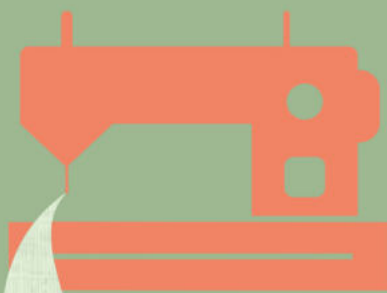


EVER EVOLVING



HELA APPAREL HOLDINGS PLC
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

GROUP CEO'S REVIEW

The Hela Group demonstrated a significant improvement in its financial performance during the second quarter of FY 2024/25, returning to a recurring operating profit for the first time in eight quarters. This reflects the significant steps taken to strategically reposition the organisation over the past two years and further upside is expected to be realised over the coming quarters.

Group revenue increased by 36.5% year-on-year (+19.9% quarter-on-quarter) to Rs. 23.4 Bn in the second quarter. This was driven by the addition of the Brand Licensing Division (BLD), which contributed Rs. 7.3 Bn to the Group's top line in the second quarter following the acquisition of Focus Brands in January 2024. Revenue for the Private Label Manufacturing Division (PLMD) declined by 6.1% year-on-year during the quarter. However, this primarily reflected the appreciation of the Sri Lankan rupee against the division's US dollar-denominated sales during this period. On a quarter-on-quarter basis, PLMD revenue increased by 8.8% compared to the first quarter as demand from its key brand partners continued to recover.

The Group's profit margins also improved markedly during the second quarter, with the gross profit margin increasing by over 11.0%-pts year-on-year to 19.3%. While this is partly due to the addition of the BLD, which recorded a 25.3% gross profit margin during the quarter, the PLMD's gross margin more than doubled compared to the same period of the previous year to 16.6%. This is the highest gross profit margin recorded by the PLMD in fourteen quarters and was driven by a significant improvement in capacity utilisation, as well as the ongoing shift in the PLMD's customer mix towards higher margin brands.

As a result of the improvement in gross margins, as well as conservative management of administrative and distribution costs, the Group recorded an operating profit of Rs. 557 Mn in the second quarter. This reflects an almost 15%-pt year-on-year increase in operating profit margins and was driven by both the PLMD and BLD, which recorded operating profits of Rs. 268 Mn and Rs. 290 Mn, respectively. It is particularly notable that this is the first recurring operating profit recorded by the PLMD since Q2 FY 2022/23. What's more, this also included Rs. 136 Mn in one-off costs related to the strategic decision taken during the quarter to scale down the PLMD's Ethiopian manufacturing operations due to the challenging operating conditions in this location.

As a result of the Group's finance costs, a post-tax loss (attributable to equity holders) of LKR 458 Mn was recorded in the second quarter. Nonetheless, this is the lowest recurring net loss in eight quarters. In addition, the successful completion of the company's rights issue to raise approximately LKR 1.6 Bn immediately following the end of the quarter will support the stability of key balance sheet metrics.

Looking ahead, demand conditions in the Group's key markets remain supportive of a further increase in revenue in the third quarter and the management intend to build on the current momentum to ensure a sustainable return to net profit over the coming quarters. Strategic measures to further improve profitability by ensuring the agility of the PLMD's manufacturing footprint and building on the upside potential of the BLD will remain the key focus. What's more, the subsequent phases of the Group's capital augmentation strategy currently under consideration will ensure the balance sheet is well positioned to support these initiatives and the delivery of improved shareholder value.



Dilanka Jinadasa
Group CEO

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Quarterly Financial Snapshot – Period Ended 30 September									
LKR Mn	Group			Private Label Manufacturing Division			Brand Licensing Division		
	2024	2023	% / bps Variance	2024	2023	% / bps Variance	2024	2023	% / bps Variance
Revenue	23,445	17,172	36.5%	16,130	17,172	-6.1%	7,315	-	-
Gross Profit	4,533	1,404	222.9%	2,680	1,404	41.5%	1,854	-	-
Gross Margin	19.3%	8.2%	1110 bps	16.6%	8.2%	840 bps	25.3%	-	-
Operating Profit	557	(2,128)	126.2%	268	(2,128)	-19.8%	290	-	-
Operating Margin	2.4%	(12.4%)	1480 bps	1.7%	(12.4%)	1410 bps	4.0%	-	-

Note: Please refer to Note 1 of these interim condensed financial statements for further details of the segmental performance. The comparative performance of the Brand Licensing Division for the quarter ended 30 September 2023 has not been included since this is prior to the acquisition of Focus Brands Limited by the Group and the establishment of the division. In addition, we advise readers of these interim condensed financial statements to take note of the forward looking statements disclaimer on the final page.

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Profit or Loss

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Quarter ended 30 September		Quarter ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue from contracts with customers	23,444,722	17,171,910	-	-
Cost of sales	(18,911,448)	(15,768,014)	-	-
Gross profit	4,533,274	1,403,896	-	-
Distribution costs	(898,324)	(663,466)	-	-
Administrative costs	(3,061,583)	(2,972,478)	(17,950)	(2,467)
Other income	268,484	64,003	-	27
Other gains / (losses) - net	(284,649)	40,210	(268)	-
Operating profit / (loss)	557,202	(2,127,835)	(18,218)	(2,440)
Finance income	85,006	6,173	14	-
Finance costs	(1,179,341)	(907,205)	-	(2)
Finance (costs) / income - net	(1,094,335)	(901,032)	14	(2)
Share of profit of equity accounted investee, net of tax	589	739	-	-
Loss before income tax	(536,544)	(3,028,128)	(18,204)	(2,442)
Income tax reversal	17,141	431,254	-	-
Loss for the period	(519,403)	(2,596,874)	(18,204)	(2,442)
Profit / (loss) attributable to:				
Owners of the Company	(458,001)	(2,648,163)	(18,204)	(2,442)
Non-controlling interests	(61,402)	51,289	-	-
Loss for the period	(519,403)	(2,596,874)	(18,204)	(2,442)
Loss per share for loss attributable to the equity holders of the Company	LKR	LKR	LKR	LKR
Basic / diluted loss per share	(0.35)	(2.01)	(0.01)	(0.00)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Comprehensive Income

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Quarter ended 30 September		Quarter ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Loss for the period	(519,403)	(2,596,874)	(18,204)	(2,442)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Currency translation differences	268,082	1,125,783	(131,744)	325,703
Other comprehensive income for the period, net of tax	268,082	1,125,783	(131,744)	325,703
Total comprehensive income / (loss) for the period	(251,321)	(1,471,091)	(149,948)	323,261

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Profit or Loss

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers	42,983,960	34,165,284	-	-
Cost of sales	(36,095,621)	(31,719,694)	-	-
Gross profit	6,888,339	2,445,590	-	-
Distribution costs	(1,767,475)	(1,233,794)	-	-
Administrative costs	(6,373,254)	(4,940,357)	(31,492)	(4,874)
Other income	508,647	77,414	-	-
Other gains / (losses) - net	(280,844)	309,081	(85)	24
Operating loss	(1,024,587)	(3,342,066)	(31,577)	(4,850)
Finance income	110,232	15,606	30	47
Finance costs	(2,199,700)	(1,916,296)	(153)	-
Finance (costs) / income - net	(2,089,468)	(1,900,690)	(123)	47
Share of loss of equity accounted investee, net of tax	(43,835)	(44,271)	-	-
Loss before income tax	(3,157,890)	(5,287,027)	(31,700)	(4,803)
Income tax reversal	173,172	743,146	-	-
Loss for the period	(2,984,718)	(4,543,881)	(31,700)	(4,803)
Profit / (loss) attributable to:				
Owners of the Company	(2,916,318)	(4,599,194)	(31,700)	(4,803)
Non-controlling interests	(68,400)	55,313	-	-
Loss for the period	(2,984,718)	(4,543,881)	(31,700)	(4,803)
Loss per share for loss attributable to the equity holders of the Company	LKR	LKR	LKR	LKR
Basic / diluted earnings / (loss) per share	(2.21)	(3.49)	(0.02)	(0.00)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Comprehensive Income

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Loss for the period	(2,984,718)	(4,543,881)	(31,700)	(4,803)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Currency translation differences	288,344	(212,864)	(37,830)	(59,263)
Other comprehensive income for the period, net of tax	288,344	(212,864)	(37,830)	(59,263)
Total comprehensive loss for the period	(2,696,374)	(4,756,745)	(69,530)	(64,066)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Financial Position

(All amounts are in Sri Lankan Rupees Thousands)

	Group			Company		
	30.09.2024	31.03.2024	30.09.2023	30.09.2024	31.03.2024	30.09.2023
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	6,210,974	6,768,862	8,927,977	-	-	-
Investment property	1,253,021	1,256,500	554,847	-	-	-
Right-of-use assets	3,501,933	3,986,043	2,655,913	-	-	-
Intangible assets	12,899,449	13,161,576	11,843,305	24,323	26,354	-
Investment in subsidiaries	-	-	-	7,215,015	6,341,683	6,796,615
Investments accounted for using the equity method	179,155	226,134	241,102	-	-	-
Deferred tax assets	3,102,696	3,074,839	1,966,983	-	-	-
Other financial assets at amortized cost	536,527	602,548	195	-	-	-
Total non-current assets	27,683,755	29,076,502	26,190,322	7,239,338	6,368,037	6,796,615
Current assets						
Inventories	9,217,209	8,478,114	7,113,269	-	-	-
Trade and other receivables	15,393,934	15,266,312	10,362,751	9,365	22,073	-
Other assets	3,523,575	3,067,359	4,248,120	2,385	2,834	986
Income tax receivables	305,014	284,437	304,177	72	73	-
Other financial assets at amortized cost	251,661	257,507	174,263	-	-	-
Cash and cash equivalents	7,295,636	8,314,419	3,688,860	435,680	5,058	14,754
Total current assets	35,987,029	35,668,148	25,891,440	447,502	30,038	15,740
Total assets	63,670,784	64,744,650	52,081,762	7,686,840	6,398,075	6,812,355
EQUITY						
Stated capital	5,780,678	5,780,678	5,780,678	5,780,678	5,780,678	5,780,678
Accumulated losses	(4,626,762)	(1,710,444)	(6,133,682)	(2,351,109)	(2,319,409)	(2,305,642)
Other reserves	1,233,869	1,233,869	777,677	93,841	93,841	91,358
Exchange equalization reserve	5,202,407	4,914,063	5,907,728	2,678,140	2,715,970	3,200,509
Capital and reserves attributable to owners of the Company	7,590,192	10,218,166	6,332,401	6,201,550	6,271,080	6,766,903
Non-controlling interests	(12,304)	56,096	371,704	-	-	-
Total equity	7,577,888	10,274,262	6,704,105	6,201,550	6,271,080	6,766,903
LIABILITIES						
Non-current liabilities						
Borrowings	4,700,604	4,322,054	4,493,085	-	-	-
Deferred tax liabilities	1,342,521	1,476,608	1,544,120	-	-	-
Lease liabilities	2,849,179	3,134,053	2,208,835	-	-	-
Employee benefit obligations	867,916	735,923	546,592	-	-	-
Total non-current liabilities	9,760,220	9,668,638	8,792,632	-	-	-
Current liabilities						
Trade and other payables	15,031,413	16,012,782	12,115,867	1,485,290	120,427	45,452
Lease liabilities	885,124	1,064,156	493,711	-	-	-
Income tax liabilities	-	156,929	172,036	-	-	-
Borrowings	30,416,139	27,567,883	23,803,411	-	6,568	-
Total current liabilities	46,332,676	44,801,750	36,585,025	1,485,290	126,995	45,452
Total liabilities	56,092,896	54,470,388	45,377,657	1,485,290	126,995	45,452
Total equity and liabilities	63,670,784	64,744,650	52,081,762	7,686,840	6,398,075	6,812,355
	LKR	LKR	LKR	LKR	LKR	LKR
Net assets per share	5.76	7.76	4.81	4.71	4.76	5.14

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: 12th November 2024

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: 12th November 2024

Sgd.
Director
Date: 12th November 2024

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Cash Flows

(All amounts are in Sri Lankan Rupees Thousands)

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2024	2023	2024	2023
Loss before income tax from continuing operations	(3,157,890)	(5,287,027)	(31,700)	(4,803)
Adjustments for:				
Depreciation and amortization	1,212,043	269,752	1,884	-
Net interest expenses	2,089,468	1,900,691	30	(47)
Retirement benefits obligations provision	73,576	50,193	-	-
Provision for impairment of debtors	70,503	-	-	-
Share based payment expenses	-	2,450	-	-
Share of loss from joint Ventures	43,835	43,772	-	-
Changes in working capital				
- (Increase) / decrease in inventories	(795,896)	4,449,124	-	-
- (Increase) / decrease in trade and other receivables	(882,673)	(875,639)	13,094	(13,299)
- Increase / (decrease) in trade and other payables	(890,544)	355,970	1,368,291	(2,025)
Cash (used in) / generated from operations	(2,237,578)	909,286	1,351,599	(20,174)
Retirement benefits obligations paid	(43,153)	(35,375)	-	-
Income tax paid	(166,937)	(247,150)	-	-
Interest paid	(2,158,256)	(1,916,296)	-	-
Net cash (outflow) / inflow from operating activities	(4,605,924)	(1,289,535)	1,351,599	(20,174)
Cash flows from investing activities				
Investments made in subsidiaries	-	-	(918,119)	(25,168)
Net movement of property, plant and equipment and intangible assets	(70,279)	(43,885)	-	-
Interest received / (paid)	110,232	8,718	(30)	47
Net cash (outflow) / inflow from investing activities	39,953	(35,167)	(918,149)	(25,121)
Cash flows from financing activities				
Principal elements of lease payments	(531,090)	(457,314)	-	-
Net borrowings	3,443,495	1,327,356	-	-
Advance receipt on share issue	-	-	-	-
Net cash inflow / (outflow) from financing activities	2,912,405	870,042	-	-
Net increase / (decrease) in cash and cash equivalents	(1,653,566)	(454,660)	433,450	(45,295)
Cash and cash equivalents at beginning of the period	8,314,419	3,906,000	5,058	8,804
Currency translation differences	634,783	237,520	(2,828)	51,245
Cash and cash equivalents at end of the Period	7,295,636	3,688,860	435,680	14,754

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	-	(2,916,318)	-	-	(2,916,318)	(68,400)	(2,984,718)
Total comprehensive income for the year	-	(2,916,318)	-	-	(2,916,318)	(68,400)	(2,984,718)
Currency translation difference		-	-	288,344	288,344	-	288,344
Balance at 30 September 2024	5,780,678	(4,626,762)	1,233,869	5,202,407	7,590,192	(12,304)	7,577,888

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	-	-	(31,700)	-	(31,700)
Other comprehensive income	-	-	-	(37,830)	(37,830)
Total comprehensive income for the year	-	-	(31,700)	(37,830)	(69,530)
Balance at 30 September 2024	5,780,678	93,841	(2,351,109)	2,678,140	6,201,550

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

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 30 September 2024

LKR"000"	Private Label Manufacturing Division		Brand Licensing Division		Group	
	2024	2023	2024	2023	2024	2023
Revenue	16,129,729	17,171,910	7,314,993	-	23,444,722	17,171,910
Gross profit	2,679,579	1,403,896	1,853,695	-	4,533,274	1,403,896
Net operating expenses	(2,411,895)	(3,531,731)	(1,564,177)	-	(3,976,072)	(3,531,731)
Operating profit / (loss)	267,684	(2,127,835)	289,518	-	557,202	(2,127,835)
Net finance (cost) / income	(1,147,454)	(901,032)	53,119	-	(1,094,335)	(901,032)
Profit / (loss) before taxation	(879,181)	(3,028,128)	342,637	-	(536,544)	(3,028,128)
Income tax reversal	17,141	431,254	-	-	17,141	431,254
Profit / (loss) for the period	(862,040)	(2,596,874)	342,637	-	(519,403)	(2,596,874)

(iii) Summarized statement of financial position as at 30 September 2024

LKR"000"	Private Label Manufacturing Division		Brand Licensing Division		Group	
	2024	2023	2024	2023	2024	2023
ASSETS						
Non-current assets	25,133,758	26,190,322	2,549,997	-	27,683,755	26,190,322
Current assets	22,796,839	25,891,440	13,190,190	-	35,987,029	25,891,440
Total assets	47,930,597	52,081,762	15,740,187	-	63,670,784	52,081,762
LIABILITIES						
Non-current liabilities	8,008,032	8,792,632	1,752,188	-	9,760,220	8,792,632
Current liabilities	40,440,207	36,585,025	5,892,469	-	46,332,676	36,585,025
Total liabilities	48,448,239	45,377,657	7,644,657	-	56,092,896	45,377,657

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 period ended 30 September 2024, 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 30th September 2024 were authorized for issue by the Board of Directors on 12 November 2024.

5 Basis of preparation

The condensed interim financial statements for the period ended 30 September 2024 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 30 September 2024.

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	299.36
		BOC	Corporate Guarantee - USD	1,197.43
			Corporate Guarantee - USD	1,796.14
	Hela Clothing Egypt	NDB	Corporate Guarantee - USD	299.36
	Hela Clothing	HNB	Corporate Guarantee - USD	136.51
		DFCC	Corporate Guarantee - USD	1,197.43
		NTB	Corporate Guarantee - USD	2,245.17
Foundation Garments and Hela Intimates EPZ	Hela Investment Holdings	Aavishkaar	Corporate Guarantee - USD	1,496.78
		Norfund	Corporate Guarantee - USD	4,190.99
Hela Apparel Holdings	Foundation Garments	NDB	Corporate Guarantee - USD	2,940.88
		DFCC	Corporate Guarantee - USD	898.07
	Hela Clothing	DFCC	Corporate Guarantee - LKR	1,200.00
		NDB	Corporate Guarantee - LKR	1,260.00
		Commercial Bank	Corporate Guarantee - USD	299.36
		HNB	Corporate Guarantee - USD	928.01
		Sampath Bank	Corporate Guarantee - USD	598.71
		NTB	Corporate Guarantee - LKR	2,500.00
Hela Clothing	Foundation Garments	Sampath Bank	Corporate Guarantee - USD	1,197.43
		Commercial Bank	Corporate Guarantee - USD	898.07
			Corporate Guarantee - USD	898.07
		DFCC	Corporate Guarantee - USD	898.07
			Corporate Guarantee - USD	2,095.50
			Corporate Guarantee - USD	898.07
		BOC	Corporate Guarantee - USD	3,143.24
			Corporate Guarantee - USD	68.85
			Corporate Guarantee - LKR	25.00
	Hela Investment Holdings	BOC	Corporate Guarantee - USD	898.07
			Corporate Guarantee - USD	898.07
			Corporate Guarantee - USD	299.36
Hela Clothing and Hela Apparel Holdings	Foundation Garments	Peoples Bank	Corporate Guarantee - USD	1,945.82
			Corporate Guarantee - LKR	300.00

7 Comparatives

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

8 Stated capital

	Company			
	30 September 2024	31 March 2024	30 September 2024	31 March 2024
	Number of shares	Number of shares	Value (LKR' 000)	Value (LKR' 000)
Ordinary Voting Shares	1,317,381,560	1,317,381,560	5,780,678	5,780,678
	1,317,381,560	1,317,381,560	5,780,678	5,780,678

Notes to the Financial Statements

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
Balance 30 September 2024	1,317,381,560	5,780,678

9 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 2024	31 March 2024	30 September 2024	31 March 2024
Net assets as of period end (LKR '000)	7,590,192	10,218,166	6,201,550	6,271,080
Number of shares as of period end	1,317,381,560	1,317,381,560	1,317,381,560	1,317,381,560
Net assets per share (Rs.)	5.76	7.76	4.71	4.76

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

10 Events after reporting period

The Board of Directors of the Company resolved on 18th June 2024 to issue 319,365,227 ordinary voting shares by way of a Rights Issue to existing shareholders in the proportion of 8 new ordinary shares for every 33 existing ordinary shares at a price of Rs. 5.00 per share, to raise a total Rs. 1,596,826,135. As disclosed to the Colombo Stock Exchange on 30th September 2024, the Company received applications for a total of 319,514,110 shares and the Rights Issue was therefore oversubscribed. The Board of Directors of the Company thereafter determined the allotment criteria and 319,365,227 ordinary voting shares were listed on the Colombo Stock Exchange on 10th October 2024.

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

11 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.

12 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.

13 Market Price Per Share

	2024	2023
Market Value of Shares		
Last trading price on 30 September (LKR)	6.20	6.40
Highest Price During the Quarter Ended 30 September (LKR)	6.50	8.60
Lowest Price During the Quarter Ended 30 September (LKR)	4.80	5.90
Market Capitalization on 30 September (LKR)	8,167,765,672	8,431,241,984
Ratios		
Net Asset Per Share of the Group on 30 September (LKR)	5.76	4.81
Share Trading		
No of Transactions During the Quarter Ended 30 September 2024	3,995	8,684
No of Shares Traded During the Quarter Ended 30 September 2024	25,320,589	56,069,351
Value of Shares Traded During the Quarter Ended 30 September 2024 (LKR)	140,854,880	385,879,294
Number of Shares	1,317,381,560	1,317,381,560

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Notes to the Financial Statements

14 Public Holdings as at 30 September 2024

Public Holding as at 30 September	2024	2023
Issued Share Capital (No. of Shares)	1,317,381,560	1,317,381,560
Public Holding as a % of Issued Share Capital	22.28%	22.65%
Total Number of Shareholders	13,540	14,199
Number of Shareholders representing the Public Holding	13,527	14,181
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 30 September 2024	1,820,104,902	22.28%	13,527

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

15 Shareholder Information

List of 20 Major Shareholders as at 30 September 2024		2024	
		No. of Shares	%
1	Lesing Hela Limited	614,256,956	46.63
2	Tars Investments Lanka (Pvt) Ltd.	229,612,259	17.43
3	Mr. P.L.D. Jinadasa	148,531,300	11.27
4	Mr. D.E.H. Mcvey	30,598,973	2.32
5	Citibank Newyork S/A Norges Bank Account 2	28,116,708	2.13
6	Hatton National Bank PLC/Sri Dhaman Rajendram Arudpragasam	16,310,071	1.24
7	Magna Wealth (Pvt) Ltd.	15,127,334	1.15
8	Union Assurance PLC-Universal Life Fund	8,934,858	0.68
9	DFCC Bank PLC A/C NO.02	5,278,973	0.40
10	Mr. R.S.P. Amaratunga	5,007,961	0.38
11	Mr. P.S.V. Fernando	4,403,743	0.33
12	Mr. D.M. Beruwalage	4,361,600	0.33
13	Mr. A.R. Rasiah	4,273,743	0.32
14	Union Assurance PLC-Traditional Life Participating Fund	4,197,117	0.32
15	Mr. S.V. Somasunderam	3,140,737	0.24
16	Mr. A.M. Weerasinghe	3,024,980	0.23
17	Bank of Ceylon A/C Ceybank Unit Trust	2,945,200	0.22
18	Simonas Trust Service (Private) Limited	2,696,178	0.20
19	California Link (Private)Ltd	2,418,195	0.18
20	Mr. S.D. Liyanage	2,245,094	0.17
		1,135,481,980	86.17

Directors' Shareholding as at 30 September 2024		2024	2023
		No. of Shares	No. of Shares
Directors' Direct Shareholding			
Mr. P.L.D. Jinadasa (Group CEO)		148,531,300	138,931,300
Mr. A.R. Rasiah (Chairman)		4,273,743	4,273,743
Ms. T.S. Peries		57,400	57,400
		152,862,443	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 30 September		Quarter ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue from contracts with customers	77,426	53,615	-	-
Cost of sales	(62,455)	(49,231)	-	-
Gross profit	14,971	4,384	-	-
Distribution costs	(2,967)	(2,071)	-	-
Administrative costs	(10,111)	(9,281)	(59)	(8)
Other income	887	200	-	-
Other gains / (losses) - net	(940)	126	(1)	-
Operating profit / (loss)	1,840	(6,642)	(60)	(8)
Finance income	281	19	-	-
Finance costs	(3,895)	(2,833)	-	-
Finance (costs) / income - net	(3,614)	(2,814)	-	-
Share of profit of equity accounted investee, net of tax	2	2	-	-
Loss before income tax	(1,772)	(9,454)	(60)	(8)
Income tax reversal	57	1,346	-	-
Loss for the period	(1,715)	(8,108)	(60)	(8)
Profit / (loss) is attributable to:				
Owners of the Company	(1,512)	(8,268)	(60)	(8)
Non-controlling interests	(203)	160	-	-
Loss for the period	(1,715)	(8,108)	(60)	(8)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Comprehensive Income

(All amounts are in US Dollars Thousands)

	Group		Company	
	Quarter ended 30 September		Quarter ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(1,715)	(8,108)	(60)	(8)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	1,389	2,443	-	-
Other comprehensive loss for the period, net of tax	1,389	2,443	-	-
Total comprehensive loss for the period	(326)	(5,665)	(60)	(8)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES

Condensed Statement of Profit or Loss

(All amounts are in US Dollars Thousands)

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue from contracts with customers	142,620	107,590	-	-
Cost of sales	(119,764)	(99,889)	-	-
Gross profit	22,856	7,701	-	-
Distribution costs	(5,864)	(3,885)	-	-
Administrative costs	(21,146)	(15,558)	(104)	(15)
Other income	1,688	244	-	-
Other gains / (losses) - net	(932)	973	-	-
Operating loss	(3,398)	(10,525)	(104)	(15)
Finance income	366	49	-	-
Finance costs	(7,299)	(6,035)	(1)	-
Finance (costs) / income - net	(6,933)	(5,986)	(1)	-
Share of loss of equity accounted investee, net of tax	(145)	(139)	-	-
Loss before income tax	(10,475)	(16,650)	(105)	(15)
Income tax reversal	575	2,340	-	-
Loss for the period	(9,900)	(14,310)	(105)	(15)
Profit / (loss) is attributable to:				
Owners of the Company	(9,673)	(14,484)	(105)	(15)
Non-controlling interests	(227)	174	-	-
Loss for the period	(9,900)	(14,310)	(105)	(15)

Condensed Statement of Comprehensive Income

(All amounts are in US Dollars Thousands)

	Group		Company	
	Six months ended 30 September		Six months ended 30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period	(9,900)	(14,310)	(105)	(15)
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	1,104	(46)	-	-
Other comprehensive loss for the period, net of tax	1,104	(46)	-	-
Total comprehensive loss for the period	(8,796)	(14,356)	(105)	(15)

HELA APPAREL HOLDINGS PLC AND ITS SUBSIDIARIES
Condensed Statement of Financial Position

(All amounts are in US Dollars Thousands)

	Group			Company		
	30.09.2024	31.03.2024	30.09.2023	30.09.2024	31.03.2024	30.09.2023
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
ASSETS						
Non-current assets						
Property, plant and equipment	20,748	22,474	27,517	-	-	-
Investment property	4,186	4,172	1,710	-	-	-
Right-of-use assets	11,698	13,235	8,186	-	-	-
Intangible assets	43,091	43,699	36,503	81	88	-
Investment in subsidiaries	-	-	-	24,102	21,056	20,948
Investments accounted for using the equity method	598	751	743	-	-	-
Deferred tax assets	10,365	10,209	6,063	-	-	-
Other financial assets at amortized cost	1,792	2,001	1	-	-	-
Total non-current assets	92,478	96,541	80,723	24,183	21,144	20,948
Current assets						
Inventories	30,790	28,149	21,924	-	-	-
Trade and other receivables	51,423	50,688	31,940	31	73	3
Other assets	11,770	10,184	13,093	8	9	-
Income tax receivables	1,019	944	938	-	-	-
Other financial assets at amortized cost	841	855	537	-	-	-
Cash and cash equivalents	24,371	27,606	11,370	1,455	17	45
Total current assets	120,214	118,426	79,802	1,494	99	48
Total assets	212,692	214,967	160,525	25,677	21,243	20,996
EQUITY						
Stated capital	29,742	29,742	29,742	29,742	29,742	29,742
Retained earnings / (accumulated losses)	(9,814)	(138)	(14,071)	(9,558)	(9,453)	(9,410)
Other reserves	3,937	3,937	2,511	532	532	524
Exchange equalization reserve	1,021	(82)	839	-	-	-
Capital and reserves attributable to owners of the Company	24,886	33,459	19,021	20,716	20,821	20,856
Non-controlling interests	427	654	1,642	-	-	-
Total equity	25,313	34,113	20,663	20,716	20,821	20,856
LIABILITIES						
Non-current liabilities						
Borrowings	15,702	14,350	13,848	-	-	-
Deferred tax liabilities	4,485	4,903	4,759	-	-	-
Lease liabilities	9,518	10,406	6,808	-	-	-
Employee benefit obligations	2,899	2,443	1,685	-	-	-
Total non-current liabilities	32,604	32,102	27,100	-	-	-
Current liabilities						
Trade and other payables	50,213	53,166	37,344	4,961	400	140
Lease liabilities	2,957	3,533	1,522	-	-	-
Income tax liabilities	-	521	530	-	-	-
Borrowings	101,605	91,532	73,366	-	22	-
Total current liabilities	154,775	148,752	112,762	4,961	422	140
Total liabilities	187,379	180,854	139,862	4,961	422	140
Total equity and liabilities	212,692	214,967	160,525	25,677	21,243	20,996

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
P Schleiffer
S R Khan
S Doron

SECRETARIES

Ms. Janseni Devi Kuhanesan
No. 47/ 12A, Sri Gnanendra Road, Ratmalana.

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.

