

GROUP CEO'S REVIEW

The fourth quarter of FY 2024/25 was a defining period for Hela Apparel Holdings PLC (“Hela” or “Group”), marked by strategic action amidst operational and financial headwinds. As we navigated a challenging macroeconomic and industry environment, we embarked on a broad-based restructuring of our global operating model aimed at enhancing long-term competitiveness and value creation across our supply chain. While our reported financial results reflect the short-term impact of this transition, they also underscore the Group’s commitment to building a more resilient and future-ready business.

Group revenue for the quarter increased modestly to Rs. 21.8 Bn, up 0.4% compared to the same period of the previous year. This reflected a significant increase in the revenue of the Brand Licensing Division (BLD) compared to the period immediately following the acquisition of Focus Brands (now renamed Hela Brands) in January 2024. Revenue for the Private Label Manufacturing Division (PLMD) declined by 18.3% year-on-year during the quarter. This partly reflected the appreciation of the Sri Lankan rupee against the division’s US dollar-denominated sales during this period and, in US Dollar term, PLMD revenue decreased by 12.2% in the fourth quarter compared to the same period of the previous year.

The Group’s profitability declined materially during the fourth quarter as result of the restructuring efforts initiated in the PLMD and associated one-off impacts. As part of this process, the PLMD recorded impairment charges of approximately Rs. 3.6 Bn including goodwill. This reflects a prudent step to align asset values with the evolving structure of our business, the temporary challenges of realignment and investment in future capability. In contrast, the BLD continues to demonstrate resilience, delivering a positive operating profit of Rs. 207 Mn. This performance reinforces the strength of our strategy to integrate higher-margin, brand-led business models into the Group.

In the context of the operational challenges facing the PLMD and the backdrop of increased global economic uncertainty, we commenced a significant restructuring of this division during the fourth quarter. This forms part of a broader turnaround strategy focused on structural simplification and performance improvement, with the objective of positioning the operations for recovery in the coming financial year. The initiative is designed to establish a globally diversified, partner-enabled apparel operating model. While this exercise is ongoing, the following steps were executed during the quarter:

- In Ethiopia, we ceased our manufacturing operations as of December 2024 due to the challenging global and local operating environment. As a result, the remaining costs attributed to the Group’s operations in Ethiopia and impairment charges on our local assets were recorded as exceptional items during the fourth quarter.
- The remainder of the Group’s operating footprint has been reevaluated as we seek to build a more agile capacity base by reducing directly operating capacity and increasing the use of partnered capacity. As a result, certain assets have been identified for divestment and been classified as such for the purpose of these financial statements. This included the disposal of a warehouse and two of our six production facilities in Sri Lanka, enabling us to retain critical value chain capabilities.
- In Kenya, our subsidiary, Hela Intimates EPZ, has been recalibrated through local operational agreements to support order fulfilment more flexibly, ensuring both quality outcomes and disciplined cost structures.
- As part of the broader restructuring initiative, the Group also undertook a right-sizing exercise to optimise functional structures, eliminate inefficiencies arising from overlapping responsibilities, and recalibrate headcount in line with current operational requirements. As a result of this and the above changes, the PLMD’s employee base has also been reduced to align its cost base with the revised structuring of the division. This resulted in a one-time exceptional employee compensation cost during the fourth quarter of Rs. 681.7 Mn.

The successful execution of these transitions is expected to be supported by a balance sheet structuring initiative already underway, aimed at enhancing the Group’s capital efficiency, strengthening liquidity and cash flow, and positioning the business for long-term sustainability.

The steps taken over the past quarter while difficult are essential to ensure that Hela continues to evolve and build a sustainable business model. Although the benefits of these structural changes are not yet fully reflected in our financial results, we are confident that the foundation being laid through operational realignment and financial optimisation will position the Group for a return to profitability. We will continue to provide updates as material developments occur. On behalf of the leadership team, I extend my sincere thanks to our partners, shareholders, and employees for their continued support and commitment during this transformational period.



Dilanka Jinadasa
Group CEO

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES
Condensed Statement of Profit or Loss

(All amounts are in Sri Lankan Rupees Thousands)

	Note	Group		Company	
		Quarter ended 31 March		Quarter ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue from contracts with customers		21,800,573	21,719,424	-	-
Cost of sales		(20,284,500)	(19,201,128)	-	-
Gross profit		1,516,073	2,518,296	-	-
Distribution costs		(1,856,455)	(1,356,644)	-	-
Administrative costs		(2,422,613)	(4,471,341)	(25,187)	(10,358)
Other income		(23,139)	150,526	-	-
Net impairment loss on financial assets / goodwill		(3,632,729)	(20,652)	-	-
Other gains / (losses) - net		(92,580)	9,132,962	33,247	(961)
Operating (loss) / profit		(6,511,443)	5,953,147	8,060	(11,319)
Finance income		31,769	78,313	13	18
Finance costs		(982,115)	(1,151,776)	-	(24)
Finance (costs) / income - net		(950,346)	(1,073,463)	13	(6)
Exceptional items:					
Impairment losses from discontinued operations	7	(577,555)	-	-	-
Expense from employee compensation scheme	8	(681,670)	-	-	-
Share of loss of equity accounted investee, net of tax		-	11,279	-	-
(Loss) / profit before income tax		(8,721,014)	4,890,963	8,073	(11,325)
Income tax reversal / (expense)		59,206	1,086,974	(17)	52
Loss / (profit) for the period from continuing operations		(8,661,808)	5,977,937	8,056	(11,273)
Discontinued operations					
Loss after tax for the year from discontinued operations and assets held for sale	9	(555,892)	-	-	-
(Loss) / profit for the year		(9,217,700)	5,977,937	8,056	(11,273)
Profit / (loss) attributable to: (Continuing operations)					
Owners of the Company		(8,771,337)	6,046,628	8,056	(11,273)
Non-controlling interests		109,529	(68,691)	-	-
Loss is attributable to: (Discontinuing operations)					
Owners of the Company		(290,410)	-	-	-
Non-controlling interests		(265,482)	-	-	-
(Loss) / profit for the period		(9,217,700)	5,977,937	8,056	(11,273)
(Loss) / profit per share for loss attributable to the equity holders of the Company		LKR	LKR	LKR	LKR
Basic / diluted loss per share		(5.54)	4.59	0.00	(0.01)

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 March		Quarter ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
(Loss) / profit for the period	(9,217,700)	5,977,937	8,056	(11,273)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Currency translation differences	521,749	(789,524)	97,246	(473,611)
Other comprehensive income / (loss) for the period, net of tax	521,749	(789,524)	97,246	(473,611)
Total comprehensive (loss) / profit for the period	(8,695,951)	5,188,413	105,302	(484,884)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES
Condensed Statement of Profit or Loss

(All amounts are in Sri Lankan Rupees Thousands)

	Note	Group		Company	
		Year ended 31 March		Year ended 31 March	
		2025 (Unaudited)	2024 (Audited)	2025 (Unaudited)	2024 (Audited)
Revenue from contracts with customers		83,362,707	70,288,945	-	-
Cost of sales		(73,626,983)	(64,119,066)	-	-
Gross profit		9,735,724	6,169,879	-	-
Distribution costs		(4,499,521)	(2,915,833)	(488)	-
Administrative costs		(11,859,060)	(11,435,018)	(86,877)	(17,716)
Other income		529,361	363,647	-	-
Net impairment loss on financial assets / goodwill		(3,668,970)	(20,652)	-	-
Other gains / (losses) - net		(379,744)	9,555,956	33,100	(966)
Operating (loss) / profit		(10,142,210)	1,717,979	(54,265)	(18,682)
Finance income		185,942	112,076	57	83
Finance costs		(4,265,610)	(4,118,845)	(152)	(24)
Finance (costs) / income - net		(4,079,668)	(4,006,769)	(95)	59
Exceptional items:					
Impairment losses from discontinued operations	7	(583,316)	-	-	-
Expense from employee compensation scheme	8	(688,471)	-	-	-
Share of loss of equity accounted investee, net of tax		-	(42,734)	-	-
Loss before income tax		(15,493,665)	(2,331,524)	(54,360)	(18,623)
Income tax reversal / (expense)		367,188	1,982,628	(17)	53
Loss for the period from continuing operations		(15,126,477)	(348,896)	(54,377)	(18,570)
Discontinued operations					
Loss after tax for the year from discontinued operations and assets held for sale	9	(626,011)	-	-	-
Loss for the year		(15,752,488)	(348,896)	(54,377)	(18,570)
Profit / (loss) attributable to: (Continuing operations)					
Owners of the Company		(15,127,669)	(373,276)	(54,377)	(18,570)
Non-controlling interests		1,192	24,380	-	-
Loss is attributable to: (Discontinuing operations)					
Owners of the Company		(358,179)	-	-	-
Non-controlling interests		(267,832)	-	-	-
Loss for the period		(15,752,488)	(348,896)	(54,377)	(18,570)
Loss per share for loss attributable to the equity holders of the Company		LKR	LKR	LKR	LKR
Basic / diluted earnings / (loss) per share		(9.46)	(0.28)	(0.03)	(0.01)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Comprehensive Income

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2025 (Unaudited)	2024 (Audited)	2025 (Unaudited)	2024 (Audited)
Loss for the period	(15,752,488)	(348,896)	(54,377)	(18,570)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Currency translation differences	1,291	(995,869)	(128,831)	(543,801)
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation gain arising from the transfer of property, plant and equipment to investment property	-	360,608	-	-
Deferred income tax impact relating to revaluation	-	-	-	-
Re-measurements of post-employment benefit obligations	-	(144,696)	-	-
Deferred income tax impact relating to re-measurements of post employment benefit obligation	-	35,803	-	-
Other comprehensive income / (loss) for the period, net of tax	1,291	(744,154)	(128,831)	(543,801)
Total comprehensive loss for the period	(15,751,197)	(1,093,050)	(183,208)	(562,371)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Financial Position

(All amounts are in Sri Lankan Rupees Thousands)

	Note	Group		Company	
		31.03.2025 (Unaudited)	31.03.2024 (Audited)	31.03.2025 (Unaudited)	31.03.2024 (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment		4,347,647	6,768,862	-	-
Investment property		598,000	1,256,500	-	-
Right-of-use assets		3,094,505	3,986,043	-	-
Intangible assets		9,662,646	13,161,576	22,226	26,354
Investment in subsidiaries		-	-	7,837,275	6,341,683
Investments accounted for using the equity method		-	226,134	-	-
Deferred tax assets		3,387,810	3,074,839	-	-
Other financial assets at amortized cost		178	602,548	-	-
Total non-current assets		21,090,786	29,076,502	7,859,501	6,368,037
Current assets					
Inventories		7,115,698	8,478,114	-	-
Trade and other receivables		13,989,391	15,266,312	147	22,073
Other assets		3,689,461	3,067,359	11,575	2,834
Income tax receivables		303,168	284,437	55	73
Assets directly associate with assets held for sale and discontinued operations	10	2,202,673	-	-	-
Other financial assets at amortized cost		249,670	257,507	-	-
Cash and cash equivalents		4,442,124	8,314,419	3,533	5,058
Total current assets		31,992,185	35,668,148	15,310	30,038
Total assets		53,082,971	64,744,650	7,874,811	6,398,075
EQUITY					
Stated capital		7,377,504	5,780,678	7,377,504	5,780,678
Accumulated losses		(17,196,292)	(1,710,444)	(2,373,786)	(2,319,409)
Other reserves		1,233,869	1,233,869	93,841	93,841
Exchange equalization reserve		4,915,354	4,914,063	2,587,139	2,715,970
Capital and reserves attributable to owners of the Company		(3,669,565)	10,218,166	7,684,698	6,271,080
Non-controlling interests		(210,544)	56,096	-	-
Total equity		(3,880,109)	10,274,262	7,684,698	6,271,080
LIABILITIES					
Non-current liabilities					
Borrowings		2,992,346	4,322,054	-	-
Deferred tax liabilities		1,124,194	1,476,608	-	-
Lease liabilities		2,295,246	3,134,053	-	-
Employee benefit obligations		778,885	735,923	-	-
Total non-current liabilities		7,190,671	9,668,638	-	-
Current liabilities					
Trade and other payables		20,044,039	16,012,782	190,113	120,427
Lease liabilities		1,028,777	1,064,156	-	-
Income tax liabilities		26,768	156,929	-	-
Liabilities directly associated with the held for sale and discontinued operations	10	279,629	-	-	-
Borrowings		28,393,196	27,567,883	-	6,568
Total current liabilities		49,772,409	44,801,750	190,113	126,995
Total liabilities		56,963,080	54,470,388	190,113	126,995
Total equity and liabilities		53,082,971	64,744,650	7,874,811	6,398,075
		LKR	LKR	LKR	LKR
Net assets per share		(2.24)	7.76	4.70	4.76

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

Sgd.

Director Group Finance - Ms. Navodya Premaratne

Date: 28th May 2025

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 - Mr. A R Rasiah

Date: 28th May 2025

Sgd.

Director - Mr. P L D Jinadasa

Date: 28th May 2025

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES
Condensed Statement of Cash Flows

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2025	2024	2025	2024
Loss before income tax expense from continuing operations	(15,493,665)	(2,331,524)	(54,360)	(18,623)
Loss before tax from discontinued operations	(626,011)	-	-	-
Loss before income tax	(16,119,676)	(2,331,524)	(54,360)	(18,623)
Adjustments for:				
Depreciation and amortization	2,275,463	1,991,670	3,727	-
Net interest expenses	4,079,668	4,006,769	(95)	(59)
Retirement benefits obligations provision	202,708	182,339	-	3,998
Realised exchange gain/ losses	-	19,517	-	-
Gain on bargain purchase	-	(9,580,225)	-	-
Fair value adjustment to investment property	(24,500)	(35,277)	-	-
Loss on sale of property, plant and equipment	166,889	(4)	-	-
Provision for impairment of debtors	1,160,092	210,284	-	-
Impairment of goodwill	2,973,879	-	-	-
Expense charged under ESOP	-	4,932	-	-
Impairment of joint venture investment	110,429	-	-	-
Share of loss from joint Ventures	119,003	42,734	-	-
Changes in working capital				
- (Increase) / decrease in inventories	1,233,797	8,242,894	-	-
- (Increase) / decrease in trade and other receivables	(349,278)	(1,577,925)	12,863	(10,206)
- Increase / (decrease) in trade and other payables	4,287,469	(456,902)	65,557	72,492
Cash (used in) / generated from operations	115,943	719,282	27,692	47,602
Retirement benefits obligations paid	(147,593)	(127,621)	-	-
Income tax paid	(165,151)	(208,429)	-	(610)
Interest paid	(4,089,078)	(4,014,976)	-	-
Net cash (outflow) / inflow from operating activities	(4,285,879)	(3,631,744)	27,692	46,992
Cash flows from investing activities				
Investments made in subsidiaries	-	-	(1,607,231)	-
Net movement of property, plant and equipment and intangible assets	(175,571)	(814,884)	-	(31,981)
Payment for acquisition of subsidiaries, net of cash acquired	-	3,989,804	-	(31,949)
Interest received / (paid)	185,942	112,076	95	59
Net cash (outflow) / inflow from investing activities	10,371	3,286,996	(1,607,136)	(63,871)
Cash flows from financing activities				
Principal elements of lease payments	(1,308,368)	(989,351)	-	-
Net borrowings	7,752	6,998,830	-	6,568
Advance receipt on share issue	1,596,826	-	1,596,826	-
Net cash inflow / (outflow) from financing activities	296,210	6,009,479	1,596,826	6,568
Net increase / (decrease) in cash and cash equivalents	(3,979,298)	5,664,731	17,382	(10,311)
Cash and cash equivalents at beginning of the period	8,314,419	3,901,127	5,058	8,803
Currency translation differences	107,003	(1,251,439)	(18,907)	6,566
Cash and cash equivalents at end of the Period	4,442,124	8,314,419	3,533	5,058

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					Non-controlling interests	Total equity
	Stated capital	Retained earnings	Other reserves	Exchange equalization reserve	Total		
Balance at 1 April 2023	5,754,575	(1,534,488)	801,331	6,120,591	11,142,009	316,391	11,458,400
Profit for the year	-	(373,276)	-	-	(373,276)	24,380	(348,896)
Total comprehensive income for the year	-	(373,276)	-	-	(373,276)	24,380	(348,896)
Currency translation difference	-	-	-	(995,869)	(995,869)	-	(995,869)
Revaluation gain arising from the transfer of property, plant and equipment to investment property	-	-	600,218	-	600,218	-	600,218
Transfer of deferred income tax impact on revaluation gain arising from the transfer of property, plant and equipment to investment property	-	108,182	(108,182)	-	-	-	-
Remeasurement of post employment benefit obligation	-	(144,696)	-	-	(144,696)	-	(144,696)
Deferred income tax on employee benefit obligation	-	35,803	-	-	35,803	-	35,803
Total comprehensive income for the year	-	(373,987)	492,036	(995,869)	(877,820)	24,380	(853,440)
Transfer from translation reserve to retained earnings	-	227,032	56,183	-	283,215	(283,214)	1
Employee share option plan - value of employee services	-	-	4,932	-	4,932	-	4,932
Transfers on Investment property classification	-	(29,001)	(94,510)	(210,659)	(334,170)	(1,461)	(335,631)
Issue of shares under Employees Share Ownership Plan	26,103	-	(26,103)	-	-	-	-
Balance at 31 March 2024	5,780,678	(1,710,444)	1,233,869	4,914,063	10,218,166	56,096	10,274,262
Balance at 1 April 2024	5,780,678	(1,710,444)	1,233,869	4,914,063	10,218,166	56,096	10,274,262
Loss for the Period- Continued Operations	-	(15,127,669)	-	-	(15,127,669)	1,192	(15,126,477)
Loss for the Period-Discontinued Operations	-	(358,179)	-	-	(358,179)	(267,832)	(626,011)
Remeasurement of post employment benefit obligation	-	-	-	-	-	-	-
Deferred income tax on employee benefit obligation	-	-	-	-	-	-	-
Total comprehensive income for the year	-	(15,485,848)	-	-	(15,485,848)	(266,640)	(15,752,488)
Currency translation difference	-	-	-	1,291	1,291	-	1,291
Issue of rights	1,596,826	-	-	-	1,596,826	-	1,596,826
Balance at 31 March 2025	7,377,504	(17,196,292)	1,233,869	4,915,354	(3,669,565)	(210,544)	(3,880,109)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Changes in Equity

(All amounts are in Sri Lankan Rupees Thousands)

Company

	Stated capital	Other reserves	Retained earnings / (accumulated losses)	Exchange equalization reserve	Total
Balance at 1 April 2023	5,754,575	115,012	(2,300,839)	3,259,771	6,828,519
Loss for the year	-	-	(18,570)	-	(18,570)
Other comprehensive income	-	-	-	(543,801)	(543,801)
Total comprehensive income for the year	-	-	(18,570)	(543,801)	(562,371)
Issue of shares under Employees Share Ownership Plan	-	4,932	-	-	4,932
Employee share option plan - value of employee services	26,103	(26,103)	-	-	-
Balance at 31 March 2024	5,780,678	93,841	(2,319,409)	2,715,970	6,271,080
Balance at 1 April 2024	5,780,678	93,841	(2,319,409)	2,715,970	6,271,080
Loss for the year	-	-	(54,377)	-	(54,377)
Other comprehensive income	-	-	-	(128,831)	(128,831)
Total comprehensive income for the year	-	-	(54,377)	(128,831)	(183,208)
Issue of rights	1,596,826	-	-	-	1,596,826
Balance at 31 March 2025	7,377,504	93,841	(2,373,786)	2,587,139	7,684,698

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 Hela Group's internal organisation and management is structured based on operating segments which are determined by the nature of their principal business activities. The measurement policies the Group uses for segmental reporting under SLFRS 8 are the same as those used in its financial statements.

The Group is currently organized into two reportable segments, the Private Label Manufacturing Division and the Brand Licensing Division. The operations of the Brand Licensing Division are carried out of by the Company's fully owned subsidiary, Hela Brands Limited, and its subsidiaries. The other companies in the Group carry out the activities of the Private Label Manufacturing Division. Each segment is managed by a CEO who acts as segment manager, the performance of each segment is monitored by the Group CEO, and strategic decisions are made on the basis of segment operating results.

(ii) Summarized statement of comprehensive income for the quarter ended 31 March 2025

LKR"000"	Private Label Manufacturing Division		Brand Licensing Division		Group	
	2025	2024	2025	2024	2025	2024
	Revenue	13,086,386	16,016,789	8,714,187	5,702,635	21,800,573
Operating profit/ (loss)	(6,718,373)	6,226,753	206,930	(273,606)	(6,511,443)	5,953,147
Net finance (cost)/income	(950,823)	(1,043,448)	477	(30,015)	(950,346)	(1,073,463)
Profit/ (loss) before taxation	(8,928,421)	5,194,584	207,407	(303,621)	(8,721,014)	4,890,963
Income tax reversal	85,874	1,099,502	(26,668)	(12,528)	59,206	1,086,974
Profit/ (loss) for the period	(8,842,547)	6,294,086	180,739	(316,149)	(8,661,808)	5,977,937

(iii) Summarized statement of financial position as at 31 March 2025

LKR"000"	Private Label Manufacturing Division		Brand Licensing Division		Group	
	2025	2024	2025	2024	2025	2024
	ASSETS					
Non-current assets	17,860,481	26,389,492	3,230,305	2,687,010	21,090,786	29,076,502
Current assets	20,504,600	20,923,747	11,487,585	14,744,401	31,992,185	35,668,148
Total assets	38,365,081	47,313,239	14,717,890	17,431,411	53,082,971	64,744,650
LIABILITIES						
Non-current liabilities	5,514,408	9,668,638	1,676,263	1,796,806	7,190,671	9,668,638
Current liabilities	45,330,099	44,801,750	4,442,310	7,680,920	49,772,409	44,801,750
Total liabilities	50,844,507	54,470,388	6,118,573	9,477,726	56,963,080	54,470,388

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 Interim Condensed Financial Statements

The Consolidated Financial Statements for the year ended 31 March 2025, comprise "the company" referring to Hela Apparel Holdings PLC as the Holding Company and "the Group" referring to the Companies whose accounts have been consolidated therein.

4 Approval of Financial Statements

The Interim Condensed Financial Statements of the Group and the Company for the period ended 31 March 2025 were authorized for issue by the Board of Directors on 28 May 2025.

5 Basis of preparation

The condensed interim financial statements for the year ended 31 March 2025 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 2024.

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

6 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 March 2025.

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	296.35	
		BOC	Corporate Guarantee - USD	1,185.39	
	Hela Clothing Egypt	NDB	Corporate Guarantee - USD	1,778.08	
		NDB	Corporate Guarantee - USD	296.35	
	Hela Clothing	HNB	Corporate Guarantee - USD	135.13	
		DFCC	Corporate Guarantee - USD	1,185.39	
Foundation Garments and Hela Intimates EPZ	Hela Investment Holdings	NTB	Corporate Guarantee - USD	2,222.60	
		Aavishkaar	Corporate Guarantee - USD	1,481.74	
Hela Apparel Holdings	Foundation Garments	Norfund	Corporate Guarantee - USD	4,148.86	
		NDB	Corporate Guarantee - USD	2,911.31	
	Hela Clothing	DFCC	Corporate Guarantee - USD	889.04	
		DFCC	Corporate Guarantee - LKR	1,200.00	
		NDB	Corporate Guarantee - LKR	1,260.00	
		Commercial Bank	Corporate Guarantee - USD	296.35	
		HNB	Corporate Guarantee - USD	918.68	
		Sampath Bank	Corporate Guarantee - USD	592.69	
	Hela Clothing	Foundation Garments	NTB	Corporate Guarantee - LKR	2,500.00
			Sampath Bank	Corporate Guarantee - USD	1,185.39
Hela Clothing	Foundation Garments	Commercial Bank	Corporate Guarantee - USD	889.04	
		DFCC	Corporate Guarantee - USD	889.04	
			Corporate Guarantee - USD	889.04	
			Corporate Guarantee - USD	2,074.43	
			Corporate Guarantee - USD	889.04	
		BOC	Corporate Guarantee - USD	3,111.65	
	Corporate Guarantee - USD		68.16		
	Hela Investment Holdings	BOC	Corporate Guarantee - LKR	25.00	
			Corporate Guarantee - USD	889.04	
			Corporate Guarantee - USD	889.04	
Hela Clothing and Hela Apparel Holdings	Foundation Garments	Peoples Bank	Corporate Guarantee - USD	296.35	
		Peoples Bank	Corporate Guarantee - USD	1,926.26	
Hela Clothing and Hela Apparel Holdings	Foundation Garments	Peoples Bank	Corporate Guarantee - LKR	300.00	
		Peoples Bank	Corporate Guarantee - LKR	300.00	

7 Impairment losses from discontinued operations

The impairment expense recognized during the period relates to the Group's decision to discontinue its operations in Ethiopia. This includes the impairment provision of related party receivables and other receivables associated with the joint venture in Ethiopia, as well as the full impairment of the Group's investment in the joint venture. These impairments reflect the diminished recoverability of assets following the cessation of business activities in that region.

8 Expense from employee compensation scheme

This expense includes employee compensation costs incurred in relation to the restructuring of the Group's operations. The expense arises from employee compensation schemes implemented across Foundation Garments (Private) Limited, Hela Clothing (Private) Limited, F D N Sourcing (Private) Limited, and Hela Kenya EPZ Limited.

9 Loss after tax for the year from discontinued operations and assets held for sale

This loss reflects the net (loss)/profit attributable to Sumbiri Intimate Apparel Private Limited Company, Hela Indochine Apparel Private Limited Company, Foundation Bennett (Private) Limited, and Jinadasa Bennett (Private) Limited.

10 Assets / Liabilities directly associate with assets held for sale and discontinued operations

This comprises assets and liabilities associated with Hela Indochine Apparel Private Limited Company, investment property held by Foundation Bennett (Private) Limited and Jinadasa Bennett (Private) Limited, and fixed assets of Foundation Garments (Private) Limited, which are proposed to be sold during the 2025/26 financial year

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

11 Comparatives

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

12 Stated capital

	Company			
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	Number of shares	Number of shares	Value (LKR' 000)	Value (LKR' 000)
Ordinary Voting Shares	1,636,746,787	1,317,381,560	7,377,504	5,780,678
	1,636,746,787	1,317,381,560	7,377,504	5,780,678

Stated capital (Contd.)

(i) Movement in ordinary shares:

	Number of shares	Value (LKR' 000)
Opening balance 1 April 2023	1,309,955,933	5,754,575
Share issue related to Employee Share Ownership Plan	7,425,627	26,103
Balance 31 March 2024	1,317,381,560	5,780,678
Opening balance 1 April 2024	1,317,381,560	5,780,678
Right issue of ordinary shares	319,365,227	1,596,826
Balance 31 March 2025	1,636,746,787	7,377,504

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 March 2025	31 March 2024	31 March 2024	31 March 2024
Net assets as of period end (LKR '000)	(3,669,565)	10,218,166	7,684,698	6,271,080
Number of shares as of period end	1,636,746,787	1,317,381,560	1,636,746,787	1,317,381,560
Net assets per share (Rs.)	(2.24)	7.76	4.70	4.76

14 Events after reporting period

As part of the Group's restructuring process, a decision has been made to transfer 100% of the shareholding in Jinadasa Bennett (Private) Limited (JB) and Foundation Bennett (Private) Limited (FB) to a third party during the financial year 2025/26. Accordingly, all assets and liabilities of these entities have been classified as Assets Held for Sale as at 31 March 2025.

In addition, the Group has also decided to transfer the Mawathagama and Narammala plants, currently owned by Foundation Garment (Pvt) Ltd, to a third party in 2025/26. These assets have likewise been classified under Assets Held for Sale as at 31 March 2025.

Furthermore, management has decided to discontinue operations in Ethiopia effective from December 2024. Accordingly, the profit/(loss) attributable to Hela Indochine Apparel Private Limited has been classified under Discontinued Operations for the year ended 31 March 2025. Additionally, the investment in Sumbiri Intimate Apparel (Pvt) Limited has been impaired as at 31 March 2025, based on an assessment of recoverable value.

Except above, there have been no events subsequent to the reporting date, which require disclosure in the financial statements.

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

15 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.

16 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.

17 Market Price Per Share

	2025	2024
Market Value of Shares		
Last trading price on 31 March (LKR)	3.70	6.10
Highest Price During the Quarter Ended 31 March (LKR)	6.40	6.30
Lowest Price During the Quarter Ended 31 March (LKR)	3.60	4.80
Market Capitalization on 31 March (LKR)	6,055,963,112	8,036,027,516
Ratios		
Net Asset Per Share of the Group on 31 March (LKR)	(2.24)	7.76
Share Trading		
No of Transactions During the Quarter Ended 31 March 2025	15,278	22,198
No of Shares Traded During the Quarter Ended 31 March 2025	149,915,946	190,346,808
Value of Shares Traded During the Quarter Ended 31 March 2025 (LKR)	759,668,357	1,130,277,014
Number of Shares	1,636,746,787	1,317,381,560

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

18 Public Holdings as at 31 March 2025

Public Holding as at 31 March	2025	2024
Issued Share Capital (No. of Shares)	1,636,746,787	1,317,381,560
Public Holding as a % of Issued Share Capital	23.18%	21.28%
Total Number of Shareholders	13,844	13,874
Number of Shareholders representing the Public Holding	13,834	13,855

Minimum Public Holding Requirement as per Listing Rules 7.13.1 (i) (a)

	Float Adjusted Market Capitalization - (LKR)	Public Holding Percentage	No of Shareholders
Minimum Public Holding as at 31 March 2025	1,403,772,249	23.18%	13,834

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

19 Shareholder Information

List of 20 Major Shareholders as at 31 March 2025	2025	
	No. of Shares	%
1 Lesing Hela Limited	792,756,301	48.43
2 Tars Investments Lanka (Pvt) Ltd.	261,927,898	16.00
3 Mr. P.L.D. Jinadasa	191,728,960	11.71
4 Citibank Newyork S/A Norges Bank Account 2	34,932,879	2.13
5 Mr D.E.H Mcvey	30,598,973	1.87
6 Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	14,600,000	0.89
7 Mr T.C.U Jayanetti	8,000,000	0.49
8 Hatton National Bank PLC/ Dinesh Nagendra Sellamuttu	7,854,644	0.48
9 Mr. R.S.P. Amaratunga	5,407,961	0.33
10 Mrs D.C.R Boteju	5,310,000	0.32
11 Mr. A.R. Rasiah	5,309,801	0.32
12 Mr M.A. De Silva	4,704,239	0.29
13 Mr. P.S.V. Fernando	4,403,743	0.27
14 Mr. D.M. Beruwalage	4,300,927	0.26
15 Mr A.M Weerasinghe	3,758,308	0.23
16 Hatton National Bank PLC/ Sonali Senaratna	3,585,084	0.22
17 Simonas Trust Service (Pvt) Limited	3,349,796	0.20
9 Mr R Gautam	3,215,000	0.20
13 Mr S.V. Somasunderam	3,140,737	0.19
20 Mr S.D Liyanage	3,130,359	0.19
	1,392,015,610	85.02

Directors' Shareholding as at 31 March 2025	2025	2024
	No. of Shares	No. of Shares
Directors' Direct Shareholding		
Mr. P.L.D. Jinadasa (Group CEO)	191,728,960	138,931,300
Mr. A.R. Rasiah (Chairman)	5,309,801	4,273,743
Ms. T.S. Peries (Resigned w.e.f. 31/3/2025)	71,315	57,400
	197,110,076	143,262,443

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Profit or Loss

(All amounts are in US Dollars Thousands)

	Group		Company	
	Quarter ended 31 March		Quarter ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue from contracts with customers	73,845	68,481	-	-
Cost of sales	(68,710)	(60,540)	-	-
Gross profit	5,135	7,941	-	-
Distribution costs	(6,288)	(4,277)	-	-
Administrative costs	(8,206)	(14,098)	(85)	(33)
Other income	(78)	474	-	-
Net impairment loss on financial assets / goodwill	(12,305)	(65)	-	-
Other gains / (losses) - net	(314)	28,796	113	(3)
Operating loss	(22,056)	18,771	28	(36)
Finance income	108	247	-	-
Finance costs	(3,327)	(3,632)	-	-
Finance (costs) / income - net	(3,219)	(3,385)	-	-
Exceptional items:				
Impairment losses from discontinued operations	(1,956)	-	-	-
Expense from employee compensation scheme	(2,309)	-	-	-
Share of loss of equity accounted investee, net of tax	-	36	-	-
Loss before income tax	(29,540)	15,422	28	(36)
Income tax reversal	201	3,427	-	-
Loss for the period from continuing operations	(29,339)	18,849	28	(36)
Discontinued operations				
Loss after tax for the year from discontinued operations and assets held for sale	(1,883)	-	-	-
(Loss) / profit for the year	(31,222)	18,849	28	(36)
Profit/ (Loss) is attributable to: (Continuing operations)				
Owners of the Company	(29,710)	19,066	28	(36)
Non-controlling interests	371	(217)	-	-
Loss is attributable to: (Discontinuing operations)				
Owners of the Company	(984)	-	-	-
Non-controlling interests	(899)	-	-	-
Loss for the period	(31,222)	18,849	28	(36)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Comprehensive Income

(All amounts are in US Dollars Thousands)

	Group		Company	
	Quarter ended 31 March		Quarter ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Loss for the period	(31,222)	18,849	28	(36)
Other comprehensive income:				
<i>Items that will be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	1,432	(234)	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation gain arising from the transfer of property, plant and equipment to investment property	-	-	-	-
		1,128		
Remeasurements of post-employment benefit obligations	-	(452)	-	-
Deferred income tax impact relating to remeasurements of post-employment benefit obligations - gratuity	-	112	-	-
Other comprehensive loss for the period, net of tax	1,432	554	-	-
Total comprehensive loss for the period	(29,790)	19,403	28	(36)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Profit or Loss

(All amounts are in US Dollars Thousands)

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2025 (Unaudited)	2024 (Audited)	2025 (Unaudited)	2024 (Audited)
Revenue from contracts with customers	279,585	219,787	-	-
Cost of sales	(246,933)	(200,493)	-	-
Gross profit	32,652	19,294	-	-
Distribution costs	(15,091)	(9,118)	(2)	-
Administrative costs	(39,773)	(35,758)	(291)	(55)
Other income	1,775	1,137	-	-
Net impairment loss on financial assets / goodwill	(12,305)	(65)	-	-
Other gains / (losses) - net	(1,274)	29,881	111	(3)
Operating loss	(34,016)	5,371	(182)	(58)
Finance income	624	350	-	-
Finance costs	(14,306)	(12,877)	(1)	-
Finance (costs) / income - net	(13,682)	(12,527)	(1)	-
Exceptional items:				
Impairment losses from discontinued operations	(1,956)	-	-	-
Expense from employee compensation scheme	(2,309)	-	-	-
Share of loss of equity accounted investee, net of tax	-	(134)	-	-
Loss before income tax	(51,963)	(7,290)	(183)	(58)
Income tax reversal	1,231	6,199	-	-
Loss for the period from continuing operations	(50,732)	(1,091)	(183)	(58)
Discontinued operations				
Loss after tax for the year from discontinued operations and assets held for sale	(2,100)	-	-	-
(Loss) / profit for the year	(52,832)	(1,091)	(183)	(58)
Profit/ (Loss) is attributable to: (Continuing operations)				
Owners of the Company	(50,736)	(1,167)	(183)	(58)
Non-controlling interests	4	76	-	-
Loss is attributable to: (Discontinuing operations)				
Owners of the Company	(1,202)	-	-	-
Non-controlling interests	(898)	-	-	-
Loss for the period	(52,832)	(1,091)	(183)	(58)

Condensed Statement of Comprehensive Income

(All amounts are in US Dollars Thousands)

	Group		Company	
	Year ended 31 March		Year ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Loss for the period	(52,832)	(1,091)	(183)	(58)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	333	(309)	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation gain arising from the transfer of property, plant and equipment to investment property	-	1,128	-	-
Remeasurements of post-employment benefit obligations	-	(452)	-	-
Deferred income tax impact relating to remeasurements of post-employment benefit obligations - gratuity	-	112	-	-
Other comprehensive loss for the period, net of tax	333	479	-	-
Total comprehensive loss for the period	(52,499)	(612)	(183)	(58)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Financial Position

(All amounts are in US Dollars Thousands)

	Group		Company	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Property, plant and equipment	14,671	22,474	-	-
Investment property	2,018	4,172	-	-
Right-of-use assets	10,442	13,235	-	-
Intangible assets	32,606	43,699	75	88
Investment in subsidiaries	-	-	26,446	21,056
Investments accounted for using the equity method	-	751	-	-
Deferred tax assets	11,432	10,209	-	-
Other financial assets at amortized cost	1	2,001	-	-
Total non-current assets	71,170	96,541	26,521	21,144
Current assets				
Inventories	24,011	28,149	-	-
Trade and other receivables	47,206	50,688	-	73
Other assets	12,450	10,184	39	9
Income tax receivables	1,023	944	-	-
Assets directly associate with assets held for sale and discontinued operations	7,433	-	-	-
Other financial assets at amortized cost	842	855	-	-
Cash and cash equivalents	14,990	27,606	12	17
Total current assets	107,955	118,426	51	99
Total assets	179,125	214,967	26,572	21,243
EQUITY				
Stated capital	35,035	29,742	35,035	29,742
Retained earnings / (accumulated losses)	(52,075)	(138)	(9,635)	(9,453)
Other reserves	3,937	3,937	532	532
Exchange equalization reserve	250	(82)	-	-
Capital and reserves attributable to owners of the Company	(12,853)	33,459	25,932	20,821
Non-controlling interests	(240)	654	-	-
Total equity	(13,093)	34,113	25,932	20,821
LIABILITIES				
Non-current liabilities				
Borrowings	10,097	14,350	-	-
Deferred tax liabilities	3,794	4,903	-	-
Lease liabilities	7,745	10,406	-	-
Employee benefit obligations	2,628	2,443	-	-
Total non-current liabilities	24,264	32,102	-	-
Current liabilities				
Trade and other payables	67,637	53,166	640	400
Lease liabilities	3,472	3,533	-	-
Income tax liabilities	90	521	-	-
Liabilities directly associated with the held for sale and discontinued operations	944	-	-	-
Borrowings	95,811	91,532	-	22
Total current liabilities	167,954	148,752	640	422
Total liabilities	192,218	180,854	640	422
Total equity and liabilities	179,125	214,967	26,572	21,243

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

DIRECTORS

A R Rasiah
A J Alderton
P L D Jinadasa
G P Gunawardana
T S Peries (Resigned w.e.f. 31/03/2025)
A Cockerham
C M Horn
A De Silva Muthumuni

COMPANY SECRETARY

Ms. Shenali De Silva
No. 35, Balapokuna Road, Colombo 06.

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

DIRECT SUBSIDIARY

Hela Clothing (Private) Limited
Hela Brands 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
Focus Brands Limited
Focus Group Holdings Limited
Focus Italy S.r.l
Focus International Limited
Focus International NL BV
Focus International GMBH
Focus Sports & Leisure International Limited
Focus Equipment 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
Barclays PLC

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.

