



3rd October 2023

Mr. Renuka Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block
World Trade Center
Echelon Square
Colombo 01

Dear Sir,

Hela Apparel Holdings PLC – Revisions to Interim Financial Statements for the Quarter ended 30th June 2023

With reference to the Interim Financial Statements of Hela Apparel Holdings PLC (“the Company”) for the Quarter ended 30th June 2023 submitted to the Colombo Stock Exchange on 14th August 2023, please be informed that revisions have been made to incorporate one-off adjustments identified during the preparation of the Audited Financial Statements of the Company for the Year ended 31st March 2023. Further information is provided in the Annual Report of the Company for the Financial Year ended 31st March 2023.

The revised Statement of Financial Position, the Statement of Cash Flow and connected notes are attached herewith. The Company would also wish to highlight that the revisions do not impact the Statement of Profit/Loss for the Quarter ended 30th June 2023.

Yours faithfully,

(Ms) J Kuhanesan
Company Secretary

Hela Apparel Holdings PLC**Quarter ended 30th June 2023****Changes to the Revised Financial Statements****Statement of financial position - (all amounts in LKR thousand)**

FSLI	Group	Company
	30 June 2023 (Unaudited)	30 June 2023 (Unaudited)
ASSETS		
Non-current assets		
Property, plant and equipment	7,218,528	-
Investment property	528,139	-
Right-of-use assets	2,409,883	-
Intangible assets	11,215,370	-
Capital work-in-progress	1,485,698	-
Investment in subsidiaries	-	6,467,332
Investments in equity accounted investees	228,298	-
Deferred tax assets	1,403,235	-
Other receivables	185	-
Total non-current assets	24,489,336	6,467,332
Current assets		
Inventories	9,637,194	-
Trade and other receivables	10,544,145	13,872
Other assets	4,101,026	1,674
Income tax receivables	46,593	-
Cash and cash equivalents	4,475,567	15,435
Total current assets	28,804,525	30,981
Total assets	53,293,861	6,498,313
EQUITY		
Stated capital	5,754,575	5,754,575
Retained earnings / (accumulated losses)	(3,491,131)	(2,303,239)
Other reserves	802,471	116,152
Exchange equalisation reserve	4,781,944	2,874,805
Capital and reserves attributable to the equity holders of the parent	7,847,859	6,442,293
Non-controlling interests	320,814	-
Total equity	8,168,673	6,442,293
LIABILITIES		
Non-current liabilities		
Borrowings	2,272,571	-
Deferred tax liabilities	1,446,660	-
Lease liabilities	1,921,198	-
Employee benefit obligations	514,309	-
Total non-current liabilities	6,154,738	-
Current liabilities		
Trade and other payables	13,281,710	56,019
Lease liabilities	761,469	-
Income tax liabilities	15,892	-
Borrowings	24,911,379	-
Total current liabilities	38,970,450	56,019
Total liabilities	45,125,188	56,019
Total equity and liabilities	53,293,861	6,498,312
Net assets per share	5.99	4.92

Hela Apparel Holdings PLC
Quarter ended 30th June 2023
Changes to the Revised Financial Statements

Statement of financial position - (all amounts in USD thousand)

FSLI	Group	Company
	30 June 2023 (Unaudited)	30 June 2023 (Unaudited)
Assets		
Non Current Assets		
Property, plant and equipment	23,374	-
Capital work-in-progress	4,810	-
Investment property	1,710	-
Right-of-use assets	7,803	-
Intangible assets	36,316	-
Investment in subsidiaries	-	20,941
Investments in equity accounted investees	739	-
Deferred tax assets	4,544	-
Other financial assets at amortised cost	1	-
Total non current assets	79,296	20,941
Current Assets		
Inventories	31,205	-
Trade and other receivables	34,142	45
Trade receivables	-	-
Other receivables	-	-
Other assets	13,279	5
Income tax receivables	151	-
Cash and cash equivalents	14,492	50
Total current assets	93,270	100
Total assets	172,566	21,041
Equity		
Stated capital	29,663	29,663
Retained earnings / (accumulated losses)	(5,804)	(9,402)
Other reserves	2,713	600
Exchange equalization reserve	(1,604)	-
Capital and reserves attributable to owners of the Company	24,968	-
Non-controlling interests	1,481	-
Total equity	26,449	20,861
LIABILITIES		
Non-current liabilities		
Borrowings	7,359	-
Deferred tax liabilities	4,684	-
Lease liabilities	6,221	-
Employee benefit obligations	1,665	-
Total non-current liabilities	19,929	-
Current liabilities		
Trade and other payables	43,007	180
Lease liabilities	2,466	-
Income tax liabilities	51	-
Borrowings	80,664	-
Total current liabilities	126,187	180
Total liabilities	146,117	180
Total equity and liabilities	172,566	21,041

Hela Apparel Holdings PLC
Quarter ended 30th June 2023
Changes to the Revised Financial Statements

Statement of cash flow - (all amounts in LKR thousand)

	Group	Company
	Three months ended 30 June	Three months ended 30 June
Profit / (loss) before income tax	(2,265,075)	(2,400)
Adjustments for:		
Depreciation	213,691	-
Net interest expenses	998,679	(25)
Retirement benefits obligations expenses	36,791	-
Share based payment expenses	1,140	-
Share of loss from joint ventures	44,617	-
Changes in working capital		
- (Increase) / decrease in inventories	2,123,814	-
- (Increase) / decrease in trade and other receivables	(699,154)	829
- (Increase) / decrease in other assets	357,580	(1,674)
- Increase / (decrease) in trade and other payables	1,174,954	8,083
Cash (used in) / generated from operations	1,987,037	4,813
Retirement benefits obligations paid	(24,256)	-
Income tax paid	-	-
Interest paid	(1,008,081)	-
Net cash (outflow) / inflow from operating activities	954,700	4,813
Cash flows from investing activities		
Net movement in property, plant and equipment	1,158,504	-
Interest received	9,403	-
Net cash (outflow) / inflow from investing activities	1,167,907	-
Cash flows from financing activities		
Principal elements of lease payments	(157,003)	-
Net borrowings	7,998	-
Net cash inflow / (outflow) from financing activities	(149,005)	-
Net increase / (decrease) in cash and cash equivalents	1,973,602	4,813
Cash and cash equivalents at beginning of the period	3,906,000	8,804
Currency translation differences	(1,404,035)	1,818
Cash and cash equivalents at end of the period	4,475,567	15,435

Hela Apparel Holdings PLC
Quarter ended 30th June 2023
Changes to the Revised Financial Statements

Changes to the notes to the financial statements (all amounts in LKR Thousand)

1 Operating segments

(iii) Summarised statement of financial position

	Sri Lankan Region		African Region		Consolidated	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
ASSETS						
Non-current assets	23,644,339	21,914,212	844,996	1,119,829	24,489,335	23,034,041
Current assets	22,077,485	33,432,155	6,727,040	9,548,261	28,804,525	42,980,416
Total assets	45,721,824	55,346,367	7,572,036	10,668,090	53,293,860	66,014,457
LIABILITIES						
Non-current liabilities	5,013,574	4,471,957	1,141,164	366,817	6,154,738	4,838,774
Current liabilities	35,139,873	34,536,354	3,830,577	10,377,290	38,970,450	44,913,644
Total liabilities	40,153,447	39,008,311	4,971,741	10,744,107	45,125,188	49,752,418

3 Basis of preparation

The condensed interim financial statements for the period ended 30 June 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.

7 Investments in joint ventures

	Value (LKR' 000)
Balance at 01 April 2023	288,325
Acquisition	-
Share of (loss) / profit	(44,617)
Exchange equalization reserve	(15,410)
Balance at 30 June 2023	228,298

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 are consistent with the audited financial statements for the year ended 31 March 2023.

11 Stated capital

	Company	
	30 June 2023	30 June 2022
	Value (LKR' 000)	Value (LKR' 000)
Ordinary Voting Shares	5,754,575	5,730,537

Hela Apparel Holdings PLC
Quarter ended 30th June 2023
Changes to the Revised Financial Statements

Changes to the notes to the financial statements (all amounts in LKR Thousand)

Movement in ordinary shares:

	Value (LKR' 000)
Balance at 1 April 2022	5,730,537
Share issue related to Employee Share Ownership Plan	24,038
Balance at 31 March 2023	5,754,575
Balance at 1 April 2023	5,754,575
Balance at 30 June 2023	5,754,575

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
Net assets as of period end (LKR '000)	7,847,859	6,442,293
Number of shares as of period end	1,309,955,933	1,309,955,933
Net assets per share (Rs.)	5.99	4.92

14 Other reserves

The following table shows a breakdown and the movements in these reserves during the period.

	Revaluation reserve (LKR'000)	Share based payment reserve (LKR'000)	Other reserves (LKR'000)	Total (LKR'000)
Balance at 1 April 2023	655,794	115,012	30,525	801,331
Employee Share Ownership Scheme (ESOS) - value of employee services	-	1,140	-	1,140
Balance at 30 June 2023	655,794	116,152	30,525	802,471

15 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 2023 and interim financial statements for the quarter ended 31st March 2023.

16 Events after reporting period

On 1st August 2023, 7,425,627 ordinary voting shares were issued under the Share Ownership Plan and accordingly the Stated Capital of the Company increased to Rs. 5,780,678,282/- consisting of 1,317,381,560 ordinary voting shares.