HARISCHANDRA MILLS PLC.

INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

CORPORATE INFORMATION

Legal form
A Public Company with Limited Liability incorporated in Sri Lanka, whose shares are Listed in the Colombo Stock Exchange.

Registration No.
PQ 225

Date of incorporation
9th January 1953

Registered office
No. 11, C.A.Harischandra Mawatha, Matara.

Secretaries
Corporate Services (Pvt) Limited.
216, De Saram Place,
Colombo 10

Auditors
KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
Colombo 3.

Internal auditors
Ernst & Young
(Chartered Accountants)
201, De Saram Place,
Colombo 10

Legal advisors
F J & G De Saram
Attorneys - at - Law
216, De Saram Place,
Colombo 10

Subsidiary company
Harischandra Mills (Distributors) Limited
(wholly owned) incorporated in Sri Lanka

Board of Directors
Bandaranayake T.K. (Chairman)
Samarasinghe S.N. (Managing Director)
De Silva G.S.V.
De Silva M.P. (Mrs.)
Jayasundara S. A S.
Samarasinghe R.K (Mrs.)
Kobbekaduwa R. (Mrs.)
Sudath Kumar G.K
Wickremasinghe L.L.S

Remuneration Committee
Sudath Kumar G.K (Chairman)
Bandaranayake T.K.
Kobbekaduwa R. (Mrs.)

Audit & Risk Management Committee
Wickremasinghe L.L.S (Chairman)
Sudath Kumar G.K
Bandaranayake T.K.
Kobbekaduwa R. (Mrs.)

Related Party Transactions Review Committee
Wickremasinghe L.L.S (Chairman)
Sudath Kumar G.K
Bandaranayake T.K.
Kobbekaduwa R. (Mrs.)
Samarasinghe S.N.

Nomination and Governance Committee
Sudath Kumar G.K (Chairman)
Bandaranayake T.K.
Kobbekaduwa R. (Mrs.)

HARISCHANDRA MILLS PLC

INTERIM FINANCIAL STATEMENTS

For the year ended 31 March 2026

INCOME STATEMENT

GROUP

	Quarter Ended 31 March			Year Ended 31 March		
	2026	**2025**	**VARIANCE**	**2026**	**2025 Audited**	**VARIANCE**
	Rs. '000	**Rs. '000**	**%**	**Rs. '000**	**Rs. '000**	**%**
Revenue	1,808,218	1,600,367	13	6,731,091	6,321,658	6
Cost of sales	(1,464,006)	(1,262,043)	16	(5,479,085)	(5,075,709)	8
Gross profit	344,212	338,324	2	1,252,006	1,245,949	0
Other income	72,445	3,191	2,170	119,409	26,521	350
	416,657	341,515	22	1,371,415	1,272,470	8
Administrative expenses	(146,930)	(104,558)	41	(564,249)	(512,686)	10
Selling & distribution expenses	(117,844)	(101,399)	16	(432,120)	(442,406)	(2)
Result from operating activities	151,883	135,558	12	375,046	317,378	18
Finance income	12,886	10,757	20	49,136	43,476	13
Finance expenses	(4,193)	(1,403)	199	(12,457)	(10,654)	17
Net finance income/(expenses)	8,693	9,354	(7)	36,679	32,822	12
Profit from ordinary activities before tax	160,576	144,912	11	411,725	350,200	18
Income tax expenses	(43,079)	(31,176)	38	(116,450)	(97,136)	20
Profit after taxation attributable to shareholders of Harischandra Mills PLC	117,497	113,736		295,275	253,064	
	Rs.	**Rs.**		**Rs.**	Rs.	
Basic Earnings per Share	61.21	59.25		153.82	131.83	

Notes :

Figures for the year and quarter ended 31.03.2026 are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

STATEMENT OF COMPREHENSIVE INCOME
GROUP

	Quarter Ended 31 March			Year Ended 31 March		
	2026	2025		2026	2025	
			VARIANCE		Audited	VARIANCE
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Profit for the period	117,497	113,736	3	295,275	253,064	17
Other comprehensive income						
Actuarial Gain/(Loss) from Re- measurement of employee benefit obligation	(14,201)	(17,367)	(18)	(14,201)	(17,367)	(18)
Related tax on Re-measurement of employee benefit obligation	4,260	5,210	(18)	4,260	5,210	(18)
Other comprehensive income for the period	(9,941)	(12,157)	(18)	(9,941)	-12,157	(18)
Total comprehensive income for the period	107,556	101,579	6	285,334	240,907	18

Notes :

Figures for the year and quarter ended 31.03.2026 are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

STATEMENT OF FINANCIAL POSITION
GROUP

	As at 31.03.2026 Rs. '000	As at 31.03.2025 (Audited) Rs. '000
ASSETS		
Non-current assets		
Property, plant & equipment	1,127,361	895,805
Intangible assets	989	1,449
Right of use asset	-	4,945
Deferred tax asset	17,426	3,211
Total non-current assets	1,145,776	905,410
Current assets		
Inventories	650,687	474,958
Trade and other receivables	726,890	618,395
Investment in unit trusts	4,633	142,430
Investment in fixed deposits	633,980	487,611
Cash & cash equivalents	18,412	131,348
Total current assets	2,034,602	1,854,742
Total assets	3,180,378	2,760,152
EQUITY & LIABILITIES		
Equity		
Stated capital	105,578	105,578
Other capital reserves	7,011	7,011
General Reserve	12,841	12,841
Retained earnings	1,834,434	1,702,010
Total equity attributable to equity holders of the company	1,959,864	1,827,440
Non Current Liabilities		
Employee benefit obligation	246,009	206,381
Total non current liabilities	246,009	206,381
Current Liabilities		
Trade and other payables	666,732	569,619
Current tax liabilities	44,884	60,598
Bank overdraft	262,889	96,114
Total current liabilities	974,505	726,331
Total liabilities	1,220,514	932,712
Total equity & liabilities	3,180,378	2,760,152
	Rs.	**Rs.**
Net Assets Value Per Share	1,020.98	951.99

Notes:
Figures for the year ended 31.03.2026 are provisional and subject to audit.
All values are in Rs.'000, unless otherwise stated.

I certify that these financial statements comply with the requirements of the Companies Act No.07 of 2007.

Sgd
.....
C.T.Gajanayake - Chief Financial Officer

Signed for and on behalf of the Board,

Sgd
.....
S.N.Samarasinghe
Managing Director
20 May 2026

Sgd.
.....
G.S.V.De Silva
Director

INCOME STATEMENT
COMPANY

	Quarter Ended 31 March			Year Ended 31 March		
	2026	2025	VARIANCE	2026	2025 (Audited)	VARIANCE
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Revenue	1,808,218	1,600,367	13	6,731,091	6,321,658	6
Cost of sales	(1,464,006)	(1,262,043)	16	(5,479,085)	(5,075,709)	8
Gross profit	344,212	338,324	2	1,252,006	1,245,949	0
Other operating income	72,445	3,191	2,170	119,409	26,521	350
	416,657	341,515	22	1,371,415	1,272,470	8
Administrative expenses	(146,900)	(104,624)	40	(564,219)	(510,119)	11
Selling & distribution expenses	(117,844)	(101,399)	16	(432,120)	(442,406)	(2)
Profit from operating activities	151,913	135,492	12	375,076	319,945	17
Finance income	12,886	10,757	20	49,136	43,476	13
Finance expenses	(4,193)	(1,403)	199	(12,457)	(10,654)	17
Net finance income	8,693	9,354	7	36,679	32,822	12
Profit from ordinary activities before tax	160,606	144,846	11	411,755	352,767	17
Income tax (expenses)/reversal	(43,079)	(31,814)	35	(116,450)	(97,136)	20
Profit after taxation attributable to shareholders of Harischandra Mills PLC	117,527	113,032		295,305	255,631	
	Rs.	Rs.		Rs.	Rs.	
Basic Earnings per Share	61.22	58.88		153.84	133.17	

Notes :
Figures for the year and quarter ended 31.03.2026 are provisional and subject to audit.
Figures in brackets indicate deductions.
All values are in Rs.'000, unless otherwise stated.

STATEMENT OF COMPREHENSIVE INCOME
COMPANY

	Quarter Ended 31 March			Year Ended 31 March		
	2026	2025		2026	2025	
			VARIANCE		(Audited)	VARIANCE
	Rs. '000	Rs. '000	%	Rs. '000	Rs. '000	%
Profit for the period	117,527	113,032	4	295,305	255,631	16
Other comprehensive income						
Actuarial Gain/(Loss) from Re- measurement of employee benefit obligation	(14,201)	-17,367	(18)	(14,201)	-17,367	(18)
Related tax on Re-measurement of employee benefit obligation	4,260	5,210	(18)	4,260	5,210	(18)
Other comprehensive income for the period	(9,941)	(12,157)	18	(9,941)	-12,157	18
Total comprehensive income for the period	107,586	100,875	7	285,364	243,474	17

Notes :

Figures for the year and quarter ended 31.03.2026 are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

As at 31 March 2026

STATEMENT OF FINANCIAL POSITION
COMPANY

	As at 31.03.2026	As at 31.03.2025 (Audited)
	Rs. '000	**Rs. '000**
ASSETS		
Non-current assets		
Property, plant & equipment	1,127,361	895,805
Intangible assets	989	1,449
Right of use asset	-	4,945
Deferred tax asset	17,426	3,211
Total non-current assets	1,145,776	905,410
Current assets		
Inventories	650,687	474,958
Trade and other receivables	726,890	618,395
Investment in unit trusts	4,633	142,430
Investment in fixed deposits	633,980	487,611
Cash & cash equivalents	18,367	131,303
Total current assets	2,034,557	1,854,697
Total assets	3,180,333	2,760,107
EQUITY & LIABILITIES		
Equity		
Stated Capital	105,578	105,578
Other capital reserves	11	11
General Reserve	12,841	12,841
Retained Earnings	1,841,719	1,709,265
Total equity attributable to equity holders of the company	1,960,149	1,827,695
Non current liabilities		
Employee benefit obligation	246,009	206,381
Total non current liabilities	246,009	206,381
Current liabilities		
Trade and other payables	666,402	569,319
Current tax liability	44,884	60,598
Bank overdraft	262,889	96,114
Total current liabilities	974,175	726,031
Total liabilities	1,220,184	932,412
Total equity & liabilities	3,180,333	2,760,107
	Rs.	**Rs.**
Net assets value per share	1,021.12	952.12

Notes:
Figures for the year ended 31.03.2026 are provisional and subject to audit.
All values are in Rs.'000, unless otherwise stated.

I certify that these Financial Statements comply with the requirements of the Companies Act No.07 of 2007.

Sgd.
.....
C.T.Gajanayake - Chief Financial Officer

Signed for and on behalf of the Board,

Sgd.
.....
S.N.Samarasinghe
Managing Director
20 May 2026

Sgd.
.....
G.S.V.De Silva
Director

STATEMENTS OF CHANGES IN EQUITY

	2026					2025				
	Stated Capital	Other Capital Reserves	General Reserves	Retained Earnings	Total Equity	Stated Capital	Other Capital Reserves	General Reserves	Retained Earnings	Total Equity
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Group										
Balance as at 01 April	105,578	7,011	12,841	1,702,010	1,827,440	105,578	7,011	12,841	1,614,035	1,739,465
Profit for the year	-	-	-	295,275	295,275	-	-	-	253,064	253,064
Re-measurement of employee benefits obligation				(14,201)	(14,201)				(17,367)	(17,367)
Related taxes				4,260	4,260				5,210	5,210
Interim Dividend	-	-	-	(76,784)	(76,784)	-	-	-	(76,784)	(76,784)
Final Dividend	-	-	-	(76,784)	(76,784)	-	-	-	(76,784)	(76,784)
Forfeiture of unclaimed dividend				658	658				636	636
Balance as at 31 March	105,578	7,011	12,841	1,834,434	1,959,864	105,578	7,011	12,841	1,702,010	1,827,440
Company										
Balance as at 01 April	105,578	11	12,841	1,709,265	1,827,695	105,578	11	12,841	1,618,723	1,737,153
Profit for the year	-	-	-	295,305	295,305	-	-	-	255,631	255,631
Re-measurement of employee benefits obligation				(14,201)	(14,201)				(17,367)	(17,367)
Related taxes				4,260	4,260				5,210	5,210
Interim Dividend	-	-	-	(76,784)	(76,784)	-	-	-	(76,784)	(76,784)
Final Dividend	-	-	-	(76,784)	(76,784)	-	-	-	(76,784)	(76,784)
Forfeiture of unclaimed dividend				658	658				636	636
Balance as at 31 March	105,578	11	12,841	1,841,719	1,960,149	105,578	11	12,841	1,709,265	1,827,695

Notes :

Figures for the year ended 31.03.2026 are provisional and subject to audit.

Figures in brackets indicate deductions.

All values are in Rs.'000, unless otherwise stated.

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
FOR THE YEAR ENDED 31 MARCH,	**2026**	2025	**2026**	2025
	Rs.	Rs.	**Rs.**	Rs.
Cash flows from operating activities				
Profit before income tax expense	411,725	350,200	411,755	352,767
Adjustment for				
Provision for employee benefit	38,049	32,653	38,049	32,653
Depreciation/amortization	110,455	96,116	110,455	96,116
Provision for slow mowing machinery spares	-	(8)	-	(8)
Provision for impairment of trade receivable	-	13	-	13
Interest expenses	12,457	10,654	12,457	10,654
Change in fair value of unit trusts	(4,202)	(6,980)	(4,202)	(6,980)
Expenses write off	1,644	2,583	1,644	
Profit on disposal of property, plant & equipment	(91,099)	2,035	(91,099)	2,035
Interest income from investment of fixed deposits	(46,509)	(42,101)	(46,509)	(42,101)
Operating profit before working capital changes	**432,520**	**445,165**	**432,550**	**445,149**
Change in inventories	(175,729)	39,154	(175,729)	39,154
Change in trade and other receivables	(110,139)	79,770	(110,139)	79,770
Change in trade and other payables	103,971	(49,290)	103,941	(49,274)
Cash generated from operations	250,623	514,799	250,623	514,799
Income tax paid	(142,118)	(76,158)	(142,118)	(76,158)
Interest paid	(12,314)	(8,916)	(12,314)	(8,916)
Gratuity paid	(12,622)	(10,719)	(12,622)	(10,719)
Net cash flows generated from operating activities	83,569	419,006	83,569	419,006
Cash flows from investing activities				
Net interest received	42,988	51,876	42,988	51,876
Proceeds from disposal of property, plant and equipment	91,110	2,449	91,110	2,449
Investment in Fixed Deposits	(142,849)	(104,771)	(142,849)	(104,771)
Proceeds from unit trusts	142,000	-	142,000	-
Acquisition of property, plant and equipment and intangible asset	(336,618)	(112,642)	(336,618)	(112,642)
Cash flows from/ (used in) investing activities	(203,369)	(163,088)	(203,369)	(163,088)
Cash flows from financing activities				
Dividends paid	(152,910)	(152,932)	(152,910)	(152,932)
Lease rental paid	(7,001)	(20,671)	(7,001)	(20,671)
Cash flows used in financing activities	(159,911)	(173,603)	(159,911)	(173,603)
Net change in cash and cash equivalents	(279,711)	82,315	(279,711)	82,315
Cash and cash equivalents at the beginning	35,234	(47,081)	35,189	(47,126)
Cash and cash equivalents at the end	(244,477)	35,234	(244,522)	35,189
Analysis of Cash & Cash Equivalents				
Cash in Hand	18,412	131,348	18,367	131,303
Bank Overdrafts	(262,889)	(96,114)	(262,889)	(96,114)
	(244,477)	35,234	(244,522)	35,189

1. **Basis of preparation**
The Interim financial statements have been prepared in compliance with Sri Lanka Accounting Standard - LKAS 34- Interim Financial Reporting. These Interim condensed Financial Statements do not include all the information and disclosures required in the Financial Statements and should be read in conjunction with the annual financial statements for the year ended 31 March 2025.

2. The presentation and classification of figures for the corresponding period of the previous year have been rearranged, where relevant, to be comparable with those for the current period.

3 The Company did not have any Contingent Liabilities and / or contingent assests outstanding as at the Balance Sheet date.

4. In respect of the financial year ended 31 March 2025, an interim dividend of Rs. 40.00 per share was paid on 11 June 2025, followed by a final dividend of Rs. 40.00 per share paid on 12 September 2025

	GROUP			
	Quarter ended		Year ended	
5 **Industry segments analysis of turnover**	**31.03.2026**	**31.03.2025**	**31.03.2026**	**31.03.2025**
Food products	1,318,459	1,175,226	4,881,141	4,556,898
Soap products	188,330	173,899	763,493	715,810
Fuel & Lubricants	301,429	251,242	1,086,457	1,048,950
	1,808,218	1,600,367	6,731,091	6,321,658

6 **Segment information**	**Food products**		**Soap**		**Fuel & Lubricants**		**Total**	
For the year ended 31 March	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**
Consolidated turnover	4,881,141	4,556,898	763,493	715,810	1,086,457	1,048,950	6,731,091	6,321,658
Segmental operating profit/(loss)	268,324	217,507	(14,133)	70,285	1,446	3,065	255,637	290,857
Other operating income							119,409	26,521
Net finance income							36,679	32,822
Profit before taxation							411,725	350,200
Income tax expenses							(116,450)	(97,136)
Profit after taxation							295,275	253,064

Segment information	**Food products**		**Soap**		**Fuel & Lubricants**		**Total**	
For the quarter ended 31 March	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**
Consolidated turnover	1,318,459	1,175,226	188,330	173,899	301,429	251,242	1,808,218	1,600,367
Segmental operating profit/(loss)	83,828	121,029	(6,079)	10,738	1,689	600	79,438	132,367
Other operating income							72,445	3,191
Net finance income							8,693	9,354
Profit before taxation							160,576	144,912
Income tax expenses							(43,079)	(31,176)
Profit after taxation							117,497	113,736

Notes to the interim financial statements

7 Stated capital and number of shares

	as at 31.03.2026	as at 31.03.2025
Stated capital (Rs.)	105,578,000	105,578,000
No of shares (Nos.)	1,919,600	1,919,600

8 Market price recorded during the period

	as at 31.03.2026 Rs.	as at 31.03.2025 Rs.
Highest price (Rs.)	8,500.00	4,198.00
Lowest price (Rs.)	4,600.00	3,600.00
Closing price (Rs.)	5,068.75	4,000.00

9 **Events Occurring After the Reporting Period**

Subsequent to the reporting date of March 31, 2026, the following significant events have occurred:

(a) Change in Controlling Shareholding and Voluntary Offer

Following the Share Sale and Purchase Agreement (SSPA) dated January 24, 2026, and the subsequent Addendum dated March 20, 2026, Ambeon Essentials (Private) Limited (a subsidiary of Ambeon Capital PLC) proceeded with a Voluntary Offer to acquire the ordinary voting shares of Harischandra Mills PLC at a price of LKR 3,400/- per share.
As of May 2026, Ambeon Essentials (Private) Limited has successfully concluded the acquisition of a controlling stake of 51.11% (comprising 981,118 ordinary voting shares) from a consortium of existing shareholders.

(b) Changes to the Composition of the Board of Directors

In alignment with the change in the controlling interest, the following changes to the Board of Directors were effected in May 2026:

• Resignations: The Following Directors resigned from the Board effective May 12, 2026.

Mrs. M.P. De Silva – Executive Director

Mrs. R.K. Samarasinghe – Executive Director

Mrs. R. Kobbekaduwa – Independent, Non Executive Director
Mr. G.K. S. Kumar – Independent, Non Executive Director

• New Appointments: The following directors were appointed to the Board effective May 12, 2026, to represent the new majority shareholder:
Mr. Sujeewa Mudalige – Independent, Non-Executive Director
Dr. Sajeeva Narangoda – Executive Director
Mr. Savanth Sebastian – Independent, Non-Executive Director
Mr. Aravinda de Silva – Non-Independent, Non-Executive Director

There have been no other events subsequent to the reporting date which require disclosure or adjustments to the Interim Financial Statements.

10 Twenty largest shareholders of the company

As at	31.03.2026		31.12.2025	
Shareholder's name	No. of Shares	%	No. of Shares	**%**
1 Hayleys PLC	780,026	40.63%	778,946	40.58%
2 Upeka de Silva	286,936	14.95%	286,936	14.95%
3 Chitra Padmini Rodrigo	278,920	14.53%	278,920	14.53%
4 Samarasinghe N.T.	266,920	13.90%	266,920	13.90%
5 Senaka Nilkantha Samarasinghe	76,670	3.99%	76,670	3.99%
6 Nanditha Rodrigo	30,736	1.60%	30,736	1.60%
7 Satyajit Arjuna Rodrigo	30,736	1.60%	30,736	1.60%
8 D.H.C.Ekanayake	28,292	1.47%	28,292	1.47%
9 A G I Selvaraj	27,014	1.41%	27,014	1.41%
10 H.D. Wijayanandana	21,601	1.13%	24,543	1.28%
11 M P de Silva	5,000	0.26%	5,000	0.26%
12 Chandra Sigamoney	4,494	0.23%	4,494	0.23%
13 C.J.Wijayawardana	3,821	0.20%	3,825	0.20%
14 Jayantha D	3,800	0.20%	3,800	0.20%
15 D.P.Navaratnam	3,461	0.18%	3,449	0.18%
16 Ramani Kamala Samarasinghe	3,200	0.17%	3,200	0.17%
17 H.A.Abeysekera	2,800	0.15%	2,800	0.15%
18 D.A.Jayasinghe	2,720	0.14%	2,720	0.14%
19 Estate of Mohommed Rafeek	2,668	0.14%	2,668	0.14%
20 Seyed Hamid Mohamed Kaleel	2,501	0.13%	2,501	0.13%

11 Public Holding Percentage

As at	**31.03.2026**	**31.12.2025**
No. of Shares	1,052,704	1,053,784
Percentage	54.84%	54.90%
No. of public share holders	986	867

The company had float adjusted market capitalization of Rs:5,341,754,902.50 and company qualifies under option one of the minimum public holding requirement for for the Diri Savi Board of the CSE.

12 Directors Share Holding

As at	31.03.2026		31.12.2025	
Name of Director				
Mrs. R.K. Samarasinghe	3,200	0.17%	3,200	0.17%
Mr. S.N. Samarasinghe (CEO/MD)	76,670	3.99%	76,670	3.99%
Mrs. M.P.De Silva	5,000	0.26%	5,000	0.26%
Mr. G.S.V. De Silva	2,000	0.10%	2,000	0.10%
Mrs.R.Kobbekaduwa	-	-	-	-
Mr. S.A.S. Jayasundara	-	-	-	-
Mr.T.K.Bandaranayake	-	-	-	-
Total	86,870	4.52%	86,870	4.52%