

P W Corporate Secretarial (Pvt) Ltd

(Company Registration No. PV 65966)

March 12, 2021

Mr. Renuke Wijeyawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Center
Echelon Square
Colombo 01.

Dear Sir

H V A FOODS PLC

Corporate Disclosure / Disclosure of a Related Party Transaction in terms of the Listing Rules of the Colombo Stock Exchange

In terms of Rule 8 – Corporate Disclosure and Rule 9.3.1(b) – Related Party Transactions of the Listing Rules of the Colombo Stock Exchange, we wish to make the following disclosure with regard to a Business Acquisition made by H V A Foods PLC:

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| i. | Date of the Transaction | 10 th March 2021 |
| ii. | Names of the Related Party | HVA Lanka Exports (Private) Limited |
| iii. | Relationship between the Entity and the Related Party | HVA Lanka Exports (Private) Limited (HVAL) was the parent company of H V A Foods PLC, upto 10 th February 2021. |
| iv. | Details of the Transaction | The Company acquired the business carried on by HVAL namely, the business of Exporting Bulk Tea together with its assets in relation to the said business (except for 6,642,866 shares of the Company held by HVAL, its debtors, cash and bank balances) for a total consideration of Rs. 290,000,000/-. |
| v. | Rationale for entering into the transaction | As per the disclosure contained in item 3.4.7(e) of the Voluntary Offer Document dated 30 th December 2020, the Board of the Company considered the growth potential of the business carried on by HVAL, which would add value to the business of the Company, and accordingly based on an Independent Valuation Review Report submitted by Messrs KPMG, Chartered Accountants and the recommendations of the Related Party Transactions Review Committee of the Company, decided to proceed with the said Business Acquisition at the aforesaid consideration. |

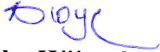
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- vi. The Related Party Transactions Review Committee of the Company is of the view that the aforesaid transaction is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders. The Related Party Transactions Review Committee has obtained an Independent Valuation Review Report from Messrs KPMG, Chartered Accountants, an independent expert prior to forming its view on the transaction.
- vii. (a) **Aggregate value of Related Party Transactions with HVAL from 1st April 2020 to 10th March 2021 (including the business acquisition) - Rs.630,048,270.24**
- (b) **Aggregate value of all Related Party Transactions from 1st April 2020 to 10th March 2021 - Rs.662,581,603.57**

Yours faithfully

**BY ORDER OF THE BOARD OF H V A FOODS PLC
P W CORPORATE SECRETARIAL (PVT) LTD**


**Anusha Wijesekara
Director/Secretaries**

AW/sf