



# EMBODIMENT OF STRENGTH

**HELA APPAREL HOLDINGS PLC  
AND ITS SUBSIDIARIES**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2022



HELA APPAREL HOLDINGS PLC

# GROUP CEO'S REVIEW

The Hela Apparel Holdings Group recorded a resilient performance in the second quarter of FY 2022/23 amidst a challenging demand environment. Revenue of Rs. 28.2 Bn represented an 88.5% increase compared to the same period of the previous year. While reflective of the depreciation of the rupee, revenue was 4.7% higher year-on-year in US Dollar terms. Profit-After-Tax (PAT) also increased to Rs. 497 Mn, compared to Rs. 436 Mn in the previous year. For the first half of the financial year as a whole, revenue increased by 99.3% year-on-year to Rs. 52.6 Bn, while cumulative PAT stood at Rs. 846 Mn

The positive trajectory in profit margins continued on a quarterly basis. Gross profit margins increased to 14.6% in the second quarter, compared to 14.4% in the first quarter. Operating profit margins also improved as a result of an increase in other income and gains, which was driven by currency depreciation and one-off factors. This offset higher distribution and administration costs, and supported a 400bp quarter-on-quarter increase in the PAT margin.

From a balance sheet perspective, Hela also remains in a resilient

position following the full utilisation of its IPO proceeds towards the settlement of debt in the first half of the year and improvements in the working capital cycle. At the close of the second-quarter, the Group's Net-Debt-to-Equity ratio stood at 1.6, compared to 3.9 in the previous year.

The demand environment in Hela's key markets remains challenging due to the impact of high inflation and tighter monetary policy on consumer demand, as well as elevated inventory levels across the apparel sector. This is anticipated to weigh on the revenue performance over the coming quarters, though the strengthening of new customer relationships and the strong value proposition provided by the Group's recently established Egyptian manufacturing facility are expected to be mitigating factors.

In addition, there remains scope for further improvements in profit margins as reductions in raw material and freight prices contribute to an easing of external cost pressures. The management's focus on driving margin improvement through operational excellence is also expected to support earnings over the

coming quarters. In particular, the implementation of SAP S/4HANA, which began in the Hela's Kidswear Cluster in October, marks a significant milestone in the Company's digitalisation journey and will support more rapid and data-driven decision making.

We will continue to remain agile in response to the evolving operating environment during this volatile period, and focus on strengthening our attractive value proposition and strategic customer relationships.



**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 in Sri Lankan Rupees Thousand ('000))

	Group		Company	
	Three months ended 30 September		Three months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers	28,156,456	14,937,756	-	-
Cost of sales	(24,047,514)	(12,783,853)	-	-
<b>Gross profit</b>	<b>4,108,942</b>	<b>2,153,903</b>	<b>-</b>	<b>-</b>
Distribution expenses	(1,641,523)	(327,870)	-	-
Administrative expenses	(1,594,541)	(1,109,551)	(1,381)	(1,789)
Other income	226,093	34,858	22	6
Other gains / (losses) - net	162,886	68,071	(13,531)	(38)
<b>Operating profit / (loss)</b>	<b>1,261,857</b>	<b>819,411</b>	<b>(14,890)</b>	<b>(1,821)</b>
Finance income	8,552	1,745	-	-
Finance costs	(721,931)	(364,064)	(3)	(9)
<b>Finance (costs) / income - net</b>	<b>(713,379)</b>	<b>(362,319)</b>	<b>(3)</b>	<b>(9)</b>
Share of profit / (loss) of equity accounted investee, net of tax	2,072	(9,509)	-	-
<b>Profit / (loss) before income tax</b>	<b>550,550</b>	<b>447,583</b>	<b>(14,893)</b>	<b>(1,830)</b>
Income tax expense	(54,029)	(11,182)	-	-
<b>Profit / (loss) for the period</b>	<b>496,521</b>	<b>436,401</b>	<b>(14,893)</b>	<b>(1,830)</b>
Profit / (loss) is attributable to:				
Equity holders of the parent	493,206	461,103	(14,893)	(1,830)
Non-controlling interests	3,315	(24,702)	-	-
<b>Profit / (loss) for the period</b>	<b>496,521</b>	<b>436,401</b>	<b>(14,893)</b>	<b>(1,830)</b>
<b>Earnings / (loss) per share for profit / (loss) attributable to the equity holders of the parent</b>				
Basic / diluted earnings / (loss) per share	0.38	0.45	(0.01)	(0.00)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of comprehensive income

(All amounts in Sri Lankan Rupees Thousand ('000))

	Group		Company	
	Three months ended 30 September		Three months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit / (loss) for the period	496,521	436,401	(14,893)	(1,830)
Other comprehensive income:				
<i>Items that will be reclassified to profit or loss</i>				
Currency translation differences	198,389	(22,708)	103,938	(11,253)
<b>Other comprehensive income for the period, net of tax</b>	<b>198,389</b>	<b>(22,708)</b>	<b>103,938</b>	<b>(11,253)</b>
<b>Total comprehensive income for the period</b>	<b>694,910</b>	<b>413,693</b>	<b>89,045</b>	<b>(13,083)</b>

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of profit or loss

(All amounts in Sri Lankan Rupees Thousand ('000))

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers	52,560,870	26,373,680	-	-
Cost of sales	(44,946,409)	(22,635,383)	-	-
<b>Gross profit</b>	<b>7,614,461</b>	<b>3,738,297</b>	<b>-</b>	<b>-</b>
Distribution expenses	(2,623,839)	(621,543)	-	-
Administrative expenses	(3,113,779)	(2,043,984)	(4,650)	(3,353)
Other income	251,532	54,094	2,853	12
Other gains / (losses) - net	217,916	93,751	(784,999)	(145)
<b>Operating profit / (loss)</b>	<b>2,346,291</b>	<b>1,220,615</b>	<b>(786,796)</b>	<b>(3,486)</b>
Finance income	13,320	3,374	-	-
Finance costs	(1,396,666)	(677,204)	(81)	(47)
<b>Finance (costs) / income - net</b>	<b>(1,383,346)</b>	<b>(673,830)</b>	<b>(81)</b>	<b>(47)</b>
Share of loss of equity accounted investee, net of tax	(6,381)	(30,026)	-	-
<b>Profit / (loss) before income tax</b>	<b>956,564</b>	<b>516,759</b>	<b>(786,877)</b>	<b>(3,533)</b>
Income tax expense	(110,704)	(22,440)	(675)	-
<b>Profit / (loss) for the period</b>	<b>845,860</b>	<b>494,319</b>	<b>(787,552)</b>	<b>(3,533)</b>
Profit / (loss) is attributable to:				
Equity holders of the parent	736,591	525,787	(787,552)	(3,533)
Non-controlling interests	109,269	(31,468)	-	-
<b>Profit / (loss) for the period</b>	<b>845,860</b>	<b>494,319</b>	<b>(787,552)</b>	<b>(3,533)</b>
<b>Earnings / (loss) per share for profit / (loss) attributable to the equity holders of the parent</b>				
Basic / diluted earnings / (loss) per share	0.56	0.51	(0.60)	(0.00)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of comprehensive income

(All amounts in Sri Lankan Rupees Thousand ('000))

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit / (loss) for the period	845,860	494,319	(787,552)	(3,533)
<b>Other comprehensive income:</b> <i>Items that will be reclassified to profit or loss</i>				
Currency translation differences	2,970,749	16,902	1,440,204	9,545
<b>Other comprehensive income for the period, net of tax</b>	<b>2,970,749</b>	16,902	<b>1,440,204</b>	9,545
<b>Total comprehensive income for the period</b>	<b>3,816,609</b>	511,221	<b>652,652</b>	6,012

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of financial position

(All amounts in Sri Lankan Rupees Thousand ('000))

	Group			Company		
	30 September 2022	30 September 2021	31 March 2022	30 September 2022	30 September 2021	31 March 2022
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	7,856,999	3,624,293	5,927,969	-	-	-
Investment property	546,171	342,457	450,000	-	-	-
Right-of-use assets	1,037,427	565,410	740,821	-	-	-
Intangible assets	13,466,562	7,306,652	11,541,301	-	461	-
Investment in subsidiaries	-	-	-	6,278,019	1,242,291	1,904,031
Investments in equity accounted investees	380,165	174,911	320,407	-	-	-
Deferred tax assets	175,445	291,790	182,650	-	-	-
Other receivables	294	222	332	-	-	-
<b>Total non-current assets</b>	<b>23,463,063</b>	<b>12,305,735</b>	<b>19,163,480</b>	<b>6,278,019</b>	<b>1,242,752</b>	<b>1,904,031</b>
<b>Current assets</b>						
Inventories	17,007,450	7,060,809	12,970,239	-	-	-
Trade receivables	14,065,611	9,125,706	11,927,722	-	-	-
Other receivables	3,073,467	1,598,137	2,656,861	1,307,221	752,457	3,928,174
Other assets	1,662,525	1,073,871	2,018,930	598	811	-
Income tax receivables	7,429	6,075	11,465	-	-	-
Cash and cash equivalents	6,843,095	2,301,603	5,244,151	14,911	2,345	1,115,481
<b>Total current assets</b>	<b>42,659,577</b>	<b>21,166,201</b>	<b>34,829,368</b>	<b>1,322,730</b>	<b>755,613</b>	<b>5,043,655</b>
<b>Total assets</b>	<b>66,122,640</b>	<b>33,471,936</b>	<b>53,992,848</b>	<b>7,600,749</b>	<b>1,998,365</b>	<b>6,947,686</b>
<b>EQUITY</b>						
Stated capital	5,720,075	1,723,902	5,696,037	5,720,075	1,723,902	5,696,037
Retained earnings / (accumulated losses)	3,052,257	1,964,964	2,315,666	(2,241,170)	(36,137)	(1,453,618)
Other reserves	128,784	101,796	141,032	102,699	97,952	114,947
Exchange equalisation reserve	7,797,914	522,671	4,827,165	3,985,515	210,468	2,545,311
<b>Capital and reserves attributable to the equity holders of the parent</b>	<b>16,699,030</b>	<b>4,313,333</b>	<b>12,979,900</b>	<b>7,567,119</b>	<b>1,996,185</b>	<b>6,902,677</b>
Non-controlling interests	259,791	123,505	150,522	-	-	-
<b>Total equity</b>	<b>16,958,821</b>	<b>4,436,838</b>	<b>13,130,422</b>	<b>7,567,119</b>	<b>1,996,185</b>	<b>6,902,677</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	2,359,856	1,385,821	2,574,365	-	-	-
Deferred tax liabilities	711,013	356,670	575,488	-	-	-
Lease liabilities	952,941	551,185	350,258	-	-	-
Employee benefit obligations	575,584	482,380	426,417	-	-	-
<b>Total non-current liabilities</b>	<b>4,599,394</b>	<b>2,776,056</b>	<b>3,926,528</b>	<b>-</b>	<b>-</b>	<b>-</b>

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of financial position (Contd)

(All amounts in Sri Lankan Rupees Thousand ('000))

	Group			Company		
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)
<b>Current liabilities</b>						
Trade and other payables	12,167,078	8,015,676	10,774,815	33,089	2,180	33,800
Lease liabilities	162,178	74,249	433,857	-	-	-
Income tax liabilities	68,190	11,295	38,305	541	-	11,207
Borrowings	32,166,979	18,157,822	25,688,921	-	-	2
<b>Total current liabilities</b>	<b>44,564,425</b>	<b>26,259,042</b>	<b>36,935,898</b>	<b>33,630</b>	<b>2,180</b>	<b>45,009</b>
<b>Total liabilities</b>	<b>49,163,819</b>	<b>29,035,098</b>	<b>40,862,426</b>	<b>33,630</b>	<b>2,180</b>	<b>45,009</b>
<b>Total equity and liabilities</b>	<b>66,122,640</b>	<b>33,471,936</b>	<b>53,992,848</b>	<b>7,600,749</b>	<b>1,998,365</b>	<b>6,947,686</b>
Net assets per share	12.75	4.16	9.96	5.78	1.93	5.30

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: 14 November 2022

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: 14 November 2022

Sgd.

Director

Date: 14 November 2022



## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of changes in equity

(All amounts in Sri Lankan Rupees Thousand ('000))

Group

	Attributable to equity holders of the parent						
	Stated capital	Retained earnings	Other reserves	Exchange equalization reserve	Total	Non-controlling interests	Total equity
<b>Balance at 1 April 2021</b>	1,723,899	1,313,835	86,066	505,769	3,629,569	340,116	3,969,685
Profit for the year	-	525,787	-	-	525,787	(31,468)	494,319
Other comprehensive income	-	-	-	16,902	16,902	-	16,902
<b>Total comprehensive income for the year</b>	-	525,787	-	16,902	542,689	(31,468)	511,221
Issue of shares	3	-	-	-	3	-	3
Employee Share Ownership Scheme (ESOS) - value of employee services	-	-	15,730	-	15,730	-	15,730
Non controlling Interest on business combination	-	125,342	-	-	125,342	(185,143)	(59,801)
<b>Balance at 30 September 2021</b>	1,723,902	1,964,964	101,796	522,671	4,313,333	123,505	4,436,838
<b>Balance at 1 April 2022</b>	5,696,037	2,315,666	141,032	4,827,165	12,979,900	150,522	13,130,422
Profit/ (loss) for the Period	-	736,591	-	-	736,591	109,269	845,860
Other comprehensive income	-	-	-	2,970,749	2,970,749	-	2,970,749
<b>Total comprehensive income for the year</b>	-	736,591	-	2,970,749	3,707,340	109,269	3,816,609
Employee Share Ownership Scheme (ESOS) - value of employee services	-	-	11,790	-	11,790	-	11,790
Issue of shares to employees under the ESOS	24,038	-	(24,038)	-	-	-	-
<b>Balance at 30 September 2022</b>	5,720,075	3,052,257	128,784	7,797,914	16,699,030	259,791	16,958,821

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of changes in equity

(All amounts in Sri Lankan Rupees Thousand ('000))

Company

	Stated capital	Share based payments	Retained earnings / (accumulated losses)	Exchange equalization reserve	Total
<b>Balance at 1 April 2021</b>	1,723,899	82,222	(32,604)	200,923	1,974,440
Loss for the year	-	-	(3,533)	-	(3,533)
Other comprehensive income	-	-	-	9,545	9,545
<b>Total comprehensive income for the year</b>	-	-	(3,533)	9,545	6,012
Employee Share Ownership Scheme (ESOS) - value of employee services	-	15,730	-	-	15,730
Issue of shares	3	-	-	-	3
<b>Balance at 30 September 2021</b>	1,723,902	97,952	(36,137)	210,468	1,996,185
<b>Balance at 1 April 2022</b>	5,696,037	114,947	(1,453,618)	2,545,311	6,902,677
Loss for the year	-	-	(787,552)	-	(787,552)
Other comprehensive income	-	-	-	1,440,204	1,440,204
<b>Total comprehensive income for the year</b>	-	-	(787,552)	1,440,204	652,652
Employee Share Ownership Scheme (ESOS) - value of employee services	-	11,790	-	-	11,790
Issue of shares to employees under the ESOS	24,038	(24,038)	-	-	-
<b>Balance at 30 September 2022</b>	5,720,075	102,699	(2,241,170)	3,985,515	7,567,119

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Condensed statement of cash flows

(All amounts in Sri Lankan Rupees Thousand ('000))

	Group		Company	
	Six months ended 30		Six months ended 30	
	September		September	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit / (loss) before income tax from continuing operations	956,565	516,758	(786,877)	(3,533)
<b>Adjustments for:</b>	-	-	-	-
Depreciation and amortization	248,322	232,628	-	459
Net interest expenses	1,383,402	673,830	-	17
Retirement benefits obligations provision	82,499	43,315	-	-
Share based payment expenses	11,790	15,645	-	-
Share of loss from joint Ventures	6,250	-	-	-
Exchange difference	157,662	2,556	-	-
<b>Changes in working capital</b>				
- (Increase) / decrease in inventories	(1,210,476)	(1,579,897)	-	-
- (Increase) / decrease in trade receivables	393,422	(3,808,644)	-	-
- Increase / (decrease) in trade and other payables	(871,918)	1,874,167	(7,639)	(622)
- (Increase) / decrease Other receivables	144,799	(681,423)	3,311,274	4,693
- (Increase) / decrease Other assets	753,857	(33,961)	(694)	(808)
<b>Cash (used in) / generated from operations</b>	<b>2,056,174</b>	<b>(2,745,026)</b>	<b>2,516,064</b>	<b>206</b>
Retirement benefits obligations paid	(26,941)	(19,251)	-	-
Income tax paid	(27,432)	(12,555)	-	-
Interest paid	(1,396,597)	(600,699)	-	(29)
<b>Net cash (outflow) / Inflow from operating activities</b>	<b>605,204</b>	<b>(3,377,531)</b>	<b>2,516,064</b>	<b>177</b>
<b>Cash flows from investing activities</b>				
Net movement of property, plant and equipment and intangible assets	(363,953)	(299,969)	-	-
Interest received	13,195	3,379	-	12
Investments made in joint venture	-	(174,775)	(3,784,214)	-
Non controlling interest on business combination	-	(59,956)	-	-
<b>Net cash (outflow) / Inflow from Investing activities</b>	<b>(337,563)</b>	<b>(527,942)</b>	<b>(3,784,214)</b>	<b>12</b>
<b>Cash flows from financing activities</b>				
Proceeds from share issue	-	4,305,319	-	(504)
Principal elements of lease payments	(24,307)	-	-	-
Net borrowings	213,899	-	-	-
<b>Net cash inflow / (outflow) from financing activities</b>	<b>189,593</b>	<b>4,305,319</b>	<b>-</b>	<b>(504)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>457,234</b>	<b>399,847</b>	<b>(1,268,151)</b>	<b>168</b>
Cash and cash equivalents at beginning of the period	5,244,151	1,896,513	1,115,481	2,174
Currency translation differences	1,141,710	5,243	167,581	3
<b>Cash and cash equivalents at end of the Period</b>	<b>6,843,095</b>	<b>2,301,603</b>	<b>14,911</b>	<b>2,345</b>

Notes to the condensed interim financial statements

(All amounts are shown in Sri Lankan Rupees Thousand ('000) unless otherwise stated)

1 Operating segments

(i) Description of segments and principal activities

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

(ii) Summarised statement of comprehensive income

	Sri Lankan Region		African Region		Consolidated	
	Three months ended 30		Three months ended 30		Three months ended 30	
	September		September		September	
	2022	2021	2022	2021	2022	2021
Revenue	24,781,524	12,709,946	3,374,932	2,227,810	28,156,456	14,937,756
Gross profit	3,731,149	1,665,201	377,792	488,702	4,108,942	2,153,903
Operating expenses	(2,743,984)	(1,207,208)	(492,080)	(230,213)	(3,236,064)	(1,437,421)
Operating profit / (loss)	763,640	519,159	498,217	300,252	1,261,857	819,411
Net finance cost	(592,059)	(313,699)	(121,320)	(48,620)	(713,379)	(362,319)
Profit before taxation	173,653	195,951	376,897	251,631	550,550	447,583
Income tax charge / (credit)	(54,029)	(11,182)	-	-	(54,029)	(11,182)
Profit / (loss) for the year	215,960	(807,297)	280,560	1,243,698	496,521	436,401

(iii) Summarised statement of financial position

	Sri Lankan Region		African Region		Consolidated	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021
<b>ASSETS</b>						
Non-current assets	20,451,107	10,904,273	3,011,957	1,401,461	23,463,064	12,305,734
Current assets	26,050,647	19,068,504	16,608,931	2,097,697	42,659,578	21,166,201
<b>Total assets</b>	<b>46,501,754</b>	<b>29,972,777</b>	<b>19,620,888</b>	<b>3,499,158</b>	<b>66,122,642</b>	<b>33,471,935</b>
<b>LIABILITIES</b>						
Non-current liabilities	4,261,169	512,348	338,225	2,263,709	4,599,395	2,776,056
Current liabilities	26,724,932	23,413,811	17,839,493	2,845,231	44,564,425	26,259,041
<b>Total liabilities</b>	<b>30,986,101</b>	<b>23,926,159</b>	<b>18,177,718</b>	<b>5,108,940</b>	<b>49,163,820</b>	<b>29,035,097</b>

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 30 September 2022 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 2022.

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 2022.

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Notes to the condensed interim 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 as of 30 September 2022.

Liability Due by	Guarantee or contingent liability taken on behalf of	Financial Institution	Nature of the liability	Value
Hela Clothing (Private) Limited	Hela Investment Holdings Limited	Bank of Ceylon	Corporate Guarantee - USD	10,000,000
			Corporate Guarantee - USD	14,000,000
	Foundation Garment (Private) Limited	DFCC Bank PLC	Corporate Guarantee - USD	13,920,000
		Peoples Bank PLC	Corporate Guarantee - USD	6,500,000
Hela Apparel Holdings PLC	Foundation Garment (Private) Limited	Bank of Ceylon	Corporate Guarantee - USD	2,300,000
		DFCC Bank PLC	Corporate Guarantee - USD	3,000,000
		Hatton National Bank PLC	Corporate Guarantee - LKR	600,000,000
	Hela Clothing (Private) Limited	National Development Bank PLC	Corporate Guarantee - USD	9,800,000
			Corporate Guarantee - USD	4,200,000
Foundation Garment (Private) Limited	Peoples Bank PLC	Corporate Guarantee - LKR	300,000,000	
Foundation Garment (Private) Limited	Hela Investment Holdings Limited	National Development Bank PLC	Corporate Guarantee - USD	1,000,000
		Bank of Ceylon	Corporate Guarantee - USD	10,000,000
	Hela Clothing (Private) Limited	Commercial Bank of Ceylon PLC	Corporate Guarantee - USD	4,800,000
			Corporate Guarantee - USD	1,000,000
			Corporate Guarantee - USD	1,000,000
Hela Investment Holdings Limited	Hela Intimates EPZ Limited	Equity Bank Kenya	Corporate Guarantee - USD	1,000,000

#### 6 Financial commitments

The Group entered into a master service agreement with Attune Lanka (Private) Limited on 02 June 2021 to implement the SAP S/4HANA Fashion ERP system. Further, an End User License Agreement and a SAP Delivered Support Agreement were entered into with SAP India (Private) Limited on 28 May 2021. The total cost of the implementation and the licensing amounts to LKR 436,419,353 (USD 2,183,544).

#### 7 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 period ended 30 September 2022, based on available information, the management has assessed the existing and anticipated effects of both the COVID-19 pandemic and 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.

Notes to the condensed interim financial statements

8 Investments in joint ventures

	2022 (LKR' 000)
At 1 April 2022	320,407
Acquisition	-
Share of (loss) / profit	(6,381)
Exchange equalization reserve	66,139
<b>At 30 September 2022</b>	<b>380,165</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 March 2022. 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 March 2022. 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.

9 Comparatives

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

10 Seasonal or cyclical factors affecting the Group disclosure note;

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

11 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 2022.

12 Stated capital

	Company			
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	Number of shares	Number of shares	Value (LKR' 000)	Value (LKR' 000)
A1 Preference Shares	-	-	-	-
A2 Preference Shares	-	-	-	-
A3 Preference Shares	-	-	-	-
A4 Preference Shares	-	-	-	-
B Ordinary Shares	-	-	-	-
C Ordinary Shares	-	-	-	-
Ordinary Voting Shares	1,309,955,933	1,036,008,946	5,720,075	1,723,902
	<b>1,309,955,933</b>	<b>1,036,008,946</b>	<b>5,720,075</b>	<b>1,723,902</b>

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Notes to the condensed interim financial statements

#### 12 Stated capital (Contd.)

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

	Number of shares	Value (LKR' 000)
Opening balance 1 April 2021	10,000,431	1,723,899
Share issue (prior to share capital restructure)	395	2
Cancellation of existing shares due to share capital restructure	(10,000,826)	-
Share capital restructure to Ordinary Voting Shares	1,005,409,973	-
Share issues (Ordinary Voting Shares)	30,598,973	1
<b>Balance 30 September 2021</b>	<b>1,036,008,946</b>	<b>1,723,902</b>
Opening balance 1 April 2022	1,303,117,944	5,696,037
Share issue related to Employee Share Ownership Plan	6,837,989	24,038
<b>Balance 30 September 2022</b>	<b>1,309,955,933</b>	<b>5,720,075</b>

Pursuant to the share capital reorganization on 02 September 2021, all multiple classes of issued shares (A1, A2, A3, A4 Preference Shares and B and C ordinary shares) were converted into a single class of ordinary voting shares.

#### 13 Earnings per share

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

#### 14 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	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Net assets as of period end (LKR '000)	16,699,030	4,313,333	7,567,119	1,996,185
Number of shares as of period end	1,309,955,933	1,036,008,946	1,309,955,933	1,036,008,946
Net assets per share (Rs.)	12.75	4.16	5.78	1.93

#### 15 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 (LKR'000)	Share based payment reserve (LKR'000)	Total (LKR'000)
Balance at 1 April 2022	26,085	114,947	141,032
Employee Share Ownership Scheme (ESOS) - value of employee services		11,790	11,790
Issue of shares to employees under the ESOS	-	(24,038)	(24,038)
<b>Balance at 30 September 2022</b>	<b>26,085</b>	<b>102,699</b>	<b>128,784</b>

#### 16 Effect of changes in composition of the Group

There has not been a change in the composition of the Group which was disclosed in the audited financial statements for the year ended 31 March 2022 and interim financial statements for the quarter ended 30th June 2022.

Notes to the condensed interim financial statements

17 Events after reporting period

There has not been any significant events after reporting period.

18 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.

19 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.

20 Market Price Per Share

	2022	2021
<b>Market Value of Shares</b>		
Closing Price on 30 September (LKR)	12.00	-
Highest Price During the Quarter Ended 30 September (LKR)	14.40	-
Lowest Price During the Quarter Ended 30 September (LKR)	9.80	-
Market Capitalisation on 30 September (LKR 000')	15,719,471,196	-
<b>Ratios</b>		
Net Asset Per Share of the Group on 30 September (LKR)	12.75	-
Price Earnings Ratio - Annualized	10.67	-
<b>Share Trading</b>		
No of Transactions During the Quarter Ended 30 September 2022	6,212	-
No of Shares Traded During the Quarter Ended 30 September 2022	33,116,623	-
Value of Shares Traded During the Quarter Ended 30 September 2022 (LKR 000')	414,467,174	-
<b>Number of Shares</b>	1,309,955,933	-

Notes: The Company was listed on the Colombo Stock Exchange on 7 February 2022. Comparative figures have therefore not been included for 2021.

Price Earnings Ratio is based on the closing share price on 30 September 2022.



Notes to the condensed interim financial statements

21 Public Holdings as at 30 September 2022

Public Holding as at 30 September	2022	2021
Issued Share Capital (No. of Shares)	1,309,955,933	-
Public Holding as a % of Issued Share Capital	20.04%	-
Total Number of Shareholders	14,960	-
Number of Shareholders representing the Public Holding	14,939	-

Minimum Public Holding Requirement as per Listing Rules

	Float Adjusted Market Capitalization - (LKR)	Public Holding Percentage	No of Shareholders
Minimum Public Holding as at 30 September 2022	3,222,491,595	20.04	14,939

The Company complies with the Minimum Public Holding required of the Main Board as per Option 3 of Section 7.14.1 (a) of the CSE Listing Rules

22 Shareholder Information

List of 20 Major Shareholders as at 30 September 2022	2022	
	No. of Shares	%
1 Lesing Hela Limited	614,256,956	46.89
2 Tars Investments Lanka (Pvt) Ltd.	235,638,162	17.99
3 Mr. P.L.D. Jinadasa	137,276,656	10.48
4 David Pieris Holdings (Private) Limited	30,674,576	2.34
5 Mr. D.E.H. Mcvey	30,598,973	2.34
6 Citibank Newyork S/A Norges Bank Account 2	22,323,770	1.70
7 Mr. H.H. Abdulhusein	19,000,000	1.45
8 Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	16,191,671	1.24
9 Deutsche Bank AG as Trustee To Assetline Income Plus Growth Fund	7,027,589	0.54
10 Akbar Brothers Pvt Ltd A/C No 1	6,000,000	0.46
11 Janashakthi Insurance PLC- Shareholders	5,333,334	0.41
12 Mr W.M.S.R. Peiris	5,255,743	0.40
13 Mr. R.S.P. Amaratunga	5,007,961	0.38
14 Mr. D.M. Beruwalage	4,361,600	0.33
15 Mr. A.R. Rasiah	4,273,743	0.33
16 DFCC Bank PLC A/C NO.02	4,000,000	0.31
17 W.A.R Gunawardhana	3,546,155	0.27
18 Magna Wealth (Pvt) Ltd.	3,372,100	0.26
19 Union Assurance PLC- Universal Life Fund	2,960,165	0.23
20 Bank of Ceylon A/C Ceybank Unit Trust	2,945,200	0.22
	<b>1,160,044,354</b>	<b>88.57</b>

Directors' Shareholding as at 30th September 2022	2022	2021
	No. of Shares	No. of Shares
<b>Directors' Direct Shareholding</b>		
Mr. P.L.D. Jinadasa (Group CEO)	137,276,656	133,656,266
Mr. A.R. Rasiah (Chairman)	4,273,743	4,273,743
Ms. T.S. Peries	57,400	-
	<b>141,607,799</b>	-

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Statement of profit or loss

(all amounts in US Dollars Thousand ('000))

	Group		Company	
	Three months ended 30 September		Three months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers	78,080	74,558	-	-
Cost of sales	(66,686)	(63,808)	-	-
<b>Gross profit</b>	<b>11,394</b>	<b>10,750</b>	<b>-</b>	<b>-</b>
Distribution expenses	(4,552)	(1,636)	-	-
Administrative expenses	(4,422)	(5,538)	(4)	(9)
Other income	627	165	-	-
Other gains / (losses) - net	452	340	(38)	-
<b>Operating profit / (loss)</b>	<b>3,499</b>	<b>4,081</b>	<b>(42)</b>	<b>(9)</b>
Finance income	24	9	-	-
Finance costs	(2,002)	(1,808)	-	-
Finance (costs) / income - net	(1,978)	(1,799)	-	-
Share of profit / (loss) of equity accounted investee, net of tax	6	(47)	-	-
<b>Profit /(loss) before income tax</b>	<b>1,527</b>	<b>2,235</b>	<b>(42)</b>	<b>(9)</b>
Income tax expense	(150)	(56)	-	-
<b>Profit /(loss) for the period</b>	<b>1,377</b>	<b>2,179</b>	<b>(42)</b>	<b>(9)</b>
Profit / (loss) is attributable to:				
Equity holders of the parent	1,368	2,302	(41)	(9)
Non-controlling interests	9	(123)	-	-
<b>Profit/ (loss) for the period</b>	<b>1,377</b>	<b>2,179</b>	<b>(42)</b>	<b>(9)</b>

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Statement of comprehensive income

(all amounts in US Dollars Thousand ('000))

	Group		Company	
	Three months ended 30 September		Three months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit / (loss) for the period	1,377	2,179	(42)	(9)
Other comprehensive income:				
<i>Items that will be reclassified to profit or loss</i>				
Currency translation differences	150	3	-	-
Other comprehensive income for the period, net of tax	150	3	-	-
<b>Total comprehensive income for the period</b>	<b>1,527</b>	<b>2,182</b>	<b>(42)</b>	<b>(9)</b>

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Statement of profit or loss

(all amounts in US Dollars Thousand ('000))

	Group		Company	
	Six months ended 30 September 2022 (Unaudited)	2021 (Unaudited)	Six months ended 30 September 2022 (Unaudited)	2021 (Unaudited)
Revenue from contracts with customers	151,368	131,965	-	-
Cost of sales	(129,439)	(113,259)	-	-
<b>Gross profit</b>	<b>21,929</b>	18,706	-	-
Distribution expenses	(7,556)	(3,110)	-	-
Administrative expenses	(8,967)	(10,232)	(13)	(17)
Other income	724	271	8	-
Other gains / (losses) - net	628	469	(2,261)	(1)
<b>Operating profit / (loss)</b>	<b>6,758</b>	6,104	<b>(2,266)</b>	(18)
Finance income	38	17	-	-
Finance costs	(4,022)	(3,388)	-	-
Finance (costs) / income - net	<b>(3,984)</b>	(3,371)	-	-
Share of loss of equity accounted investee, net of tax	(18)	(150)	-	-
<b>Profit / (loss) before income tax</b>	<b>2,756</b>	2,583	<b>(2,266)</b>	(18)
Income tax expense	(319)	(112)	(2)	-
<b>Profit / (loss) for the period</b>	<b>2,437</b>	2,471	<b>(2,268)</b>	(18)
Profit / (loss) is attributable to:				
Equity holders of the parent	2,122	2,628	(2,268)	(18)
Non-controlling interests	315	(157)	-	-
<b>Profit/ (loss) for the period</b>	<b>2,437</b>	2,471	<b>(2,268)</b>	(18)

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Statement of comprehensive income

(all amounts in US Dollars Thousand ('000))

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit / (loss) for the period	2,437	2,471	(2,268)	(18)
Other comprehensive income:				
<i>Items that will be reclassified to profit or loss</i>				
Currency translation differences	347	(8)	-	-
Other comprehensive income for the period, net of tax	347	(8)	-	-
<b>Total comprehensive income for the period</b>	<b>2,784</b>	<b>2,463</b>	<b>(2,268)</b>	<b>(18)</b>

## HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

### Statement of financial position

(all amounts in US Dollars Thousand ('000))

	Group			Company		
	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)	31 March 2022 (Audited)
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	21,651	18,121	19,826	-	-	-
Investment property	1,505	1,712	1,505	-	-	-
Right-of-use assets	2,859	2,827	2,478	-	-	-
Intangible assets	37,108	36,531	38,600	-	2	-
Investment in subsidiaries	-	-	-	17,300	6,211	6,368
Investments in equity accounted investees	1,048	875	1,072	-	-	-
Deferred tax assets	483	1,459	611	-	-	-
Other receivables	1	1	1	-	-	-
<b>Total non-current assets</b>	<b>64,655</b>	<b>61,526</b>	<b>64,093</b>	<b>17,300</b>	<b>6,213</b>	<b>6,368</b>
<b>Current assets</b>						
Inventories	46,865	35,302	43,379	-	-	-
Trade receivables	38,759	45,626	39,892	-	-	-
Other receivables	8,469	7,990	8,886	3,602	3,762	13,138
Other assets	4,581	5,369	6,752	2	4	-
Income tax receivables	20	30	38	-	-	-
Cash and cash equivalents	18,857	11,507	17,539	41	12	3,731
<b>Total current assets</b>	<b>117,551</b>	<b>105,824</b>	<b>116,486</b>	<b>3,645</b>	<b>3,778</b>	<b>16,869</b>
<b>Total assets</b>	<b>182,206</b>	<b>167,350</b>	<b>180,579</b>	<b>20,945</b>	<b>9,991</b>	<b>23,237</b>
<b>EQUITY</b>						
Stated capital	29,548	9,661	29,481	29,548	9,661	29,481
Retained earnings / (accumulated losses)	13,864	10,172	11,743	(9,258)	(196)	(6,990)
Other reserves	689	536	721	562	516	594
Exchange equalisation reserve	1,316	955	969	-	-	-
<b>Capital and reserves attributable to owners of the Company</b>	<b>45,417</b>	<b>21,324</b>	<b>42,914</b>	<b>20,852</b>	<b>9,981</b>	<b>23,085</b>
Non-controlling interests	1,315	859	1,001	-	-	-
<b>Total equity</b>	<b>46,732</b>	<b>22,183</b>	<b>43,915</b>	<b>20,852</b>	<b>9,981</b>	<b>23,085</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Borrowings	6,503	6,929	8,610	-	-	-
Deferred tax liabilities	1,959	1,783	1,925	-	-	-
Lease liabilities	2,626	2,756	1,171	-	-	-
Employee benefit obligations	1,586	2,412	1,426	-	-	-
<b>Total non-current liabilities</b>	<b>12,674</b>	<b>13,880</b>	<b>13,132</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>						
Trade and other payables	33,526	40,075	36,037	92	10	115
Lease liabilities	447	371	1,451	-	-	-
Income tax liabilities	188	56	128	1	-	37
Borrowings	88,639	90,785	85,916	-	-	-
<b>Total current liabilities</b>	<b>122,800</b>	<b>131,287</b>	<b>123,532</b>	<b>93</b>	<b>10</b>	<b>152</b>
<b>Total liabilities</b>	<b>135,474</b>	<b>145,167</b>	<b>136,664</b>	<b>93</b>	<b>10</b>	<b>152</b>
<b>Total equity and liabilities</b>	<b>182,206</b>	<b>167,350</b>	<b>180,579</b>	<b>20,945</b>	<b>9,991</b>	<b>23,237</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

35, Balapokuna Road, Colombo 06, Sri Lanka.

## WEBSITE

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

## MAJOR SHAREHOLDERS

Lesing Hela Limited  
Tars Investment Lanka (Private) Limited  
P L D Jinadasa

## SECRETARIES

P W Corporate Secretarial (Private) Limited  
3/17, Kynsey Road, Colombo 08, Sri Lanka.

## AUDITORS

PricewaterhouseCoopers  
100, Braybrooke Place, Colombo 02, Sri Lanka.

## COMPANY REGISTRARS

SSP Corporate Services (Pvt) Ltd  
101, Inner Flower Road, Colombo 03, Sri Lanka.

## 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

## PRINCIPAL ACTIVITIES OF THE GROUP

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

## DIRECTORS

A R Rasiah  
P L D Jinadasa  
G P Gunawardana  
T S Peries  
P Schleiffer  
A J Alderton  
S R Khan (appointed with effect from 5th October 2022)  
A Nanayakkara (resigned with effect from 31st August 2022)  
S Doron (appointed with effect from 5th October 2022)

## AUDIT COMMITTEE

G P Gunawardana  
A Nanayakkara (resigned with effect from 31st August 2022)  
T S Peries  
P Schleiffer  
A J Alderton  
S Doron (appointed with effect from 5th October 2022)

## REMUNERATION COMMITTEE

A Nanayakkara (resigned with effect from 31st August 2022)  
A J Alderton  
G P Gunawardana

## RELATED PARTIES TRANSACTION REVIEW COMMITTEE

T S Peries  
A J Alderton  
A Nanayakkara (resigned with effect from 31st August 2022)

## NOMINATION COMMITTEE

A R Rasiah  
A J Alderton  
P Schleiffer  
T S Peries

## 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 Textile (Private) Limited  
Hela Investment Holdings Limited  
Hela Indochine Apparel Private Limited Company  
Hela Intimates EPZ Limited  
Hela USA, Inc.  
Hela Clothing Egypt SAE

## JOINT VENTURES

Sumbiri Intimate Apparel Private Limited Company  
Safeguard Workwear EPZ 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.





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