

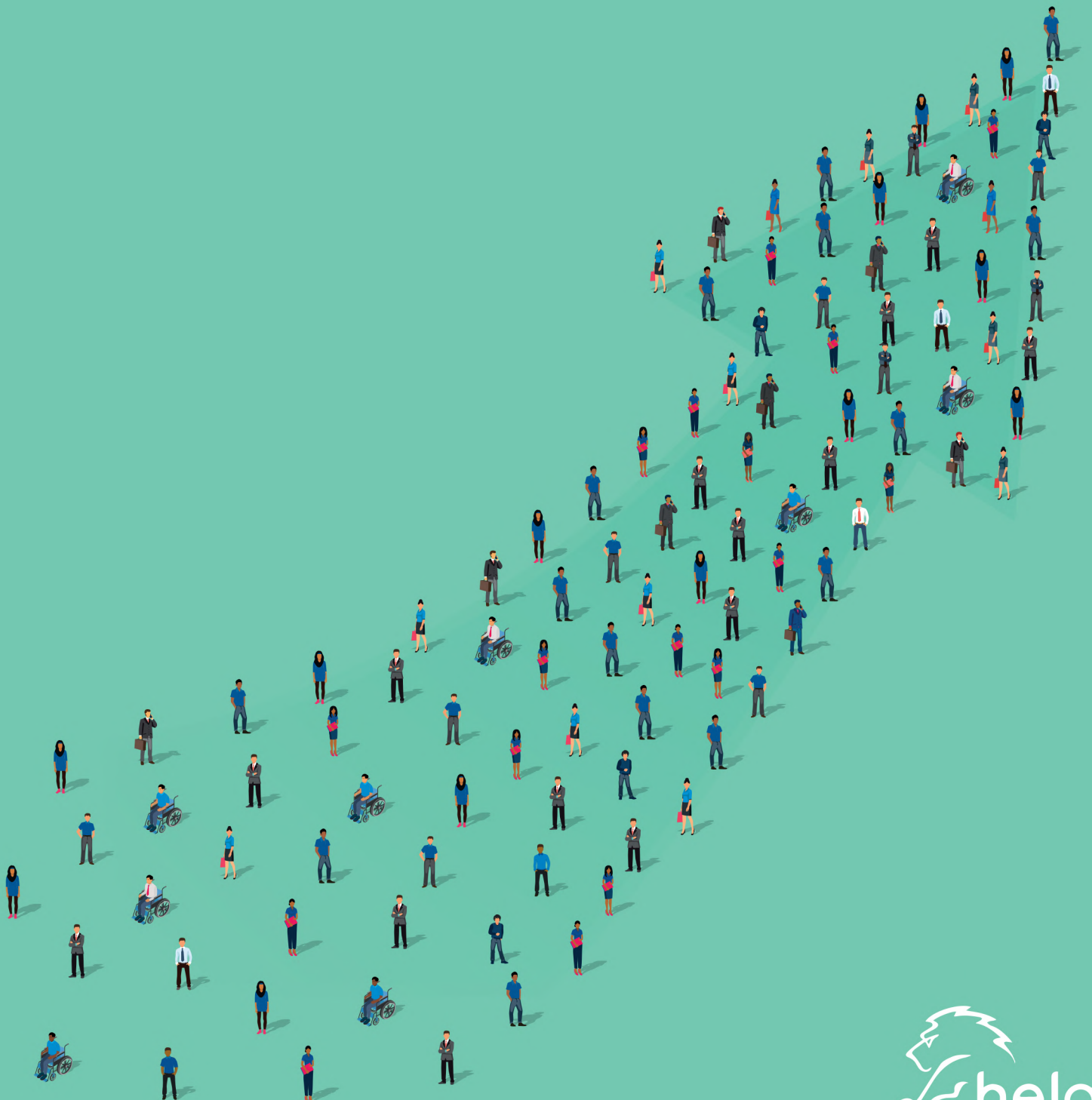
HELA APPAREL HOLDINGS PLC

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2023

# pioneering

PARTNERSHIPS



# GROUP CEO'S REVIEW

The Hela Apparel Holdings Group demonstrated an improved performance in the third quarter of FY 2023/24, despite the continuation of a challenging demand environment. Revenue of Rs. 14.3 Bn represented a 34.3% decline compared to the same quarter of the previous year, driven by a 27.0% year-on-year reduction in the Group's underlying US Dollar-denominated sales and the appreciation of the rupee during this interval. While the revenue performance reflects still challenging market conditions for apparel brands in the Group's key markets, it is notable that the year-on-year drop was less than recorded in the second quarter and indicates a degree of stability in demand patterns.

From a profitability perspective, the third quarter demonstrated the initial positive impact of the Group's Project 180° strategy. Gross profit margins picked up during the quarter to 8.4% - the highest level recorded in the current financial year - as capacity reduction measures took effect and improved Group-wide capacity utilisation. This was complemented by a notable 16.6% year-on-year reduction (-32.9% quarter-on-quarter) in administrative expenses as cost rationalisation measures demonstrated results. The Group's focus on operational excellence also contributed to a 72.1% year-on-year decline (-53.0% quarter-on-quarter) in distribution costs, driven by a significant reduction in unplanned air freight expenses.

As a result, while the Group recorded an Operating and Post-Tax Loss in the third quarter, margins improved by 580bp and 220bp, respectively, compared to the preceding quarter. This is reflective of the material steps that have been taken to reorient the business to the prevailing trading environment.

Looking ahead, the Group's visibility on future demand suggests a continued stabilisation in revenue. That said, the timing of a sustained recovery remains uncertain and there are a number of external risk factors on the horizon that may crystallize in future quarters.

In this context, the management team remains focused on the implementation of the Project 180° strategy to drive a return to profitability and expects a further improvement in performance in the fourth quarter. Gross profit margins, in particular, have scope to increase further as the Group's capacity and cost base is now better aligned to match the current level of demand.

The landmark acquisition of Focus Brands Limited, the major UK-based brand licensing house which will be consolidated into the Group's financial statements in the fourth quarter, is also expected to have a positive impact on revenue, profitability and key balance sheet metrics.

In addition, a one-off valuation gain on the acquisition is expected to be recorded in the fourth quarter, further improving profitability and strengthening the balance sheet.

With the global demand picture stabilising, the existing Private Label Manufacturing Division now in a more resilient position to navigate the volatile operating environment, and the addition of Focus Brands as the foundation of the Group's new Brand Licensing Division, Hela is well positioned to deliver greater value to our shareholders over the coming quarters. Nonetheless, we remain vigilant to the risks ahead and will continue to focus on maintaining an agile positioning.



**Dilanka Jinadasa**  
Group CEO

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**Note:** We advise readers of the interim condensed financial statements to take note of the forward looking statements disclosure on the final page.

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Profit or Loss

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Quarter ended 31 December		Quarter ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue from contracts with customers	14,293,333	21,750,692	-	-
Cost of sales	(13,099,579)	(18,766,522)	-	-
<b>Gross profit</b>	<b>1,193,754</b>	2,984,170	-	-
Distribution costs	(312,157)	(1,119,598)	-	-
Administrative costs	(1,994,613)	(2,391,474)	(2,417)	(3,418)
Other income	137,073	146,426	-	23
Other gains / (losses) - net	36,397	(48,170)	(22)	(7)
<b>Operating loss</b>	<b>(939,546)</b>	(428,646)	<b>(2,439)</b>	(3,402)
Finance income	17,783	17,419	17	-
Finance costs	(1,050,550)	(1,090,771)	-	(2)
Finance (costs) / income - net	(1,032,767)	(1,073,352)	17	(2)
Share of loss of equity accounted investee, net of tax	(9,733)	(58,229)	-	-
<b>Loss before income tax</b>	<b>(1,982,046)</b>	(1,560,227)	<b>(2,422)</b>	(3,404)
Income tax (expense)/ reversal	141,917	(128,035)	-	-
<b>Loss for the period</b>	<b>(1,840,129)</b>	(1,688,262)	<b>(2,422)</b>	(3,404)
Profit / (loss) is attributable to:				
Owners of the Company	(1,878,916)	(1,683,825)	(2,422)	(3,404)
Non-controlling interests	38,787	(4,437)	-	-
<b>Loss for the period</b>	<b>(1,840,129)</b>	(1,688,262)	<b>(2,422)</b>	(3,404)
<b>Earnings / (loss) per share for profit / (loss) attributable to the equity holders of the Company</b>	<b>LKR</b>	<b>LKR</b>	<b>LKR</b>	<b>LKR</b>
Basic / diluted earnings / (loss) per share	(1.43)	(1.29)	(0.00)	(0.00)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Comprehensive Income

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Quarter ended 31 December		Quarter ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
<b>Profit / (loss) for the period</b>	<b>(1,840,129)</b>	(1,688,262)	<b>(2,422)</b>	(3,404)
<b>Other comprehensive income:</b>				
Items that will be reclassified to profit or loss				
Currency translation differences	<b>6,519</b>	(352,068)	<b>(10,927)</b>	15,446
Remeasurement of deferred tax due to changes in tax rates	-	(10,287)	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>6,519</b>	(362,355)	<b>(10,927)</b>	15,446
<b>Total comprehensive income/ (loss) for the period</b>	<b>(1,833,610)</b>	(2,050,617)	<b>(13,349)</b>	12,042

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Profit or Loss

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Nine months ended 31 December		Nine months ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Revenue from contracts with customers	48,521,822	74,478,793	-	-
Cost of sales	(44,881,225)	(63,036,355)	-	-
<b>Gross profit</b>	<b>3,640,597</b>	11,442,438	-	-
Distribution costs	(1,552,147)	(3,750,800)	-	-
Administrative costs	(6,946,136)	(6,297,697)	(7,293)	(8,059)
Other income	212,623	397,523	-	44
Other gains / (losses) - net	347,832	174,475	3	(796,980)
<b>Operating profit / (loss)</b>	<b>(4,297,231)</b>	1,965,939	<b>(7,290)</b>	(804,995)
Finance income	33,202	30,434	65	2,874
Finance costs	(2,965,618)	(2,476,922)	-	(63)
Finance (costs) / income - net	(2,932,416)	(2,446,488)	65	2,811
	(54,255)	(63,009)	-	-
Share of loss of equity accounted investee, net of tax				
<b>Loss before income tax</b>	<b>(7,283,902)</b>	(543,558)	<b>(7,225)</b>	(802,184)
Income tax (expense)/ reversal	889,679	(236,693)	-	-
<b>Loss for the period</b>	<b>(6,394,223)</b>	(780,251)	<b>(7,225)</b>	(802,184)
Profit / (loss) is attributable to:				
Owners of the Company	(6,488,125)	(886,879)	(7,225)	(802,184)
Non-controlling interests	93,902	106,628	-	-
<b>Loss for the period</b>	<b>(6,394,223)</b>	(780,251)	<b>(7,225)</b>	(802,184)
<b>Earnings / (loss) per share for profit / (loss) attributable to the equity holders of the Company</b>	<b>LKR</b>	<b>LKR</b>	<b>LKR</b>	<b>LKR</b>
Basic / diluted earnings / (loss) per share	(4.93)	(0.60)	(0.01)	(0.61)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Comprehensive Income

(All amounts are in Sri Lankan Rupees Thousands)

	<b>Group</b>		<b>Company</b>	
	<b>Nine months ended 31 December</b>		<b>Nine months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit / (loss) for the period</b>	<b>(6,394,223)</b>	(780,251)	<b>(7,225)</b>	(802,184)
<b>Other comprehensive income:</b>				
Items that will be reclassified to profit or loss				
Currency translation differences	<b>(206,345)</b>	2,618,681	<b>(70,190)</b>	1,455,650
Remeasurement of deferred tax due to changes in tax rates	-	(9,987)	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>(206,345)</b>	2,608,694	<b>(70,190)</b>	1,455,650
<b>Total comprehensive income/(loss) for the period</b>	<b>(6,600,568)</b>	1,828,443	<b>(77,415)</b>	653,466

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Financial Position

(All amounts are in Sri Lankan Rupees Thousands)

	Group			Company		
	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	8,813,052	8,524,733	9,001,940	-	-	-
Investment property	553,950	546,481	559,700	-	-	-
Right-of-use assets	2,674,685	793,032	2,742,171	-	-	-
Intangible assets	11,842,770	13,237,901	11,957,563	-	-	-
Investment in subsidiaries	-	-	-	6,786,876	6,287,976	6,853,540
Investments accounted for using the equity method	231,601	324,257	288,325	-	-	-
Deferred tax assets	2,147,409	708,791	1,128,036	-	-	-
Other financial assets at amortized cost	194	-	196	-	-	-
<b>Total non-current assets</b>	<b>26,263,661</b>	<b>24,135,195</b>	<b>25,677,931</b>	<b>6,786,876</b>	<b>6,287,976</b>	<b>6,853,540</b>
<b>Current assets</b>						
Inventories	7,140,018	14,260,419	11,761,008	-	-	-
Trade and other receivables	10,422,219	14,865,722	9,844,991	156	1,309,738	14,701
Other assets	4,452,187	1,582,434	3,708,927	-	-	-
Income tax receivables	129,062	7,262	49,378	-	-	-
Derivative financial instruments	-	-	439,129	-	-	-
Other financial assets at amortized cost	292,926	-	310,550	-	-	-
Cash and cash equivalents	2,958,045	5,113,315	3,906,000	14,745	9,441	8,804
<b>Total current assets</b>	<b>25,394,457</b>	<b>35,829,153</b>	<b>30,019,983</b>	<b>14,901</b>	<b>1,319,179</b>	<b>23,505</b>
<b>Total assets</b>	<b>51,658,118</b>	<b>59,964,348</b>	<b>55,697,914</b>	<b>6,801,777</b>	<b>7,607,155</b>	<b>6,877,045</b>
<b>EQUITY</b>						
Stated capital	5,780,679	5,754,575	5,754,575	5,780,679	5,754,575	5,754,575
Retained earnings / (accumulated losses)	(8,022,613)	1,384,300	(1,534,488)	(2,308,064)	(2,290,302)	(2,300,839)
Other reserves	778,937	135,326	801,331	92,618	109,241	115,012
Exchange equalization reserve	5,914,246	7,445,846	6,120,591	3,189,581	4,000,961	3,259,771
<b>Capital and reserves attributable to owners of the Company</b>	<b>4,451,249</b>	<b>14,720,047</b>	<b>11,142,009</b>	<b>6,754,814</b>	<b>7,574,475</b>	<b>6,828,519</b>
Non-controlling interests	410,293	257,150	316,391	-	-	-
<b>Total equity</b>	<b>4,861,542</b>	<b>14,977,197</b>	<b>11,458,400</b>	<b>6,754,814</b>	<b>7,574,475</b>	<b>6,828,519</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	4,249,908	2,256,366	1,804,131	-	-	-
Deferred tax liabilities	1,531,598	1,481,489	1,613,979	-	-	-
Lease liabilities	2,184,708	998,189	2,134,142	-	-	-
Employee benefit obligations	549,993	592,596	536,101	-	-	-
<b>Total non-current liabilities</b>	<b>8,516,207</b>	<b>5,328,640</b>	<b>6,088,353</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Trade and other payables	10,796,177	9,792,350	12,106,756	46,380	32,680	47,935
Lease liabilities	512,074	162,310	648,353	-	-	-
Income tax liabilities	330,250	5,810	24,231	583	-	590
Borrowings	26,641,868	29,698,041	25,371,821	-	-	1
<b>Total current liabilities</b>	<b>38,280,369</b>	<b>39,658,511</b>	<b>38,151,161</b>	<b>46,963</b>	<b>32,680</b>	<b>48,526</b>
<b>Total liabilities</b>	<b>46,796,576</b>	<b>44,987,151</b>	<b>44,239,514</b>	<b>46,963</b>	<b>32,680</b>	<b>48,526</b>
<b>Total equity and liabilities</b>	<b>51,658,118</b>	<b>59,964,348</b>	<b>55,697,914</b>	<b>6,801,777</b>	<b>7,607,155</b>	<b>6,877,045</b>
	LKR	LKR	LKR	LKR	LKR	LKR
Net assets per share	3.38	11.24	8.51	5.13	5.78	5.21

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.

Sgd.

Group Chief Financial Officer

Date: 13th February 2024

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board of Directors.

Sgd.

Director

Date: 13th February 2024

Sgd.

Director

Date: 13th February 2024

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Changes in Equity

(All amounts are in Sri Lankan Rupees Thousands)

#### Group

	Attributable to owners of the Company				Total	Non-controlling interests	Total equity
	Stated capital	Retained earnings	Other reserves	Exchange equalization reserve			
<b>Balance at 1 April 2022</b>	5,730,537	2,281,166	141,032	4,827,165	12,979,900	150,522	13,130,422
Profit for the year	-	(886,879)	-	-	(886,879)	106,628	(780,251)
Other comprehensive income	-	(9,987)	-	2,618,681	2,608,694	-	2,608,694
<b>Total comprehensive income for the year</b>	-	(896,866)	-	2,618,681	1,721,815	106,628	1,828,443
Employee share option plan - value of employee services	-	-	18,332	-	18,332	-	18,332
Issue of shares under Employees Share Ownership Plan	24,038	-	(24,038)	-	-	-	-
<b>Balance at 31 December 2022</b>	5,754,575	1,384,300	135,326	7,445,846	14,720,047	257,150	14,977,197
<b>Balance at 1 April 2023</b>	<b>5,754,575</b>	<b>(1,534,488)</b>	<b>801,331</b>	<b>6,120,591</b>	<b>11,142,009</b>	<b>316,391</b>	<b>11,458,400</b>
Profit/ (loss) for the Period	-	(6,488,125)	-	-	(6,488,125)	93,902	(6,394,223)
Other comprehensive income	-	-	-	(206,345)	(206,345)	-	(206,345)
<b>Total comprehensive income for the year</b>	-	<b>(6,488,125)</b>	-	<b>(206,345)</b>	<b>(6,694,470)</b>	<b>93,902</b>	<b>(6,600,568)</b>
Employee share option plan - value of employee services	-	-	3,710	-	3,710	-	3,710
Issue of shares under Employees Share Ownership Plan	26,104	-	(26,104)	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>5,780,679</b>	<b>(8,022,613)</b>	<b>778,937</b>	<b>5,914,246</b>	<b>4,451,249</b>	<b>410,293</b>	<b>4,861,542</b>



## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Changes in Equity

(All amounts are in Sri Lankan Rupees Thousands)

#### Company

	Stated capital	Share based payments	Retained earnings /(accumulated losses)	Exchange equalization reserve	Total
<b>Balance at 1 April 2022</b>	5,730,537	114,947	(1,488,118)	2,545,311	6,902,677
Loss for the year	-	-	(802,184)	-	(802,184)
Other comprehensive income	-	-	-	1,455,650	1,455,650
<b>Total comprehensive income for the year</b>	-	-	(802,184)	1,455,650	653,466
Issue of shares under Employees Share Ownership Plan	-	18,332	-	-	18,332
Employee share option plan - value of employee services	24,038	(24,038)	-	-	-
<b>Balance at 31 December 2022</b>	5,754,575	109,241	(2,290,302)	4,000,961	7,574,475
<b>Balance at 1 April 2023</b>	5,754,575	115,012	(2,300,839)	3,259,771	6,828,519
Loss for the year	-	-	(7,225)	-	(7,225)
Other comprehensive income	-	-	-	(70,190)	(70,190)
<b>Total comprehensive income for the year</b>	-	-	(7,225)	(70,190)	(77,415)
Employee share option plan	-	3,710	-	-	3,710
Issue of shares under Employees Share Ownership Scheme	26,104	(26,104)	-	-	-
<b>Balance at 31 December 2023</b>	5,780,679	92,618	(2,308,064)	3,189,581	6,754,814

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Cash Flows

(All amounts are in Sri Lankan Rupees Thousands)

	<b>Group</b>		<b>Company</b>	
	<b>Nine months ended 31 December</b>		<b>Nine months ended 31 December</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit / (loss) before income tax from continuing operations	<b>(7,283,902)</b>	(543,558)	<b>(7,225)</b>	(802,184)
<b>Adjustments for:</b>				
Depreciation and amortization	<b>1,047,656</b>	595,433	-	-
Net interest expenses	<b>2,932,416</b>	2,446,600	<b>(65)</b>	(2,820)
Retirement benefits obligations provision	<b>120,981</b>	99,415	-	-
Share based payment expenses	<b>3,710</b>	63,009	-	-
Share of loss from joint Ventures	<b>54,255</b>	95	-	-
<b>Changes in working capital</b>				
- (Increase) / decrease in inventories	<b>4,455,189</b>	1,447,513	-	-
- (Increase) / decrease in trade and other receivables	<b>(776,766)</b>	3,607,148	<b>14,545</b>	3,351,207
- Increase / (decrease) in trade and other payables	<b>(1,174,986)</b>	(3,197,149)	<b>(1,563)</b>	-
<b>Cash (used in) / generated from operations</b>	<b>(621,447)</b>	4,518,506	<b>5,692</b>	2,546,203
Retirement benefits obligations paid	<b>(101,776)</b>	(26,793)	-	-
Income tax paid	<b>(199,445)</b>	(22,915)	-	-
Interest paid	<b>(2,965,618)</b>	(2,476,917)	-	-
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(3,888,286)</b>	1,991,881	<b>5,692</b>	2,546,203
<b>Cash flows from investing activities</b>				
Net movement of property, plant and equipment and intangible assets	<b>(612,685)</b>	(1,023,412)	-	-
Interest received	<b>33,202</b>	30,318	<b>65</b>	2,820
Investments made in joint ventures	-	-	-	(3,859,916)
Investments made in subsidiaries	-	-	-	-
<b>Net cash (outflow) / inflow from investing activities</b>	<b>(579,483)</b>	(993,094)	<b>65</b>	(3,857,096)
<b>Cash flows from financing activities</b>				
Principal elements of lease payments	<b>(386,079)</b>	(33,491)	-	-
Net borrowings	<b>3,955,093</b>	(2,299,945)	-	(13,044)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>3,569,014</b>	(2,333,436)	-	(13,044)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(898,755)</b>	(1,334,649)	<b>5,757</b>	(1,323,937)
Cash and cash equivalents at beginning of the period	<b>3,906,000</b>	5,244,151	<b>8,804</b>	1,115,481
Currency translation differences	<b>(49,200)</b>	1,203,813	<b>184</b>	217,897
<b>Cash and cash equivalents at end of the Period</b>	<b>2,958,045</b>	5,113,315	<b>14,745</b>	9,441

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Notes to the Financial Statements

(All amounts are shown in Sri Lankan Rupees Thousands unless otherwise stated)

#### 1 Operating segments

##### (i) Description of segments and principal activities

The Group's internal organization and management is structured based on segments which are determined based on the Group's geographical spread of operations, similarity in nature, process, risks and returns. The geographical analysis of turnover and profits is based on location of customers and assets respectively. The group has now organized its business units into two reportable operating segments based on their geographical spread as follows:

##### (ii) Summarized statement of comprehensive income for the quarter ended 31 December 2023

	Sri Lankan Region		African Region		Consolidated	
	2023	2022	2023	2022	2023	2022
Revenue	<b>12,403,163</b>	17,864,484	<b>1,890,170</b>	3,886,208	<b>14,293,333</b>	21,750,692
Gross profit	<b>803,685</b>	3,445,707	<b>390,069</b>	(461,537)	<b>1,193,754</b>	2,984,170
Operating expenses	<b>(1,608,442)</b>	(3,267,048)	<b>(698,329)</b>	(244,023)	<b>(2,306,771)</b>	(3,511,071)
Operating (loss)/ profit	<b>(1,150,482)</b>	250,769	<b>210,936</b>	(679,415)	<b>(939,546)</b>	(428,646)
Net finance cost	<b>(809,572)</b>	(884,162)	<b>(223,195)</b>	(189,190)	<b>(1,032,767)</b>	(1,073,352)
Profit before taxation	<b>(1,969,787)</b>	(633,521)	<b>(12,259)</b>	(926,706)	<b>(1,982,046)</b>	(1,560,227)
Income tax credit/ (charge)	<b>141,917</b>	(128,035)	-	-	<b>141,917</b>	(128,035)
(Loss)/ profit for the year	<b>(1,827,870)</b>	(761,556)	<b>(12,259)</b>	(926,706)	<b>(1,840,129)</b>	(1,688,262)

##### (iii) Summarized statement of financial position as on 31.12.2023

	Sri Lankan Region		African Region		Consolidated	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Non-current assets	<b>24,605,046</b>	21,123,239	<b>1,658,616</b>	3,011,957	<b>26,263,661</b>	24,135,195
Current assets	<b>17,622,710</b>	19,220,222	<b>7,771,747</b>	16,608,931	<b>25,394,457</b>	35,829,153
<b>Total assets</b>	<b>42,227,756</b>	40,343,461	<b>9,430,363</b>	19,620,888	<b>51,658,118</b>	59,964,348
<b>LIABILITIES</b>						
Non-current liabilities	<b>5,290,157</b>	4,990,415	<b>3,226,049</b>	338,225	<b>8,516,207</b>	5,328,640
Current liabilities	<b>33,377,761</b>	21,819,018	<b>4,902,607</b>	17,839,493	<b>38,280,369</b>	39,658,511
<b>Total liabilities</b>	<b>38,667,918</b>	26,809,433	<b>8,128,656</b>	18,177,718	<b>46,796,576</b>	44,987,151

#### 2 General information

Hela Apparel Holdings PLC is engaged in providing consultancy and support services to group companies. The Group is engaged in the manufacture of apparel for export markets and in providing front-end services to foreign customers. The Company is a public limited liability company incorporated on 11 October 2018 and listed on the Colombo Stock Exchange on 7 February 2022. It is domiciled in Sri Lanka and bears the registration number PQ00205151 under the Companies Act No.07 of 2007. The address of the registered office and the principal place of the business is, No 35 Balapokuna Road, Colombo 06, Sri Lanka.

#### 3 Basis of preparation

The condensed interim financial statements for the period ended 31 December 2023 of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standard LKAS 34, 'Interim Financial Reporting'. The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023.

#### 4 Accounting policies

Accounting policies adopted are consistent with those used in the consolidated financial statements of Hela Apparel Holdings PLC for the year ended 31 March 2023.

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Notes to the Financial Statements

#### 5 Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the management's view of the expected outcome of the applicable contingency. The Company consults with legal counsel (lawyers) on matters related to litigation and other experts both within and outside the Company with respect to the matters in the ordinary course of business.

The following are the corporate guarantees provided by the Company and its subsidiaries as of 31 December 2023.

Liability Due by	Guarantee or contingent liability taken on behalf of	Financial Institution	Nature of the liability	Amount (LKR Mn)
Foundation Garments	Hela Investment Holdings	NDB	Corporate Guarantee - USD	323.92
		BOC	Corporate Guarantee - USD	1,295.69
			Corporate Guarantee - USD	1,943.54
		HNB	Corporate Guarantee - USD	147.71
		DFCC	Corporate Guarantee - USD	1,295.69
	NTB	Corporate Guarantee - USD	2,429.42	
	Hela Clothing Egypt	NDB	Corporate Guarantee - USD	323.92
Foundation Garments and Hela Intimates EPZ	Hela Investment Holdings	ESG First Fund Holding	Corporate Guarantee - USD	1,619.62
		Norfund	Corporate Guarantee - USD	4,534.93
Hela Apparel Holdings	Foundation Garments	NDB	Corporate Guarantee - USD	3,182.22
		DFCC	Corporate Guarantee - USD	971.77
	Hela Clothing	DFCC	Corporate Guarantee - LKR	1,200.00
		NDB	Corporate Guarantee - LKR	1,260.00
		Commercial Bank	Corporate Guarantee - USD	323.92
		HNB	Corporate Guarantee - USD	1,004.16
		NTB	Corporate Guarantee - LKR	2,500.00
Hela Clothing	Foundation Garments	Sampath Bank	Corporate Guarantee - USD	323.92
		Commercial Bank	Corporate Guarantee - USD	971.77
			Corporate Guarantee - USD	971.77
		DFCC	Corporate Guarantee - USD	971.77
			Corporate Guarantee - USD	2,267.46
		Corporate Guarantee - USD	971.77	
	BOC	Corporate Guarantee - USD	3,401.19	
		Corporate Guarantee - USD	74.50	
		Corporate Guarantee - LKR	25.00	
		Corporate Guarantee - USD	971.77	
Hela Investment Holdings	BOC	Corporate Guarantee - USD	971.77	
		Corporate Guarantee - USD	971.77	
		Corporate Guarantee - USD	323.92	
Hela Clothing and Hela Apparel Holdings	Foundation Garments	Peoples Bank	Corporate Guarantee - USD	2,105.50
		Corporate Guarantee - LKR	300.00	

#### 6 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future.

In determining the basis of preparing the financial statements for the quarter ended 31 December 2023, based on available information, the management has assessed the existing and anticipated effects of the prevailing economic conditions in Sri Lanka on the Group and the appropriateness of the use of the going concern basis.

To counter the effects of both events, the Group has evaluated the resilience of its businesses considering a wide range of factors under multiple stress tested scenarios relating to expected revenue streams, cost management, and the ability to defer non-essential capital expenditure. The Group's current reserves and financing facilities are sufficient to ensure the continuation of the business and the management believes that additional cost savings and cash conservation measures where needed will secure the Group's ability to continue as a going concern.

The Management has also assessed any specific impacts arising from the prevailing economic conditions in Sri Lanka on the operations and financial position of the business. Since the Group earns its revenues in US dollars from production and export of apparel to markets in the US and Europe and has a significant portion of its manufacturing operations located outside of Sri Lanka, it is the management's view that the Group is not significantly exposed to the prevailing economic conditions in Sri Lanka in a manner that would impact its ability to continue as a going concern.

Furthermore, the Management is not aware of any other material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Notes to the Financial Statements

#### 7 Investments in joint ventures

	<b>2023</b> <b>(LKR' 000)</b>
At 1 April 2023	288,325
Acquisition	-
Share of (loss) / profit	(54,255)
Exchange equalization reserve	(2,469)
<b>At 31 December 2023</b>	<b>231,601</b>

#### Nature of investment in joint ventures;

Name of entity	Place of business /country of incorporation	Level of ownership
Sumbiri Intimate Apparel Private Limited	Ethiopia	Indirect
Safeguard Workwear EPZ Limited	Kenya	Direct

Hela Investment Holdings Limited, an indirect subsidiary of the Company, has acquired 27% shareholding of Sumbiri Intimate Apparel Private Limited Company ("the JV company") as at 31 December 2023. Foundation Garments (Private) Limited (Indirect Subsidiary) jointly operates and manages the JV company with the other shareholders. According to the joint venture agreement, Hela Investment Holdings Limited is to increase the investment in share capital of the JV company up to 50%. Sumbiri Intimate Apparel (Private) Limited is identified as a joint venture investment based on the joint control clauses in the JV agreement.

Hela Apparel Holdings PLC holds 50% shareholding of Safeguard Workwear EPZ Limited ("the JV company") as at 31 December 2023. The Group jointly operates and manages the JV company with the other shareholders. According to the joint venture agreement, Safeguard Workwear EPZ Limited is identified as a joint venture investment based on the joint control clauses in the JV agreement.

#### 8 Comparatives

Comparative figures, where necessary, have been adjusted to conform with the changes in presentation in the current period.

#### 9 Seasonal or cyclical factors affecting the Group

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

#### 10 Estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates and assumptions used in prior financial periods that may have a material effect in the current quarter and for the financial period to date.

In preparing the condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the sources of estimates uncertainty are consistent with the audited financial statements for the year ended 31 March 2023.

#### 11 Stated capital

	<b>Company</b>			31 December
	<b>31 December 2023</b>	31 December 2022	<b>31 December 2023</b>	2022
	<b>Number of shares</b>	Number of shares	<b>Value (LKR' 000)</b>	Value (LKR' 000)
Ordinary Voting Shares	<b>1,317,381,560</b>	1,309,955,933	<b>5,780,679</b>	5,754,575
	<b>1,317,381,560</b>	1,309,955,933	<b>5,780,679</b>	5,754,575

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

**11 Stated capital (Contd.)**

**(i) Movement in ordinary shares:**

	Number of shares	Value (LKR' 000)
Opening balance 1 April 2022	1,303,117,944	5,730,537
Share issue related to Employee Share Ownership Plan	6,837,989	24,038
<b>Balance 31 December 2022</b>	<b>1,309,955,933</b>	<b>5,754,575</b>
Opening balance 1 April 2023	<b>1,309,955,933</b>	<b>5,754,575</b>
Share issue related to Employee Share Ownership Plan	<b>7,425,627</b>	<b>26,104</b>
<b>Balance 31 December 2023</b>	<b>1,317,381,560</b>	<b>5,780,679</b>

**12 Earnings per share**

The diluted earnings per share is the same as the basic earnings per share.

**13 Net Assets per share**

Net assets as at a particular financial period ended divided by the number of shares in issue as at the current period end.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Net assets as of period end (LKR '000)	<b>4,451,249</b>	14,720,047	<b>6,754,814</b>	7,574,475
Number of shares as of period end	<b>1,317,381,560</b>	1,309,955,933	<b>1,317,381,560</b>	1,309,955,933
Net assets per share (Rs.)	<b>3.38</b>	11.24	<b>5.13</b>	5.78

**14 Other reserves**

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the period.

	Revaluation reserve	Share based payment reserve	Other reserves	Total
	(LKR'000)	(LKR'000)	(LKR'000)	(LKR'000)
Balance at 1 April 2023	<b>655,794</b>	<b>115,012</b>	<b>30,525</b>	<b>801,331</b>
Employees Share Ownership Scheme	-	<b>3,710</b>	-	<b>3,710</b>
Issue of shares under Employees Share Ownership Scheme	-	<b>(26,104)</b>	-	<b>(26,104)</b>
<b>Balance at 31 December 2023</b>	<b>655,794</b>	<b>92,618</b>	<b>30,525</b>	<b>778,937</b>

**15 Effect of changes in composition of the Group**

Hela Brands Limited was incorporated as a wholly-owned sub-subsidiary of Hela Apparel Holdings PLC on 8 December 2023 for the purpose of undertaking the acquisition mentioned in Note 16. There have been no other changes in the composition of the Group as disclosed in the audited financial statements for the year ended 31 March 2023 and the interim financial statements for the quarter ended 30 September 2023.

**16 Events after reporting period**

On 24 January 2024, Hela Brands Limited, a wholly-owned sub-subsidiary of Hela Apparel Holdings PLC, entered into a share sale and purchase agreement with JD Sports Fashion PLC to acquire 100% shareholding of Focus Brands Limited for a total consideration of GBP 8,000,000 (LKR 2,034 Mn).

**17 Presentation currency**

Transactions measured in US Dollars are translated to Sri Lankan Rupees based on the Sri Lanka Accounting Standard 21, "The Effects of Changes in Foreign Exchange Rates", as follows:

- (a) Assets and Liabilities presented including comparatives are translated at the closing rate existed at the date of each balance sheet presented.
- (b) Income and expense items for all periods presented (i.e. including comparatives) are translated at the period average exchange rate applicable for respective periods.
- (c) Share capital is translated at the exchange rate existing at the date of transaction.
- (d) All resulting exchange differences are recognized in equity under exchange equalization reserves.

**18 Fair values of other financial instruments**

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. The Group has trade receivables, trade payables and borrowings as financial instruments. The fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to the current market rates or the instruments are short-term in nature.

**19 Market Price Per Share**

	<b>2023</b>	2022
<b>Market Value of Shares</b>		
Last trading price on 31 December (LKR)	<b>5.00</b>	8.50
Highest Price During the Quarter Ended 31 December (LKR)	<b>6.40</b>	12.00
Lowest Price During the Quarter Ended 31 December (LKR)	<b>4.70</b>	8.30
Market Capitalization on 31 December (LKR 000')	<b>6,586,907,800</b>	11,134,625,431
<b>Ratios</b>		
Net Asset Per Share of the Group on 31 December (LKR)	<b>3.38</b>	11.24
<b>Share Trading</b>		
No of Transactions During the Quarter Ended 31 December 2023	<b>3,289</b>	5,024
No of Shares Traded During the Quarter Ended 31 December 2023	<b>20,457,497</b>	7,309,547
Value of Shares Traded During the Quarter Ended 31 December 2023 (LKR 000')	<b>116,142,085</b>	71,886,854
Number of Shares	<b>1,317,381,560</b>	1,309,955,933

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Notes to the Financial Statements

#### 20 Public Holdings as at 31 December 2023

Public Holding as at 31 December	2023	2022
Issued Share Capital (No. of Shares)	<b>1,317,381,560</b>	1,309,955,933
Public Holding as a % of Issued Share Capital	<b>22.67%</b>	22.71%
Total Number of Shareholders	<b>13,955</b>	14,687
Number of Shareholders representing the Public Holding	<b>13,936</b>	14,667

#### Minimum Public Holding Requirement as per Listing Rules 7.13.1

	Float Adjusted Market Capitalization - (LKR)	Public Holding Percentage	No of Shareholders
Minimum Public Holding as at 31 December 2023	1,493,251,998	22.67%	13,936

The Company complies with the Minimum Public Holding required of the Main Board as per Option 5 of Section 7.13.1 (a) of the CSE Listing Rules

#### 21 Shareholder Information

List of 20 Major Shareholders as at 31 December 2023	2023	
	No. of Shares	%
1 Lesing Hela Limited	614,256,956	46.63
2 Tars Investments Lanka (Pvt) Ltd.	229,862,259	17.45
3 Mr. P.L.D. Jinadasa	138,931,300	10.55
4 Mr. D.E.H. Mcvey	30,598,973	2.32
5 David Pieris Holdings (Private) Limited	29,785,156	2.26
6 Citibank Newyork S/A Norges Bank Account 2	28,116,708	2.13
7 Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	16,260,071	1.23
8 Magna Wealth (Pvt) Ltd.	11,223,891	0.85
9 Deutsche Bank AG as Trustee To Assetline Income Plus Growth Fund	10,027,589	0.76
10 Mr. R.S.P. Amaratunga	5,007,961	0.38
11 Mr. D.M. Beruwalage	4,361,600	0.33
12 Union Assurance PLC-Universal Life Fund	4,357,515	0.33
13 Mr. P.S.V. Fernando	4,303,743	0.33
14 Mr. A.R. Rasiah	4,273,743	0.32
15 DFCC Bank PLC A/C NO.02	4,000,000	0.30
16 California Link (Private) Limited	3,990,000	0.30
17 Mrs. W.T.S.G. De Silva	3,205,306	0.24
18 Mr. Y.C. Samarajeewa	3,058,308	0.23
19 Bank of Ceylon A/C Ceybank Unit Trust	2,945,200	0.22
20 Mr. W.A.R. Gunawardhana	2,831,355	0.21
	<b>1,151,397,634</b>	<b>87.37</b>

Directors' Shareholding as at 31 December 2023	2023	2022
	No. of Shares	No. of Shares
<b>Directors' Direct Shareholding</b>		
Mr. P.L.D. Jinadasa (Group CEO)	<b>138,931,300</b>	137,276,656
Mr. A.R. Rasiah (Chairman)	<b>4,273,743</b>	4,273,743
Ms. T.S. Peries	<b>57,400</b>	57,400
	<b>143,262,443</b>	141,607,799



## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Profit or Loss

(All amounts are in US Dollars Thousands)

	<b>Group</b>		<b>Company</b>	
	<b>Quarter ended 31 December</b>		<b>Quarter ended 31 December</b>	
	<b>2023</b> <b>(Unaudited)</b>	<b>2022</b> <b>(Unaudited)</b>	<b>2023</b> <b>(Unaudited)</b>	<b>2022</b> <b>(Unaudited)</b>
Revenue from contracts with customers	43,716	59,898	-	-
Cost of sales	<b>(40,065)</b>	(51,680)	-	-
<b>Gross profit</b>	<b>3,651</b>	8,218	-	-
Distribution costs	<b>(955)</b>	(3,083)	-	-
Administrative costs	<b>(6,101)</b>	(6,586)	<b>(7)</b>	(9)
Other income	<b>419</b>	403	-	-
Other gains / (losses) - net	<b>111</b>	(133)	-	-
<b>Operating loss</b>	<b>(2,875)</b>	(1,181)	<b>(7)</b>	(9)
Finance income	<b>54</b>	48	-	-
Finance costs	<b>(3,213)</b>	(3,004)	-	-
Finance (costs) / income - net	<b>(3,159)</b>	(2,956)	-	-
Share of loss of equity accounted investee, net of tax	<b>(30)</b>	(160)	-	-
<b>Loss before income tax</b>	<b>(6,064)</b>	(4,297)	<b>(7)</b>	(9)
Income tax (expense)/ reversal	<b>434</b>	(353)	-	-
<b>Loss for the period</b>	<b>(5,630)</b>	(4,650)	<b>(7)</b>	(9)
Profit / (loss) is attributable to:				
Owners of the Company	<b>(5,749)</b>	(4,638)	<b>(7)</b>	(9)
Non-controlling interests	<b>119</b>	(12)	-	-
<b>Loss for the period</b>	<b>(5,630)</b>	(4,650)	<b>(7)</b>	(9)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Comprehensive Income

(All amounts are in US Dollars Thousands)

	Group		Company	
	Quarter ended 31 December		Quarter ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
<b>Loss for the period</b>	<b>(5,630)</b>	(4,650)	<b>(7)</b>	(9)
<b>Other comprehensive income:</b>				
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	<b>(29)</b>	(824)	-	-
Remeasurement of deferred tax due to changes in tax rates		(28)		
<b>Other comprehensive loss for the period, net of tax</b>	<b>(29)</b>	(852)	-	-
<b>Total comprehensive loss for the period</b>	<b>(5,659)</b>	(5,502)	<b>(7)</b>	(9)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed Statement of Profit or Loss

(All amounts are in US Dollars Thousands)

	Group		Company	
	Nine months ended 31 December		Nine months ended 31 December	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers	151,306	211,266	-	-
Cost of sales	(139,953)	(178,808)	-	-
<b>Gross profit</b>	<b>11,353</b>	32,458	-	-
Distribution costs	(4,840)	(10,639)	-	-
Administrative costs	(21,662)	(17,864)	(23)	(23)
Other income	663	1,128	-	-
Other gains / (losses) - net	1,085	495	-	(2,261)
<b>Operating profit / (loss)</b>	<b>(13,401)</b>	5,578	<b>(23)</b>	(2,284)
Finance income	104	86	-	8
Finance costs	(9,248)	(7,026)	-	-
Finance (costs) / income - net	(9,144)	(6,940)	-	8
Share of loss of equity accounted investee, net of tax	(169)	(179)	-	-
<b>Loss before income tax</b>	<b>(22,714)</b>	(1,541)	<b>(23)</b>	(2,276)
Income tax (expense)/ reversal	2,774	(671)	-	-
<b>Loss for the period</b>	<b>(19,940)</b>	(2,212)	<b>(23)</b>	(2,276)
Profit / (loss) is attributable to:				
Owners of the Company	(20,233)	(2,514)	(23)	(2,276)
Non-controlling interests	293	302	-	-
<b>Loss for the period</b>	<b>(19,940)</b>	(2,212)	<b>(23)</b>	(2,276)

## Condensed Statement of Comprehensive Income

(All amounts are in US Dollars Thousands)

	Group		Company	
	Nine months ended 31 December		Nine months ended 31 December	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
<b>Loss for the period</b>	<b>(19,940)</b>	(2,212)	<b>(23)</b>	(2,276)
<b>Other comprehensive income:</b>				
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	<b>(74)</b>	(478)	-	-
Remeasurement of deferred tax due to increase in tax rate on revaluation		(28)		
<b>Other comprehensive loss for the period, net of tax</b>	<b>(74)</b>	(506)	-	-
<b>Total comprehensive loss for the period</b>	<b>(20,014)</b>	(2,718)	<b>(23)</b>	(2,276)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Financial Position

(All amounts are in US Dollars Thousands)

	Group			Company		
	31.12.2023	31.12.2022	31.03.2023	31.12.2023	31.12.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	27,207	23,477	27,505	-	-	-
Investment property	1,710	1,505	1,710	-	-	-
Right-of-use assets	8,257	2,184	8,379	-	-	-
Intangible assets	36,560	36,457	36,536	-	-	-
Investment in subsidiaries	-	-	-	20,952	17,317	20,941
Investments accounted for using the equity method	715	893	881	-	-	-
Deferred tax assets	6,629	1,952	3,447	-	-	-
Other financial assets at amortized cost	1	-	1	-	-	-
<b>Total non-current assets</b>	<b>81,079</b>	<b>66,468</b>	<b>78,459</b>	<b>20,952</b>	<b>17,317</b>	<b>20,941</b>
<b>Current assets</b>						
Inventories	22,042	39,273	35,935	-	-	-
Trade and other receivables	32,175	35,682	30,081	-	3,607	45
Other assets	13,745	9,616	11,332	-	-	-
Income tax receivables	398	20	151	-	-	-
Derivative financial instruments	-	-	1,342	-	-	-
Other financial assets at amortized cost	904	-	949	-	-	-
Cash and cash equivalents	9,132	14,082	11,935	46	26	27
<b>Total current assets</b>	<b>78,396</b>	<b>98,673</b>	<b>91,725</b>	<b>46</b>	<b>3,633</b>	<b>72</b>
<b>Total assets</b>	<b>159,475</b>	<b>165,141</b>	<b>170,184</b>	<b>20,998</b>	<b>20,950</b>	<b>21,013</b>
<b>EQUITY</b>						
Stated capital	29,742	29,548	29,663	29,742	29,548	29,663
Retained earnings / (accumulated losses)	(20,010)	9,201	412	(9,417)	(9,267)	(9,395)
Other reserves	2,705	706	2,583	528	579	596
Exchange equalization reserve	810	488	885	-	-	-
<b>Capital and reserves attributable to owners of the Company</b>	<b>13,247</b>	<b>39,943</b>	<b>33,543</b>	<b>20,853</b>	<b>20,860</b>	<b>20,864</b>
Non-controlling interests	1,761	1,304	1,468	-	-	-
<b>Total equity</b>	<b>15,008</b>	<b>41,247</b>	<b>35,011</b>	<b>20,853</b>	<b>20,860</b>	<b>20,864</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	13,120	6,214	5,512	-	-	-
Deferred tax liabilities	4,728	4,080	4,931	-	-	-
Lease liabilities	6,745	2,749	6,521	-	-	-
Employee benefit obligations	1,698	1,632	1,638	-	-	-
<b>Total non-current liabilities</b>	<b>26,291</b>	<b>14,675</b>	<b>18,602</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Trade and other payables	33,328	26,968	36,991	143	90	147
Lease liabilities	1,581	447	1,981	-	-	-
Income tax liabilities	1,020	16	77	2	-	2
Borrowings	82,247	81,788	77,522	-	-	-
<b>Total current liabilities</b>	<b>118,176</b>	<b>109,219</b>	<b>116,571</b>	<b>145</b>	<b>90</b>	<b>149</b>
<b>Total liabilities</b>	<b>144,467</b>	<b>123,894</b>	<b>135,173</b>	<b>145</b>	<b>90</b>	<b>149</b>
<b>Total equity and liabilities</b>	<b>159,475</b>	<b>165,141</b>	<b>170,184</b>	<b>20,998</b>	<b>20,950</b>	<b>21,013</b>

# CORPORATE INFORMATION

## NAME OF COMPANY

Hela Apparel Holdings PLC

## LEGAL FORM

Public Limited Liability Company  
Incorporated under the Companies Act No.7 of 2007

## DATE OF INCORPORATION

11 October 2018

## COMPANY REGISTRATION NUMBER

PQ00205151

## ACCOUNTING YEAR END

31 March

## PRINCIPAL ACTIVITY OF THE COMPANY

Providing consultancy and support services to group companies.

## REGISTERED OFFICE

No. 35, Balapokuna Road, Colombo 06, Sri Lanka.

## WEBSITE

[www.helaclothing.com](http://www.helaclothing.com)

## SECRETARIES

Ms. Janseni Devi Kuhanesan  
No. 47/ 12A, Sri Gnanendra Road, Ratmalana.

## AUDITORS

Deloitte Partners  
No. 100, Braybrooke Place, Colombo 02, Sri Lanka.

## COMPANY REGISTRARS

SSP Corporate Services (Pvt) Ltd  
No. 101, Inner Flower Road, Colombo 03, Sri Lanka.

## PRINCIPAL ACTIVITIES OF THE GROUP

Manufacture of apparel for export markets and provision of front-end services to foreign customers

## DIRECTORS

A R Rasiah  
A J Alderton  
P L D. Jinadasa  
G P Gunawardana  
T S Peries  
P Schleiffer  
S R Khan  
S Doron

## DIRECT SUBSIDIARY

Hela Clothing (Private) Limited

## INDIRECT SUBSIDIARIES

Foundation Garments (Private) Limited  
F D N Sourcing (Private) Limited  
Jinadasa Bennett (Private) Limited  
Foundation Bennett (Private) Limited  
Alpha Textiles (Private) Limited  
Hela Investment Holdings Limited  
Hela Indochine Apparel Private Limited Company  
Hela Intimates EPZ Limited  
Hela USA, Inc.  
Hela Clothing Egypt SAE  
Hela Brands Limited

## JOINT VENTURES

Sumbiri Intimate Apparel Private Limited Company  
Safeguard Workwear EPZ Limited

## BANKERS

Absa Bank Kenya PLC  
Bank of Ceylon  
Commercial Bank of Ceylon PLC  
Commercial Bank of Ethiopia  
DFCC Bank PLC  
Equity Bank Kenya Limited  
Hatton National Bank PLC  
National Bank of Egypt  
National Development Bank PLC  
Nations Trust Bank PLC  
People's Bank  
Sampath Bank PLC  
Standard Chartered Bank PLC  
Qatar National Bank  
Afrasia Bank Limited

# FORWARD LOOKING STATEMENTS DISCLOSURE

These interim condensed financial statements contain certain forward-looking statements, which are provided for the purpose of presenting information about the management's current expectations and plans. Forward-looking statements are predictive in nature, depend upon or refer to future events or conditions, and may include words such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying forward looking statements. As such, all statements pertaining to the expected financial position, business strategy, plans and prospects of the Hela Group are classified as forward-looking statements.

Such forward looking statements are based upon the management's current reasonable expectations and assumptions, and are subject to known and unknown risks, uncertainties and other factors including, but not limited to, regulatory changes in the sectors in which the Group operates and its ability to respond to them, the Group's ability to successfully adapt to technological changes, exposure to market risks, exchange rate volatility,

general economic and fiscal policies in the countries that the Group operates in, inflationary pressures, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Group. Other specific risks are noted in Section 3.6.1. of the Prospectus for the Initial Public Offering of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by forward looking statements herein. Given the risks and uncertainties that may cause the Group's actual future results, performance or achievements to materially differ from that expected, expressed or implied by forward looking statements in these financial statements, investors are advised not to place sole reliance on such statements. The Company also undertakes no obligations to update forward looking statements if circumstances or management assessments changes as a result of such factors, except as required by applicable laws and regulations.

