S.P. APPARELS INTERNATIONAL (PRIVATE) LIMITED

Financial Statements
For the Year Ended
31 March 2026

Amerasekera & Co.,
Chartered Accountants
No. 5/3, 5/4, Mahanuga Gardens,
Colombo 03,
Sri Lanka.

Amerasekera & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT PRACTITIONER'S REVIEW REPORT

To the Shareholders of S.P. Apparels International (Private) Limited

Report on the Financial Statements

We have reviewed the accompanying financial statements of **S.P. Apparels International (Private) Limited**, which comprise the statement of financial position as at 31 March 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the SLFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility
Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Sri Lanka Standard on Review Engagements (SLSRE) 2400 (Revised), Engagements to Review Historical Financial Statements. SLSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with SLSRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Sri Lanka Auditing Standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, (or do not give a true and fair view of) the financial position of S.P. Apparels International (Private) Limited as at 31 March 2026, and (of) its financial performance and cash flows for the year then ended, in accordance with SLFRS for SMEs.

CHARTERED ACCOUNTANTS
COLOMBO, 19 May 2026.

AMERASEKERA & CO.

S.P. APPARELS INTERNATIONAL (PRIVATE) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Expressed in Sri Lankan Rupees)*

FOR THE YEAR ENDED 31 MARCH	**Notes**	**2026**	**2025**
Income		133,671,087	1,872,585
Administrative Expenses	**3**	(1,606,008)	(5,580,000)
Finance Cost	**4**	(177,015,105)	(7,730)
Profit / (Loss) Before Taxation		**(44,950,027)**	**(3,715,145)**
Income Tax Expense		**-**	**-**
Profit / (Loss) for the Year		**(44,950,027)**	**(3,715,145)**
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income / (Expense) for the Year		**(44,950,027)**	**(3,715,145)**

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Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 6 to 8 form an integral part of these Financial Statements.

S.P. APPARELS INTERNATIONAL (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

(Expressed in Sri Lankan Rupees)

AS AT 31 MARCH	Note	2026	2025
ASSETS			
Non-Current Assets			
Investments in Equity Shares - Urban Stitch Pvt Ltd		40,000	-
Total Non-Current Assets		**40,000**	**-**
Current Assets			
Advance and Deposits	**5**	1,921,476,000	498,201,000
Interest Receivable		133,638,454	-
Cash and Cash Equivalents	**6**	7,580,286	1,113,539
Total Current Assets		**2,062,694,740**	**499,314,539**
Total Assets		**2,062,734,740**	**499,314,539**
EQUITY AND LIABILITIES			
Stated Capital	**7**	151,466,970	3,000,000
Retained Earnings (at debit)		(48,665,172)	(3,715,145)
Total Equity		**102,801,798**	**(715,145)**
Non - Current Liabilities		**-**	**-**
Current Liabilities			
Loan from S.P. Apparels Limited (India)		1,891,916,847	499,939,684
S.P. Apparels Limited Interest Payable		67,826,095	-
Audit Fees Payable		190,000	90,000
Total Current Liabilities		**1,959,932,942**	**500,029,684**
Total Equity and Liabilities		**2,062,734,740**	**499,314,539**

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

…………………………
Finance Officer

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,

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Director

…...

Director

AMERASEKERA & CO.

Date :- 19 May 2026.

Colombo,

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Figures in brackets indicate deductions

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S.P. APPARELS INTERNATIONAL (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH 2026

Company	Stated Capital	Call in Areas	Retained Earnings (at debit)	Total
Balance as at Beginning	**-**	**-**	**-**	**-**
Issuance of Shares	150,000,000	(147,000,000)	-	3,000,000
Total Comprehensive Expense for the Period	-	-	(3,715,145)	(3,715,145)
Balance as at 31 March 2025	**150,000,000**	**(147,000,000)**	**(3,715,145)**	**(715,145)**
Issuance of Shares	201,500,000	(53,033,030)	-	148,466,970
Total Comprehensive Expense for the Year	-	-	(44,950,027)	(44,950,027)
Balance as at 31 March 2026	**351,500,000**	**(200,033,030)**	**(48,665,172)**	**102,801,798**

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Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 6 to 8 form an integral part of these Financial Statements.

S.P. APPARELS INTERNATIONAL (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH	2026	2025
Cash Flows from Operating Activities		
Profit / (Loss) Before Taxation	(44,950,027)	(3,715,145)
Adjustments for;	-	-
Operating Profit / (Loss) Before Working Capital Changes	**(44,950,027)**	**(3,715,145)**
Changes in Working Capital		
Advance and Deposits	(1,423,275,000)	(498,201,000)
Audit Fees Payable	100,000	90,000
Interest Receivable	(133,638,454)	-
S.P. Apparels Limited Interest Payable	67,826,095	-
Loan from S.P. Apparels Limited	1,391,977,163	499,939,684
Cash Flow used in Operations	**(141,960,223)**	**(1,886,461)**
Taxes Paid	-	-
Net Cash used in Operating Activities	**(141,960,223)**	**(1,886,461)**
Cash Flows from Investing Activities		
Investments in Equity Shares	(40,000)	-
Issuance of Shares	148,466,970	3,000,000
Net Cash Flow from Investing Activities	**148,426,970**	**3,000,000**
Net Changes in Cash and Cash Equivalents During the Year	**6,466,747**	**1,113,539**
Cash and Cash Equivalents at Beginning of the Year	1,113,539	-
Cash and Cash Equivalents at End of the Year	**7,580,286**	**1,113,539**

Cash and Cash Equivalents at End of the Year Represented By:	***31 March 2026***	***31 March 2025***
Cash at Bank	7,580,286	1,113,539
	7,580,286	**1,113,539**

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Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 6 to 8 form an integral part of these Financial Statements.

1. CORPORATE INFORMATION

1.1. General

S.P. Apparels International (Private) Limited is a limited liability company which is incorporated and domiciled in Sri Lanka.

The registered office of the company and the principal place of business are located at 2nd Floor, No.55, Kings Groove, Rajapihilla Road, Kurunegala.

1.2. Date of Authorization for Issue

The financial statements of S.P. Apparels International (Private) Limited for the year ended 31 March 2026 were authorized for issue in accordance with a resolution of the Board of Directors dated 19 May 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 GENERAL ACCOUNTING POLICIES

2.1.1 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention in accordance with the Sri Lanka Accounting Standards for Small and Medium-sized Entities' (SLFRS for SMEs).

The preparation of financial statements under SLFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the group's accounting policies. Areas involving a higher degree of judgments or complexity, or areas where assumptions and estimations are significant to the financial statements.

2.1.2 Taxation

The charges for taxation are based on the results of the year after adjustments for the disallowable item and are determined in conformity with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

2.1.3 Comparative Figures

The comparative figures have been rearranged where necessary to conform to the current presentation.

2.2 ASSETS AND BASES OF THEIR VALUATION

2.2.1 Basic Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are measured initially at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss).

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets have expired or settled and the company has transferred substantially all risks and rewards of ownership of the financial assets to another party. The company derecognizes a financial liability when the obligation specified in the contract is discharged, is cancelled or expires.

At the end of each reporting period financial instruments are measured at amortized cost using the effective interest method.

At the end of each reporting period, the company assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the impairment loss is recognized in profit or loss immediately.

2.2.2 Receivables

Loans, advance and other receivable at stated in Stated in reporting date at the amount estimated to realize.

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2.2.3 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

2.3 LIABILITIES AND PROVISIONS

2.3.1 Liabilities

All known liabilities as at the reporting date have been included in the Financial Statements and adequate provision has been made for liabilities, which are known to exist by the amount of which cannot be determined accurately. All discernible risks are accounted for in determining the amount of other liabilities.

2.4 STATEMENT OF COMPREHENSIVE INCOME

2.4.1 Revenue Recognition

Revenue is generally accounted for on an Accrual basis.

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S.P. APPARELS INTERNATIONAL (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 MARCH		2026	2025
3	**Administrative Expenses**		
	Consultancy Fees	312,808	3,000,000
	Travelling Allowance	1,193,200	2,490,000
	Audit Fees Payable	100,000	90,000
		1,606,008	**5,580,000**
4	**Finance Cost**		
	Bank Charges	11,388	7,730
	S.P.Apparels Limited Loan Interest	67,826,095	-
	Exchange Fluctation Restatement for Loan	109,177,622	-
		177,015,105	**7,730**
5	**Advance and Deposits**		
	Advance to Urban Stitch Ltd - (for Investment)	502,961,000	498,001,000
	Advance to Jumeirah Lanka (Private) Ltd	1,418,515,000	-
	Advance to Professional Fees	-	200,000
		1,921,476,000	**498,201,000**
6	**Cash and Cash Equivalents**		
	Cash at Bank	7,580,286	1,113,539
		7,580,286	**1,113,539**
7	**Stated Capital**		
	Issued and Fully Paid,		
	35,150,000, Ordinary Shares (2025 - 15,000,000)	351,500,000	150,000,000
	Call in Areas	(200,033,030)	(147,000,000)
		151,466,970	**3,000,000**

8 Related Party Transactions

Related Party Disclosures are as follows;

8.1 Transactions with Key Management Personnel

The key management personnel of the company are the members of its Board of Directors' and that of its related entities.

		31 March 2026	*31 March 2025*
a)	**Key Management Personnel Compensation**		
	Short-Term Employee Benefits - Directors' Remuneration	Nil	Nil

8.2 Transactions with Other Related Entities / Parties

Other Related Companies includes Companies of which the parent companies or key management personnel of the Company, their close family members have significant influence and has the control over such Companies.

Name of the Company	Nature of Transactions	Transaction Amount
S.P. Apparels Limited	Loan	(1,891,916,847)
Urban Stitch Ltd	Investment	498,001,000

9 Commitments

There were no material commitments, financial or other contracted or consented by the Board of Directors as at the 31 March 2026.

10 Contingent Liabilities

There were no material contingent liabilities as at the reporting date which require adjustments to / or disclosure in the Financial Statements.

11 Events after the Reporting Period

Subsequent to the reporting date, no circumstances have arisen which would require adjustment to / or disclosure in the Financial Statements.

Figures in brackets indicate deductions