

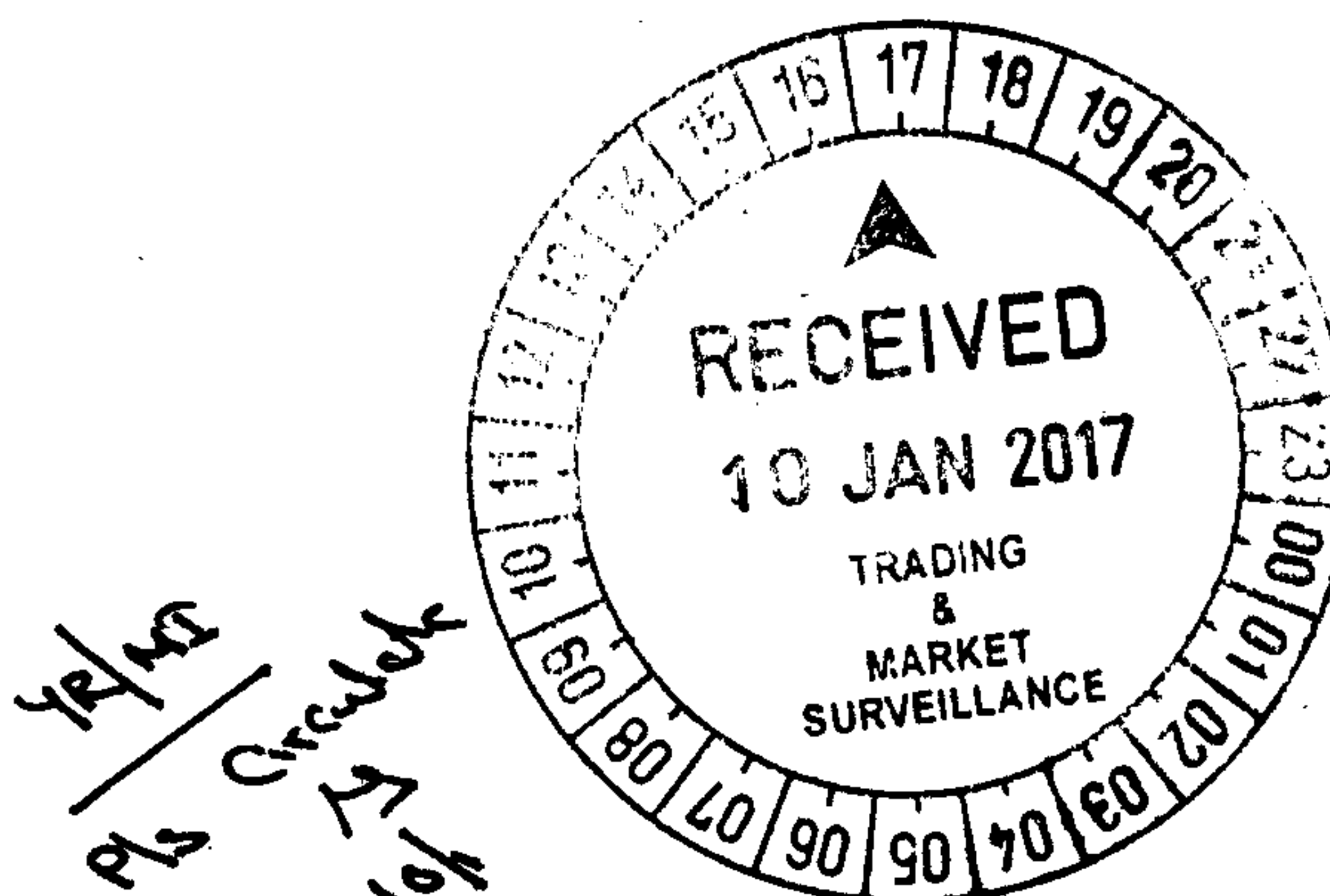


HAYLEYS FIBRE PLC

Company Registration Number. PQ 21
www.hayleysfibre.com

10th January 2017

Mr. Renuka Wijeyawardhane,
 Chief Operations Officer,
 Colombo Stock Exchange,
 04-01, West Block,
 World Trade Centre,
 Echelon Square,
 Colombo 01.



Dear Sir,

DISCLOSURE UNDER THE LISTING SECTION 9 OF THE LISTING RULES OF COLOMBO STOCK EXCHANGE

We hereby make the following disclosure of a related party transaction in terms of Section 09 of the Listing Rule of the Colombo Stock Exchange.

THE DETAILS OF THE TRANSACTION- NON-RECURRENT

Sale of a freehold land of Hayleys Fibre PLC situated at 138/4, Minuwangoda Road, Ekala, Ja-Ela to Alumex PLC.
 Extent of the property - 06 Acres - 01 Rood - 7.9 Perches.

Value of the Transaction	- Rs.420,000,000/-
Terms	- Arm's length Transaction on normal commercial terms. A valuation from an independent professional valuer was obtained.
Rationale	- The said property has not been utilized for the Company's core businesses and been rented out to third parties. It was recommended by the Board subject to the shareholders' approval to divest this property to rationalize the use of its assets and to invest in the core business to generate adequate returns. The Company is currently reviewing opportunities in business integration and consolidation thereof. The approval of the shareholders of the Company was obtained on 27 th July 2016.
Date/Period of transaction	- 10 th January 2017
Name of the related party (purchaser)	- Alumex PLC.
Relationship	- Subsidiary of the parent Company, Hayleys PLC.
	<u>Common Directors</u> Messrs. A M Pandithage, S C Ganegoda.

Related party Transactions of the Company

Value of all the transactions with Alumex PLC within the current financial year	- Recurrent	- Zero
	- Non-recurrent	- Rs.420,000,000/-
Value of all the transactions with all the related parties within the current financial year	- Recurrent	- Rs17,998,339/-
	- Non-recurrent	- Rs.420,000,000/-

Hayleys Fibre PLC

- | | |
|---|--------------------|
| 1. Total Assets as at 31 st March 2016 | = Rs.583,852,000/- |
| 5% of the Total Assets | = Rs.29,192,600/- |
| Net Assets as at 31 st March 2016 | = Rs.477,922,000/- |
| 10% of the Net Assets | = Rs.47,792,000/- |

In terms of Section 9.3.1 of the Listing Rules, the transaction value exceeds the above limits.

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|---|---------------------|
| 2. Total Assets as at 31 st March 2016 | = Rs. 583,852,000/- |
| 1/3 rd of the Total Assets | = Rs.194,617,333/33 |

In terms of Section 9.1.1 of the Listing Rules the transaction value exceeds the above limit.

The approval of the shareholders of the Company was obtained on 27th July 2016.

Please also note that in terms of Section 185 of the Companies Act No.7 of 2007 the said transaction amounts to a Major Transaction and the approval of the shareholders was obtained as required by the Companies Act on 27th July 2016.

The Related Party Transaction Review Committee of Hayleys PLC who acts as the Committee to Hayleys Fibre PLC is of the view that the said transaction is on normal commercial terms, and is not prejudicial to the interests of the said entities and to the minority shareholders of the said entities. The Related Party Transaction Review Committee has reviewed the independent valuation of the property carried out by a Chartered Valuation Surveyor, P B Kalugalagedera dated 24th May 2016. However, the Related Party Transaction Review Committee has not obtained any other opinion from an independent expert prior to forming its view on the transaction.

Thank you.
Yours faithfully,

HAYLEYS FIBRE PLC
For Hayleys Group Services (Pvt) Ltd


Secretaries