9th June 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre
Echelon Square
Colombo 01

Dear Madam

HELA APPAREL HOLDINGS PLC
CORPORATE DISCLOSURE

We write further to the disclosures made by Hela Apparel Holdings PLC (the "Company") on 29th April 2026 and 15th May 2026 in connection with the disposal by Hela Brands Limited (Mauritius) of the entirety of the shares held in Focus Brands Limited in the UK to Mr Mohamed Salim Suhurdeen and Mr Mohamed Salihu Fazeeldeen (the shareholders of Emerald Investments (Private) Limited) for a total consideration of USD 8 million under and in terms of the Share Sale and Purchase Agreement signed on the 14th of April 2026 (the "SPA").

Clarification Regarding Transaction Structure
The Company wishes to clarify that the shareholder approval obtained at the Extraordinary General Meeting convened in connection with this transaction related to the proposed disposal of Hela Brands Limited (Mauritius), being the intermediate holding company of the Hela Brands business. Following discussions with the purchasers and for implementation efficiency, the transaction was ultimately effected through the disposal by Hela Brands Limited (Mauritius) of its immediate and wholly owned operating subsidiary, Focus Brands Limited (United Kingdom), on the same commercial terms and consideration as those approved by shareholders.

Accordingly, Hela Brands Limited (Mauritius) has not been disposed of and will remain a wholly owned subsidiary within the Hela group. Hela Brands Limited (Mauritius) will continue as the contracting entity under the Share Sale and Purchase Agreement and the Deed of Settlement and Amendment and shall remain entitled to receive all deferred consideration, earn-out payments and any other amounts payable under the transaction documents.

Hela Apparel Holdings PLC | (Reg. No. PQ 00205151)
Registered Address: 35 Balapokuna Road, Kirulapone, Colombo 05, Sri Lanka.
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The Board considers that the implementation of the transaction through the disposal of Focus Brands Limited (United Kingdom), rather than Hela Brands Limited (Mauritius), does not result in any material change to the commercial substance of the transaction previously approved by shareholders, nor does it alter the consideration receivable by the Hela group under the transaction.

Under the SPA, the purchasers were required to pay aggregate cash consideration of USD 8.0 million, out of which USD 2.0 million is to be received in due course on an earn-out basis. Out of USD 6.0 million to be received by Hela Brands Limited (Mauritius) at or around the time of the transfer of shares ("Non-Earn Out Consideration"), a sum of USD 2.016 million has been received or applied to date, comprising:

- USD1,500,000 received on the date of the transfer; and
- USD 516,000 paid by purchasers on behalf of Hela towards outstanding employee salary obligations.

Accordingly, a sum of USD 3.984 million remained outstanding under the SPA from and out of the Non-Earn Out Consideration.

Following discussions between the parties regarding the transition of certain manufacturing operations and the settlement of associated employee liabilities, the parties have executed a Deed of Settlement and Amendment dated 30th May 2026 to amend the SPA.

The principal commercial terms of the amendment are as follows:

1. Naula and Ukuwela Factory Operational Transition -

   Emerald Clothing (Private) Limited has agreed to take over the manufacturing facilities in Naula and Ukuwela together with the employees and also to assume responsibility for employee-related liabilities associated with the operational transition of the Naula and Ukuwela manufacturing facilities, including VRS and gratuity obligations relating to employees transferred as part of the transition arrangement. The agreed value attributable to such liabilities has been fixed at USD 1,900,000 and has been set off against the Non-Earn Out Consideration.

2. Customer Related Penal Charges –

   The parties have further agreed that airfreight costs incurred by the purchasers/ Emerald Clothing (Private) Limited in servicing certain outstanding purchase orders at the time of sale, currently estimated at approximately USD 1.6 million, should be borne by the Hela group and applied as a corresponding reduction of the Non-Earn Out Consideration The final amount will be determined following reconciliation of actual costs incurred.

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3. Residual Deferred Consideration –

Following application of the USD 1,900,000 settlement amount, the outstanding Non-Earn Out Consideration has reduced from USD 3.984 million to USD 2.084 million. The final residual amount payable in satisfaction of the Non-Earn Out Consideration under the SPA will be determined following reconciliation of the airfreight costs and other agreed adjustments contemplated under the Deed.

Transaction Summary

Description	**USD Mn**
Original Non-Earn Out Consideration	6.000
Consideration Received at the time of transfer	(1.500)
April 2026 Salary Funding Settled on behalf of Hela	(0.516)
Non-Earn Out Consideration Outstanding Prior to Amendment	3.984
Less: Naula & Ukuwela Transition Settlement	(1.900)
Non-Earn Out Consideration Following Settlement	2.084
Less: Estimated Customer Related Charges*	(1.600)
Estimated residual Non-Earn Out Consideration*	0.484

Subject to the above amendments, the SPA and the rights of Hela Brands Limited (Mauritius) thereunder remains in force and unchanged, including (i) the right to receive the sum of USD 2.0 Million on an earn-out basis as previously disclosed to the shareholders, and (ii) the right to receive any residue from the Non-Earn Out Deferred Consideration after the set off of the aforementioned customer related charges.

The Company is pleased to inform the shareholders and the market that the arrangement set forth in Deed of Settlement and Amendment has ensured the operational continuity of the manufacturing facilities at Naula and Ukuwela and also critically, the preservation of the employment and livelihoods of over 1,500 workers in those facilities.

4. Egypt Operations -

The parties have also agreed that the Hela Egypt operations will continue under an Emerald Clothing Management Services Agreement structure until 31 December 2026, with the proposed purchaser retaining an option to acquire the business subject to the terms agreed between the parties.

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The parties to the Deed are:

- Hela Brands Limited (Mauritius);
- Mr. Mohamed Faseeldeen;
- Mr. Mohamed Suhurdeen; and
- Emerald Clothing (Private) Limited.

By Order of the Board of
HELA APPAREL HOLDINGS PLC

Dilanka Jinadasa
Director

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