Tea Smallholder Factories PLC

Interim Financial Statements

31st December 2025

Browns PLANTATIONS
TSFL

TEA SMALLHOLDER FACTORIES PLC
No. 19, Dudley Senanayake Mawatha, Colombo 08.

INCOME STATEMENT

	Three months ended			Nine months ended		
	31.12.2025 Unaudited RS. '000	**31.12.2024 Unaudited RS. '000**	***Change %***	**31.12.2025 Unaudited RS. '000**	**31.12.2024 Unaudited RS. '000**	***Change %***
Revenue from Contracts with Customers	767,373	755,344	*2*	2,433,963	2,163,393	*13*
Cost of Sales	(747,941)	(752,351)	*(1)*	(2,352,044)	(2,131,248)	*10*
Gross Profit / (Loss)	**19,431**	**2,993**	*549*	**81,918**	**32,145**	*155*
Other Operating Income	44,067	33,562	*31*	127,772	110,636	*15*
Administrative Expenses	(44,777)	(35,400)	*26*	(95,460)	(109,813)	*(13)*
Management Fees	(5,220)	(5,634)	*(7)*	(24,404)	(16,121)	*51*
Results From Operating Activities	**13,502**	**(4,479)**	*(401)*	**89,827**	**16,847**	*433*
Finance Expense	(53)	(1,846)	*(97)*	(4,562)	(6,183)	*(26)*
Finance Income	2,382	1,738	*37*	5,094	5,019	*2*
Net Finance Income / (Expense)	2,329	(108)	*(2,260)*	532	(1,165)	*(146)*
Change in Fair Value of Investment Property	-	7,940	-	-	7,940	-
Profit / (Loss) Before Tax	**15,831**	**3,353**	*372*	**90,359**	**23,623**	*282*
Tax (Expense) / Reversal	(3,789)	(1,507)	*151*	(12,245)	(7,827)	*56*
Profit / (Loss) for the period	**12,042**	**1,846**	*552*	**78,114**	**15,796**	*395*
Other Comprehensive Income						
Other comprehensive income not to be reclassified to income statement in subsequent periods						
Revaluation of Land and Buildings	-	29,172	-	-	29,172	-
Tax Effect	-	(8,752)	-	-	(8,752)	-
Other Comprehensive Income not to be reclassified to income statement in subsequent periods		20,420			20,420	
Total Other Comprehensive Income for the period, net of tax	-	**20,420**	-	-	**20,420**	-
Total Comprehensive Income for the period, net of tax	**12,042**	**22,266**	*(46)*	**78,114**	**36,216**	*116*
	Rs.	**Rs.**		**Rs.**	**Rs.**	
Earnings per share - Basic	0.40	0.06		2.60	0.53	
Dividend per Share	-	-		-	-	

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
No. 19, Dudley Senanayake Mawatha, Colombo 08.

STATEMENT OF FINANCIAL POSITION

	As at 31.12.2025 Unaudited RS. '000	As at 31.03.2025 Audited RS. '000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	938,652	976,458
Right of Use Assets	1,887	1,954
Investment Property	813,202	813,202
Intangible Assets	7,303	7,303
Non-Current Financial Assets	561	5,553
Other Non-Current Assets	58	3,205
	1,761,664	1,807,675
Current Assets		
Inventories	551,203	410,065
Trade and Other Receivables	162,681	74,138
Other Current Assets	7,691	11,152
Income Tax Recoverable	2,306	6,096
Short Term Investments	50,000	-
Cash in Hand and at Bank	16,983	4,641
	790,865	506,091
Total Assets	2,552,528	2,313,766
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	150,000	150,000
Revaluation Reserve	700,214	700,214
Retained Earnings	940,736	862,622
Total Equity	1,790,949	1,712,836
Non-Current Liabilities		
Deferred Tax Liabilities	332,670	324,214
Employee Benefit Liabilities	52,527	38,911
Deferred Grants and Subsidies	372	387
	385,569	363,513
Current Liabilities		
Trade and Other Payables	267,232	205,883
Amounts due to Related Parties	56,132	6,106
Other Current Liabilities	52,645	4,816
Bank Overdraft	-	20,612
	376,010	237,417
Total Equity and Liabilities	2,552,528	2,313,766
Net Assets Per Share (Rs.)	59.70	57.09

I certify that the financial statements comply with the requirements of the Companies Act No.7 of 2007.

Sgd.
Sisira Pushpakumara
Head of Finance

The Board of Directors is responsible for these financial statements.

Sgd.
Dr. P. S. H. Uluwaduge
Chairman

Sgd.
Anusha S. Perera
Executive Director

Colombo
11th February 2026

TEA SMALLHOLDER FACTORIES PLC
CASH FLOW STATEMENT

		Nine months ended	
		31.12.2025 Unaudited RS. '000	**31.12.2024 Unaudited RS. '000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) Before Tax		90,359	23,623
ADJUSTMENTS FOR :			
Finance Income		(5,094)	(5,019)
Depreciation of Property, Plant and Equipment		48,395	52,268
Amortisation of Right of Use Assets		67	66
Amortisation of Intangible Assets		-	300
Gratuity Charge and Related Cost		11,551	9,555
Amortisation of Grants		(15)	(15)
Finance Cost		4,562	6,183
Profit on disposal of Property, Plant and Equipment		-	(9,598)
Change in Fair Value of Investment Property		-	(7,940)
Operating Profit before Working Capital changes		**149,824**	**69,423**
Change in Inventories		(141,138)	(43,196)
Change in Trade and Other Receivables		(89,289)	46,916
Change in Other Current Assets		3,461	(6,172)
Change in Trade and Other Payables		61,349	53,063
Change in Amount due to Related Parties		50,026	(1,473)
Change in Other Current Liabilities		47,830	(2,036)
Cash Generated from Operations		**82,062**	**116,525**
Finance Income Received		5,094	3,431
Finance Cost Paid		(3,207)	(6,183)
Gratuity Paid		(2,558)	(6,658)
Gratuity Transfer		4,623	-
Settlement of the staff Loan		7,529	-
Net Cash Flow from Operating Activities		**93,543**	**107,115**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(10,589)	(57,415)
Proceeds from Sale of Property, Plant and Equipment		-	10,253
Net Cash Flow from / (used) in Investing Activities		**(10,589)**	**(47,162)**
Net Increase / (Decrease) in Cash and Cash Equivalents		82,954	59,953
Cash and Cash Equivalents at the beginning	**Note A**	(15,971)	(10,230)
Cash and Cash Equivalents at the end	**Note B**	**66,983**	**49,723**
NOTES			
A. Cash and Cash Equivalents at the beginning			
Cash in Hand and at Bank		4,641	14,026
Bank Overdraft		(20,612)	(24,256)
		(15,971)	**(10,230)**
B. Cash and Cash Equivalents at the end			
Cash in Hand and at Bank		16,983	49,723
Short Term Investments (less than three months)		50,000	-
Bank Overdraft		-	-
		66,983	**49,723**

STATEMENT OF CHANGES IN EQUITY

RS. '000	**Stated Capital**	**Revaluation Reserve**	**Retained Earnings**	**Total**
As at 1st April 2024	150,000	680,334	842,998	1,673,332
Profit/ (Loss) for the period	**-**	-	15,796	15,796
Other comprehensive income	**-**	20,420	-	20,420
Total comprehensive income	**-**	20,420	15,796	36,216
As at 31st December 2024	150,000	700,754	858,794	1,709,548
As at 1st April 2025	150,000	700,214	862,622	1,712,836
Profit/ (Loss) for the period	-	-	78,114	78,114
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	78,114	78,114
As at 31st December 2025	150,000	700,214	940,736	1,790,949

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
OPERATING SEGMENT INFORMATION

Geographical Segment	**Galle**		**Rathnapura**		**N'Eliya**		**Total**	
For the nine months ended 31st December	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Segment Revenue	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**
Revenue from contracts with customers	1,745,871	1,422,425	-	533	688,091	740,435	2,433,963	2,163,393
							2,433,963	2,163,393
Segment Results								
Revenue Expenditure	(1,665,621)	(1,384,467)	-	(263)	(630,259)	(688,880)	(2,295,880)	(2,073,610)
Depreciation of Property, Plant and Equipment	(35,022)	(38,912)	-	-	(11,278)	(10,717)	(46,300)	(49,629)
Amortisation of Intangible Assets	-	(150)	-	-	-	(37)	-	(187)
Gratuity Charge and Related Costs	(6,983)	(4,941)	-	-	(2,881)	(2,881)	(9,864)	(7,822)
Segment Gross Profit/ (Loss)	38,245	(6,045)	-	270	43,672	37,920	81,918	32,145
Other Operating Income							127,772	110,636
Change in fair value of Investment Property							-	7,940
Finance Expense							(4,562)	(6,183)
Finance Income							5,094	5,019
Unallocated Expenses							(95,460)	(109,813)
Management Fees							(24,404)	(16,121)
Profit / (Loss) Before Tax							90,359	23,623
Segment Assets								
Allocated Assets								
Non - Current Assets								
Property, Plant & Equipment	945,184	958,037	-	-	274,334	276,055	1,219,518	1,234,092
Accumulated Depreciation	(224,917)	(198,441)	-	-	(74,100)	(64,678)	(299,016)	(263,119)
Intangible Assets	-	1,000	-	-	-	250	-	1,250
Accumulated Amortisation	-	(1,000)	-	-	-	(250)	-	(1,250)
Current Assets	535,219	303,967	-	-	159,204	111,284	694,423	415,251
	1,255,486	1,063,563	-	-	359,439	322,661	1,614,925	1,386,224
Unallocated Assets								
Non - Current Assets								
Cost							876,028	903,683
Depreciation and Amortisation							(34,867)	(57,538)
Current Assets							96,442	69,052
Total Assets							2,552,528	2,301,421
Segment Liabilities								
Allocated Liabilities								
Non Current Liabilities	23,319	18,864	-	-	15,098	14,846	38,416	33,710
Current Liabilities	172,659	129,528	-	-	51,973	46,675	224,633	176,203
	195,978	148,392	-	-	67,071	61,521	263,049	209,913
Unallocated Liabilities								
Non Current Liabilities							347,153	332,804
Current Liabilities							151,377	49,156
							498,530	381,960
Total Liabilities							761,579	591,873
Segment Capital Expenditure								
Allocated Capital Expenditure	7,325	15,882	-	-	1,749	20,558	9,074	36,440
Unallocated Capital Expenditure							1,515	20,975
							10,589	57,415

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
OPERATING SEGMENT INFORMATION

Geographical Segment	**Galle**		**Rathnapura**		**N'Eliya**		**Total**	
For the quarter ended 31st December	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Segment Revenue	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**
Revenue from contracts with customers	559,142	497,281	-	-	208,231	258,063	767,373	755,344
							767,373	755,344
Segment Results								
Revenue Expenditure	(536,295)	(486,218)	-	-	(192,901)	(246,062)	(729,196)	(732,280)
Depreciation of Property, Plant and Equipment	(11,676)	(13,336)	-	-	(3,782)	(3,686)	(15,457)	(17,022)
Amortisation of Intangible Assets	-	(50)	-	-	-	(12)	-	(62)
Gratuity Charge and Related Costs	(2,328)	(1,779)	-	-	(960)	(1,208)	(3,288)	(2,987)
Segment Gross Profit/ (Loss)	8,843	(4,102)	-	-	10,588	7,095	19,431	2,993
Other Operating Income							44,067	33,562
Change in fair value of Investment Property							-	7,940
Finance Expense							(53)	(1,846)
Finance Income							2,382	1,738
Unallocated Expenses							(44,777)	(35,400)
Management Fees							(5,220)	(5,634)
Profit / (Loss) Before Tax							15,831	3,353
Segment Capital Expenditure								
Allocated Capital Expenditure	3,449	3,368	-	-	125	1,932	3,574	5,301
Unallocated Capital Expenditure							1,515	20,719
							5,088	26,020

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 Corporate Information

Tea Smallholder Factories PLC is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

2 Approval of Financial Statements

The interim condensed financial statements of the Company for the nine months ended 31st December 2025 were authorised for issue by the Board of Directors on 11th February 2026.

3 Basis of Preparation

The interim condensed financial statements for the nine months ended 31st December 2025 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31st March 2025.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim condensed financial statements are presented in Sri Lankan Rupee and all values are rounded to the nearest thousand except when otherwise indicated.

4 Operating Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. The segments are determined based on the Company's geographical spread of operations.
All operating segments' operating results are reviewed regularly by the Executive Director to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's head office), head office expenses, and income tax liabilities/ recoverable.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment.

5 Share Information

5.1 Float adjusted market capitalization and Public share holdings

	As at 31st December 2025	As at 30th September 2025
Number of public shareholders	1,669	1,639
Public holding percentage	24.73	24.73
Compliant under option 5 - Float adjusted market capitalization (Rs.'000s)	344,969	405,077

The Company has complied with the Rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange governing the minimum public holding requirement of listed entities for continuous listing requirements. As at 31st December 2025, the public holding of the Company stood at 24.73 percent surpassing the minimum requirement of 20 percent, under the option 5.

5.2 The number of shares held by the Board of Directors are as follows:

Names	As at 31st December 2025	As at 30th September 2025
Dr. P.S.H. Uluwaduge	Nil	Nil
Mr. D.S.K. Amarasekara	Nil	Nil
Mr. A.S. Perera	Nil	Nil
Mr. T. Dharmarajah	Nil	Nil
Mr. U.H.E. Silva	Nil	Nil
Mr. G.D.V. Perera	Nil	Nil
Ms. A. Goonetilleke	Nil	Nil

5.3 Twenty largest shareholders of the Company are as follows:

		As at 31st December 2025		As at 30th September 2025	
Seq.No.	Name	No. of Shares	% Holdings	No. of Shares	% Holdings
1	Udapussellawa Plantations PLC	22,581,313	75.27	22,581,313	75.27
2	Akbar Brothers (Private) Limited	2,555,856	8.52	2,943,955	9.81
3	Mr. C.R. Narangoda	281,482	0.94	314,242	1.05
4	Mr. M.S.M. Ali	263,500	0.88	263,500	0.88
5	Senkadagala Finance PLC/C.R.Narangoda	261,727	0.87	264,277	0.88
6	Senkadagala Finance PLC/A.K.S.Mendis&C.R.Narangoda	144,863	0.48	170,768	0.57
7	Mr. A.K.S. Mendis	120,025	0.40	127,167	0.42
8	T R L Holdings (Private) Limited	103,200	0.34	122,500	0.41
9	Sandwave Limited	97,000	0.32	-	-
10	Mr. W.M.D.S. Fernando	90,000	0.30	-	-
11	Mr. A.I. Abeydeera	85,126	0.28	83,590	0.28
12	Finextra Capital (Private) Limited	84,000	0.28	-	-
13	Mr. M.S.F. Haqque	83,000	0.28	83,000	0.28
14	Sampath Bank PLC/Hi-Line Trading (Private) Limited	67,450	0.22	39,450	0.13
15	Mrs. S.I. Haqque	67,000	0.22	45,000	0.15
16	Mr. H.P. Fernando	65,000	0.22	-	-
17	Mr. N.D. Kurukulasuriya	62,400	0.21	62,400	0.21
18	Mrs. H.D.J.N. Karunathilake	61,710	0.21	21,555	0.07
19	Mr. R.P.U.P. Gunawardena	60,000	0.20	-	-
20	Dr. D.S.A. Samaraweera	53,000	0.18	53,000	0.18
	Total	27,187,652	90.62	27,175,717	90.59

5.4 Stated Capital is represented by number of shares in issue as given below:

	As at 31st December 2025	As at 30th September 2025
Ordinary Shares (in thousands)	30,000	30,000

5.5 Net Assets per share

Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st December 2025.

5.6 Market Price per share

For the quarter ended 31st December	2025	2024
	Rs.	Rs.
Highest	57.00	48.50
Lowest	44.00	39.00
Last Traded	46.50	44.00

6 Capital Commitments

The value of contractual commitments for acquisition of property, plant and equipment as at 31st December 2025 is Rs. 55.78 Mn.

7 Contingencies

There is no Contingent Liability of the Company as at 31st December 2025.

8 Events After the Reporting Period

There have been no events subsequent to the reporting date, which require disclosure in the interim condensed financial statements.