		

I/We write to advise you that I/we have decided to accept the Offer made by Hayleys PLC through the Offer Document dated 21st November 2025 for the purchase of ordinary shares of Harischandra Mills PLC held by me/us and deposited with the CDS at a price of Rs. 3,300/- per share in the above account and to sell ………………………………………………………… [insert number of ordinary shares for which the Offer is accepted] shares of Harischandra Mills PLC held by me/us.

I/We accordingly authorise you, at the request of the Registrars to the Offer, Hayleys Group Services (Private) Limited, to reallocate my/our above mentioned Harischandra Mills PLC shares for which the Offer was accepted by me/us, to the CDS account number CMB-6646-LC-00 through Commercial Bank of Ceylon PLC.

Sincerely,
Signature

	Name of Shareholder	Signature	Company Seal (if applicable)
Principal sole Shareholder			
1st Joint Holder			
2nd Joint Holder			

Authorization of Broker
We hereby give consent to transfer the shares from the above client's CDS Account.

Name of Broker	Authorized Signatory	Designation	Date

Authorization of Central Depository Systems (Private) Limited (CDS)
Balance Confirmed in account and shares reserved for transfer

Authorised Signatory – CDS	

INSTRUCTIONS FOR COMPLETION

To accept the Offer made to Shareholders of Harischandra Mills PLC by Hayleys PLC through the Offer Document dated 21st November 2025:

1. All shareholders of Harischandra Mills PLC who wish to accept the Offer made by Hayleys PLC must complete and return the completed and signed "Form A - Form of Acceptance and Transfer" (Appendix II) and "Form B - Letter of Authorisation to CDS" (Appendix III), where applicable, on or before 4.30 p.m. on the Offer Closing Date as follows.

    - If shares are not deposited with the CDS
      Registrars to the Offer Hayleys Group Services (Private) Limited No. 400, Deans Road, Colombo 10, Sri Lanka.

    - If shares are deposited with the CDS
      CDS through your Stockbroker or Custodian Bank

2. "Form A - Form of Acceptance and Transfer" and if applicable, "Form B - Letter of Authorisation to CDS", and other related documents, should be sent as soon as possible, and in any event must be received by the Registrars to the Offer or where applicable the CDS on or before the closing date of the Offer. **The scheduled closing date of the Offer is 16th December 2025.**

    Please note that, in the event your shares are deposited in the CDS, and you do not submit your "Form of Acceptance and Transfer" (Appendix II) and the "Authorization to CDS" (Appendix III) through your stockbroker/custodian bank, neither Hayleys PLC, Harischandra Mills PLC nor the Registrars to the Offer, will assume any responsibility to obtain the stockbroker authorization for the transfer of your Harischandra Mills PLC Shares and the said Forms so submitted will be rejected.

3. In all communications regarding the Offer, the top left-hand corner of the envelope should be marked "Offer for Harischandra Mills PLC Shares".

4. In Section A of "Form A - Form of Acceptance and Transfer (Appendix II)", fill in the date and indicate in Section A the number of ordinary shares that you wish to sell to Hayleys PLC under the Offer.

5. Shareholder information must be provided in Section B of "Form A - Form of Acceptance and Transfer (Appendix II)". Please insert your telephone number in the space provided. The details entered in Section B should be the same as appearing in your share certificate or as applicable to the relevant CDS account. If more than one name appears in Section B as shareholders, please provide the principal shareholder's bank account details or the mail address to make the settlement for the ordinary shares accepted under the Offer.

6. If your shares are held in scrip form, tick the box applicable and fill in Section C of "Form A - Form of Acceptance and Transfer". Please forward the "Form of Acceptance and Transfer" (Appendix II) together with the share certificate(s) to the address stated in number 1 above.

7. If your shares are held with the CDS, tick the box applicable and fill Section C of "Form A - Form of Acceptance and Transfer"(Appendix II). Indicate the account number in the boxes provided for, complete the "Form B - Letter of Authorization to CDS" and forward both through your stock broker stated in number 1 above. If you hold Harischandra Mills PLC shares in more than one CDS account, PLEASE USE SEPARATE "Form A - Form of Acceptance and Transfer" and "Form B - Letter of Authorization to CDS" for EACH ACCOUNT HELD. You may use photocopies of the forms provided for this purpose.

8. If you hold shares in both scrip form and through a CDS account(s), COMPLETE SEPARATE FORMS for EACH SUCH HOLDING. You may use photocopies of the forms provided for this purpose.

9. In Section D of "Form A - Form of Acceptance and Transfer", tick the applicable box. One of the boxes must be marked for an acceptance to be valid.

10. Place your signature in the area specified as "Signature of Principal Shareholder" in Section D of "Form A - Form of Acceptance and Transfer" to signify your acceptance of the Offer. If more than one name appears in Section B of "Form A - Form of Acceptance and Transfer" as shareholders, then all shareholders should place their signatures in the area specified in Section D of "Form A - Form of Acceptance and Transfer". If the shareholder is an incorporated entity and if it is required by the laws of the jurisdiction of its incorporation, the signature should be accompanied by the company seal placed in the specified area.

11. If any document is signed under a Power of Attorney, a copy of the Power of Attorney, duly certified by a Notary Public, should be sent together with the "Form A - Form of Acceptance and Transfer" and "Form B - Letter of Authorisation to CDS", where applicable. The Power of Attorney must also be registered with the Company Secretary or Registrars of Harischandra Mills PLC. PLEASE DO NOT FORWARD THE ORIGINAL OF THE POWER OF ATTORNEY.

12. A witness must fill in the required details (Full Name, Address, and National Identity Card Number) and place his/her full signature in the area specified in Section D of "Form A - Form of Acceptance and Transfer”.

APPENDIX IV : DECLARATION OF INDEMNITY

I/We ……... (full name) of …… (address) (holder/s of National Identity Card No./Passport No. ……………………………………………...) do solemnly, sincerely and truly declare and affirm/make oath and state as follows;

1. That I/we am/are the owner/s of and have absolute title to ………………………………………………….. (number of shares) ordinary voting shares in Harischandra Mills PLC and I/we have not transferred, encumbered, lent, deposited or dealt with the said shares that will have any effect or impact whatsoever to my/our title and ownership thereto and I/we am/are entitled to be registered in books of Harischandra Mills PLC as a shareholder/s;

2. That the certificate(s) for ……………………………………………………… (number of shares) ordinary voting shares in Harischandra Mills PLC standing in my/our name have been misplaced/lost/destroyed;

3. That I/we hereby request Harischandra Mills PLC to issue a duplicate of such share certificate in respect of the shares standing in my/our name;

4. That I/we undertake to indemnify Harischandra Mills PLC against all claims and demands and any expenses thereof, which Harischandra Mills PLC may have to meet in consequence of complying with this request for issuing a duplicate share certificate with regard to the transfer of the said shares, or any part thereof, without my/our having delivered to you the said original certificate(s).

I/We hereby undertake to deliver to Harischandra Mills PLC for cancellation the said original certificate should the same ever be recovered/found.

Dated this …………………………….. day of ……………………………………… 2025.

…………………………………	…………………………………	…………………………………
Signature	Signature	Signature

Witness:

1. ………………………………………………	2. ………………………………………………
(Signature)	(Signature)
Name & Address	Name & Address
……………………………………………	……………………………………………
……………………………………………	……………………………………………
……………………………………………	……………………………………………
NIC *: ……………………………………	NIC *: ……………………………………

*Certified copy of NIC to be attached.

APPENDIX V : AFFIDAVIT

I/We ………... (full name)
of ……. (address)
and ……... (full name)
of ……. (address)
in the Democratic Socialist Republic of Sri Lanka being Buddhist/Hindu/Muslim* do hereby individually, solemnly sincerely and truly declare and affirm/being Christian make oath and swear* as follows:

1. I am/We are the affirmant/affirmants* or the deponent/deponents* above named.

2. I am/We are the registered holder/holders of ……………………………………………………………….. ordinary voting shares held upon share certificate number ………………………………………………... in Harischandra Mills PLC.

3. That to best of my/our knowledge and belief that the said original certificate(s)has/have either been lost, misplaced or accidentally destroyed and that I have made and caused to be made diligent search but have been unable to find the same.

4. That since the said certificate(s) was issued to me/us, I/we have not sold, pledged the said shares or in any way parted with possession of the said certificate(s) is/are my/our absolute property.

5. I/We therefore request Harischandra Mills PLC to issue me/us a duplicate of such share certificate(s) and in consideration of Harischandra Mills PLC doing so undertake to indemnify the company against claims and demands (and any expense thereof) which may be made against the company in complying with my/our request.

6. I/We hereby undertake further to furnish to the company a Declaration of Indemnity.

Signed and affirmed to by the affirmants*/signed and sworn to by the deponents* abovenamed at ……..……………………………………… on this …………...………………….... day of …………………………………... 2025

On Rs. 50/-
Stamp

Signature of Shareholder(s)

Signed Before me

Commissioner for Oaths/ Justice of the Peace

*Please delete as appropriate