Tea Smallholder Factories PLC

Interim Financial Statements

31st March 2026

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

INCOME STATEMENT

	Three months ended			Twelve months ended		
	31.03.2026 Unaudited RS. '000	**31.03.2025 Unaudited RS. '000**	***Change %***	**31.03.2026 Unaudited RS. '000**	**31.03.2025 Audited RS. '000**	***Change %***
Revenue from Contracts with Customers	882,005	633,711	*39*	3,315,968	2,797,104	*19*
Cost of Sales	(895,140)	(633,388)	*41*	(3,247,184)	(2,764,636)	*17*
Gross Profit / (Loss)	**(13,135)**	**323**	*(4,167)*	**68,784**	**32,469**	*112*
Other Operating Income	38,526	41,059	*(6)*	166,298	151,696	*10*
Administrative Expenses	(59,619)	(28,644)	*108*	(155,079)	(138,457)	*12*
Management Fees	(4,745)	(4,705)	*1*	(29,149)	(20,826)	*40*
Results From Operating Activities	**(38,973)**	**8,034**	*(585)*	**50,854**	**24,881**	*104*
Finance Expense	(1,189)	(1,299)	*(8)*	(5,751)	(7,482)	*(23)*
Finance Income	3,358	1,565	*115*	8,452	6,583	*28*
Net Finance Income / (Expense)	2,169	266	*715*	2,701	(899)	*(401)*
Change in Fair Value of Investment Property	182,798	-	-	182,798	7,940	*2,202*
Profit / (Loss) Before Tax	**145,994**	**8,300**	*1,659*	**236,353**	**31,923**	*640*
Tax (Expense) / Reversal	(58,425)	(2,572)	*2,172*	(70,670)	(10,324)	*585*
Profit / (Loss) for the period	**87,569**	**5,728**	*1,429*	**165,684**	**21,599**	*667*
Other Comprehensive Income						
Other comprehensive income not to be reclassified to income statement in subsequent periods						
Revaluation of Land and Buildings	-	(772)	-	-	28,400	-
Tax Effect	-	231	-	-	(8,520)	-
	-	(540)			19,880	
Re-measurement Gain on Defined Benefit Plans	(104)	6,183	*(102)*	(104)	6,183	*(102)*
Tax Effect	31	(1,855)	*(102)*	31	(1,855)	*(102)*
Other Comprehensive Income not to be reclassified to income statement in subsequent periods	(73)	4,328	*(102)*	(73)	4,328	*(102)*
Total Other Comprehensive Income for the period, net of tax	**(73)**	**3,788**	*(102)*	**(73)**	**24,208**	*(100)*
Total Comprehensive Income for the period, net of tax	**87,496**	**9,516**	*819*	**165,611**	**45,806**	*262*
	Rs.	**Rs.**		**Rs.**	**Rs.**	
Earnings per share - Basic	2.92	0.19		5.52	0.72	
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 31.03.2026 Unaudited RS. '000	As at 31.03.2025 Audited RS. '000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	982,007	976,458
Right of Use Assets	1,865	1,954
Investment Property	996,000	813,202
Intangible Assets	7,303	7,303
Non-Current Financial Assets	434	5,553
Other Non-Current Assets	50	3,205
	1,987,660	1,807,675
Current Assets		
Inventories	495,451	410,065
Trade and Other Receivables	234,109	74,138
Amounts due from Related Parties	15,744	-
Other Current Assets	11,181	11,152
Income Tax Recoverable	-	6,096
Short Term Investments	51,290	-
Cash in Hand and at Bank	4,082	4,641
	811,857	506,091
Total Assets	2,799,517	2,313,766
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	150,000	150,000
Revaluation Reserve	700,214	700,214
Retained Earnings	1,028,232	862,622
Total Equity	1,878,446	1,712,836
Non-Current Liabilities		
Deferred Tax Liabilities	383,119	324,214
Employee Benefit Liabilities	49,834	38,911
Deferred Grants and Subsidies	368	387
	433,321	363,513
Current Liabilities		
Trade and Other Payables	294,989	205,883
Amounts due to Related Parties	121,600	6,106
Income Tax Payable	4,148	-
Other Current Liabilities	41,968	4,816
Bank Overdraft	25,044	20,612
	487,749	237,417
Total Equity and Liabilities	2,799,517	2,313,766
Net Assets Per Share (Rs.)	62.61	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
26th May 2026

TEA SMALLHOLDER FACTORIES PLC
CASH FLOW STATEMENT

		Twelve months ended	
		31.03.2026 Unaudited RS. '000	**31.03.2025 Audited RS. '000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) Before Tax		236,353	31,923
ADJUSTMENTS FOR :			
Finance Income		(8,452)	(6,583)
Depreciation of Property, Plant and Equipment		65,652	69,685
Amortisation of Right of Use Assets		89	89
Amortisation of Intangible Assets		-	300
Gratuity Charge and Related Cost		9,385	9,617
Amortisation of Grants		(20)	(20)
Finance Cost		5,751	7,482
Profit on disposal of Property, Plant and Equipment		-	(11,188)
Change in Fair Value of Investment Property		(182,798)	(7,940)
Operating Profit before Working Capital changes		**125,959**	**93,364**
Change in Inventories		(85,386)	(71,204)
Change in Trade and Other Receivables		(151,698)	6,539
Change in Other Current Assets		(1,375)	(4,033)
Change in Trade and Other Payables		89,106	42,193
Change in Amount due to Related Parties		99,750	407
Change in Other Current Liabilities		37,153	(1,603)
Cash Generated from Operations		**113,508**	**65,661**
Finance Income Received		8,309	6,583
Finance Cost Paid		(5,751)	(7,482)
Gratuity Paid		(3,106)	(7,654)
Gratuity Transfer		4,540	-
Net Cash Flow from Operating Activities		**117,499**	**57,109**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(71,200)	(68,392)
Proceeds from Sale of Property, Plant and Equipment		-	11,842
Net Cash Flow from / (used) in Investing Activities		**(71,200)**	**(56,551)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend Paid		-	(6,300)
Net Cash from / (used) in Financing Activities		**-**	**(6,300)**
Net Increase / (Decrease) in Cash and Cash Equivalents		46,299	(5,741)
Cash and Cash Equivalents at the beginning	**Note A**	(15,971)	(10,230)
Cash and Cash Equivalents at the end	**Note B**	**30,328**	**(15,971)**
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		4,082	4,641
Short Term Investments (less than three months)		51,290	-
Bank Overdraft		(25,044)	(20,612)
		30,328	**(15,971)**

STATEMENT OF CHANGES IN EQUITY

RS. '000	**Stated Capital**	**Revaluation Reserve**	**Retained Earnings**	**Total**
As at 1st April 2024	150,000	680,334	842,996	1,673,330
Profit/ (Loss) for the period	**-**	-	21,598	21,598
Other comprehensive income	**-**	19,880	4,328	24,208
Total comprehensive income	**-**	19,880	25,926	45,805
Interim dividend paid - 2024/2025	-	-	(6,300)	(6,300)
As at 31st March 2025	150,000	700,214	862,622	1,712,836
As at 1st April 2025	150,000	700,214	862,622	1,712,836
Profit/ (Loss) for the period	-	-	165,684	165,684
Other comprehensive income	-	-	(73)	(73)
Total comprehensive income	-	-	165,611	165,611
As at 31st March 2026	150,000	700,214	1,028,232	1,878,446

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
OPERATING SEGMENT INFORMATION

Geographical Segment	**Galle**		**Rathnapura**		**N'Eliya**		**Total**	
For the twelve months ended 31st March	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Segment Revenue	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**
Revenue from contracts with customers	2,421,618	1,875,253	-	532	894,350	921,319	3,315,968	2,797,104
							3,315,968	2,797,104
Segment Results								
Revenue Expenditure	(2,362,511)	(1,835,578)	(1,695)		(826,420)	(853,286)	(3,190,625)	(2,688,864)
Depreciation of Property, Plant and Equipment	(34,845)	(51,835)	-	-	(15,737)	(14,316)	(50,582)	(66,152)
Amortisation of Intangible Assets	-	(150)	-	-	-	(37)	-	(187)
Gratuity Charge and Related Costs	(3,313)	(4,260)	(218)	-	(2,447)	(2,573)	(5,977)	(6,834)
Segment Gross Profit/ (Loss)	20,949	(16,571)	(1,913)	532	49,746	51,106	68,784	35,068
Other Operating Income							166,298	151,696
Change in fair value of Investment Property							182,798	7,940
Finance Expense							(5,751)	(7,482)
Finance Income							8,452	6,583
Unallocated Expenses							(155,079)	(141,056)
Management Fees							(29,149)	(20,826)
Profit / (Loss) Before Tax							236,353	31,924
Segment Assets								
Allocated Assets								
Non - Current Assets								
Property, Plant & Equipment	979,238	957,449	-	-	301,334	275,283	1,280,573	1,232,732
Accumulated Depreciation	(237,167)	(208,554)	-	-	(78,398)	(68,285)	(315,564)	(276,838)
Intangible Assets	-	150	-	-	-	37	-	188
Accumulated Amortisation	-	(150)	-	-	-	(37)	-	(188)
Current Assets	560,647	314,851	-	-	165,308	164,721	725,955	479,572
	1,302,718	1,063,746	-	-	388,245	371,719	1,690,963	1,435,465
Unallocated Assets								
Non - Current Assets								
Cost							1,059,445	884,592
Depreciation and Amortisation							(36,793)	(32,810)
Current Assets							85,902	26,519
Total Assets							2,799,517	2,313,766
Segment Liabilities								
Allocated Liabilities								
Non Current Liabilities	20,648	17,336	-	-	14,838	13,022	35,486	30,358
Current Liabilities	166,598	118,633	-	-	67,682	54,547	234,280	173,180
	187,246	135,969	-	-	82,520	67,569	269,766	203,537
Unallocated Liabilities								
Non Current Liabilities							397,835	333,155
Current Liabilities							253,469	64,237
							651,304	397,393
Total Liabilities							921,070	600,930
Segment Capital Expenditure								
Allocated Capital Expenditure	38,744	24,647	-	-	30,113	23,242	68,857	47,890
Unallocated Capital Expenditure							2,343	20,503
							71,200	68,392

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 March	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Segment Revenue	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**
Revenue from contracts with customers	675,747	452,828	-	-	206,259	180,884	882,006	633,711
							882,006	633,711
Segment Results								
Revenue Expenditure	(696,890)	(451,156)	(1,695)	263	(196,161)	(165,600)	(894,746)	(616,493)
Depreciation of Property, Plant and Equipment	177	(13,229)	-	-	(4,459)	(3,690)	(4,282)	(16,919)
Amortisation of Intangible Assets	-	(38)	-	-	-	(1)	-	(39)
Gratuity Charge and Related Costs	3,670	(400)	(218)	-	434	308	3,887	(92)
Segment Gross Profit/ (Loss)	(17,296)	(11,995)	(1,913)	263	6,073	11,900	(13,135)	168
Other Operating Income							38,526	41,059
Change in fair value of Investment Property							182,798	-
Finance Expense							(1,189)	12,767
Finance Income							3,358	(12,501)
Unallocated Expenses							(59,619)	(28,489)
Management Fees							(4,745)	(4,705)
Profit / (Loss) Before Tax							145,994	8,299
Segment Capital Expenditure								
Allocated Capital Expenditure	31,419	8,765	-	-	28,364	2,684	59,783	11,450
Unallocated Capital Expenditure							828	(472)
							60,611	10,977

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 twelve months ended 31st March 2026 were authorised for issue by the Board of Directors on 26th May 2026.

3 Basis of Preparation

The interim condensed financial statements for the twelve months ended 31st March 2026 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 2026.

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 March 2026	As at 31st March 2025
Number of public shareholders	1,719	1,485
Public holding percentage	24.73	33.09
Compliant under option 5 - Float adjusted market capitalization (Rs.'000s)	288,587	397,612

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 March 2026, 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 March 2026	As at 31st March 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
Mr. N. Nanayakkara (Appointed w.e.f 02nd Apr 26)	Nil	Nil

5.3 Twenty largest shareholders of the Company are as follows:

		As at 31st March 2026		As at 31st December 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 PVT LTD	2,289,862	7.63	2,555,856	8.52
3	MR. C.R. NARANGODA	287,779	0.96	281,482	0.94
4	MR. M.S.M. ALI	263,500	0.88	263,500	0.88
5	SENKADAGALA FINANCE PLC/C.R.NARANGODA	242,227	0.81	261,727	0.87
6	C F T INTERNATIONAL (PVT) LTD	225,000	0.75	225,000	0.75
7	MR. W.G.S.C. JAYAWEERA	178,189	0.59	-	-
8	SENKADAGALA FINANCE PLC/A.K.S.MENDIS&C.R.NARANGODA	128,379	0.43	144,863	0.48
9	MR. A.K.S. MENDIS	114,909	0.38	120,025	0.40
10	T R L HOLDINGS (PVT) LIMITED	100,000	0.33	103,200	0.34
11	SANDWAVE LIMITED	97,000	0.32	97,000	0.32
12	MR. M.S.F. HAQQUE	83,000	0.28	83,000	0.28
13	MR. A.I. ABEYDEERA	80,790	0.27	85,126	0.28
14	SAMPATH BANK PLC/HI-LINE TRADING (PRIVATE) LIMITED	67,450	0.22	67,450	0.22
15	MRS. S.I. HAQQUE	67,000	0.22	67,000	0.22
16	MR. H.P. FERNANDO	65,000	0.22	65,000	0.22
17	MR. N.D. KURUKULASURIYA	62,400	0.21	62,400	0.21
18	MR. R.P.U.P. GUNAWARDENA	60,000	0.20	60,000	0.20
19	MRS. H.D.J.N. KARUNATHILAKE	60,000	0.20	61,710	0.21
20	DR. D.S.A. SAMARAWEERA	53,000	0.18	53,000	0.18
	Total	27,106,798	90.35	27,238,652	90.79

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

	As at 31st March 2026	As at 31st December 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 March 2026.

5.6 Market Price per share

For the quarter ended 31st March	2026	2025
	Rs.	Rs.
Highest	50.50	49.00
Lowest	38.00	40.00
Last Traded	38.90	40.10

6 Capital Commitments

The value of contractual commitments for acquisition of property, plant and equipment as at 31st March 2026 is Rs. 3.7 Mn.

7 Contingencies

There is no Contingent Liability of the Company as at 31st March 2026.

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.