18th November 2024

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01 West Block
World Trade Center
Colombo 01.

Dear Sir,

HELA APPAREL HOLDINGS PLC ('THE COMPANY') RIGHTS ISSUE 2024 – UTILISATION OF PROCEEDS AND CONNECTED SHARE ISSUANCES IN SUBSIDIARIES

In terms of the Listing Rules of the Colombo Stock Exchange, we write to inform you of the full utilisation of the proceeds of the company's Right Issue, as approved by shareholders on 26th August 2024 ("the Rights Issue"), and the connected share issuances in the Company's subsidiaries in accordance with the Circular to Shareholders dated 7th August 2024 ("the Circular").

As stated in the Circular, the funds raised through the Rights Issue after deducting the costs of the Rights Issue ("Remaining Proceeds") were intended to be utilised for the identified objectives. We hereby confirm that the Remaining Proceeds of the Right Issue were Rs. 1,592,851,647 as outlined in the below table.

Amount Raised From the Rights Issue (LKR)	Cost of the Issue (LKR)	Remaining Proceeds (LKR)
1,596,826,135	3,974,488	1,592,851,647

As further stated in the Circular, the Remaining Proceeds were to be made available by the Company to its sub-subsidiary Foundation Garments (Private) Limited in the form of investments in its share capital. Accordingly, Rs. 1,592,851,640 has been invested by the Company in its direct subsidiary, Hela Clothing (Private) Limited. Thereafter, Hela Clothing (Private) Limited has invested Rs. 1,592,851,640 in its direct subsidiary, Foundation Garments (Private) Limited. Details of these equity investment are provided in the table below.

The Company obtained Related Party Transactions Review Committee approval for the disbursements of funds and the Board of Directors of each respective subsidiary determined that the consideration for which the shares were issued was fair and reasonable to that company and all existing shareholders.

Investor	Subsidiary	% Shareholding of Investor Prior Share Issuance	Investment Amount (LKR)	Price per Share (LKR)	Number of Shares Issued	% Shareholding of Investor Following Share Issuance
Hela Apparel Holdings PLC	Hela Clothing (Private) Limited	100%	1,592,851,640/-	10	159,281,640	100%
Hela Clothing (Private) Limited	Foundation Garments (Private) Limited	100%	1,592,851,640/-	10	159,281,640	100%

Hela Apparel Holdings PLC | (Reg. No. PQ 00205151)
Registered Address: 35 Balapokuna Road, Kirulapone, Colombo 06, Sri Lanka.
T: +94114385400 info@helaclothing.com www.helaclothing.com

We further confirm that the Remaining Proceeds of the Rights Issue have been fully utilised in line with the objectives identified in the Circular, and as outlined in the below table.

Rights Issue Proceeds Utilization as at 13-11-2024

Objective No.	Objective as per circular	Amount allocated as per circular in LKR	Proposed date of utilization as per circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested. (i.e. whether lent to related parties etc.)
1.	Settlement of Banking Facilities by Foundation Garments (Private) Limited	1,592,851,647	11th November 2024	1,592,851,640	100%	1,592,851,640	100%	N/A

Yours Faithfully,
On Behalf of Hela Apparel Holdings PLC

Dilanka Jinadasa
Group CEO & Executive Director