Tea Smallholder Factories PLC

Interim Financial Statements

30th June 2026

Browns PLANTATIONS
TSFL

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

INCOME STATEMENT

	Three months ended		
	30.06.2026 Unaudited RS. '000	**30.06.2025 Unaudited RS. '000**	***Change %***
Revenue from Contracts with Customers	827,386	731,119	*13*
Cost of Sales	(791,413)	(700,296)	*13*
Gross Profit / (Loss)	**35,973**	**30,823**	*17*
Other Operating Income	32,742	40,105	*(18)*
Administrative Expenses	(25,012)	(25,951)	*(4)*
Management Fees	(12,497)	(9,195)	*36*
Results From Operating Activities	**31,206**	**35,781**	*(13)*
Finance Expense	(2,057)	(3,769)	*(45)*
Finance Income	3,335	1,253	*166*
Net Finance Income / (Expense)	1,278	(2,515)	*(151)*
Profit / (Loss) Before Tax	**32,484**	**33,265**	*(2)*
Tax (Expense) / Reversal	(13,052)	(8,456)	*54*
Profit / (Loss) for the period	**19,432**	**24,811**	*(22)*
Other Comprehensive Income			
Other comprehensive income not to be reclassified to income statement in subsequent periods			
Revaluation of Land and Buildings	-	-	-
Tax Effect	-	-	-
Other Comprehensive Income not to be reclassified to income statement in subsequent periods		-	
Total Other Comprehensive Income for the period, net of tax	-	**-**	-
Total Comprehensive Income for the period, net of tax	**19,432**	**24,811**	*(22)*
	Rs.	**Rs.**	
Earnings per share - Basic	0.65	0.83	
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 30.06.2026 Unaudited RS. '000	As at 31.03.2026 Unaudited RS. '000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	971,879	982,007
Right of Use Assets	1,843	1,865
Investment Property	996,000	996,000
Intangible Assets	7,303	7,303
Non-Current Financial Assets	306	434
Other Non-Current Assets	42	50
	1,977,373	1,987,659
Current Assets		
Inventories	689,962	495,451
Trade and Other Receivables	156,757	234,109
Other Current Assets	11,732	11,181
Short Term Investments	52,658	51,290
Cash in Hand and at Bank	5,398	4,082
	916,507	796,113
Total Assets	2,893,880	2,783,772
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	150,000	150,000
Revaluation Reserve	700,214	700,214
Retained Earnings	1,047,665	1,028,232
Total Equity	1,897,878	1,878,446
Non-Current Liabilities		
Deferred Tax Liabilities	383,119	383,119
Employee Benefit Liabilities	61,030	49,834
Deferred Grants and Subsidies	363	368
	444,512	433,321
Current Liabilities		
Trade and Other Payables	317,358	294,989
Amounts due to Related Parties	116,154	105,856
Income Tax Payable	17,200	4,148
Other Current Liabilities	60,029	41,968
Bank Overdraft	40,749	25,044
	551,489	472,005
Total Equity and Liabilities	2,893,880	2,783,772
Net Assets Per Share (Rs.)	63.26	62.61

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
13th August 2026

TEA SMALLHOLDER FACTORIES PLC
CASH FLOW STATEMENT

		Three months ended	
		30.06.2026 Unaudited RS. '000	**30.06.2025 Unaudited RS. '000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) Before Tax		32,484	33,265
ADJUSTMENTS FOR :			
Finance Income		(3,335)	(1,253)
Depreciation of Property, Plant and Equipment		17,237	16,430
Amortisation of Right of Use Assets		22	22
Gratuity Charge and Related Cost		11,707	3,917
Amortisation of Grants		(5)	(5)
Finance Cost		2,057	3,769
Operating Profit before Working Capital changes		**60,167**	**56,145**
Change in Inventories		(194,511)	(79,383)
Change in Trade and Other Receivables		77,489	(30,976)
Change in Other Current Assets		(551)	547
Change in Trade and Other Payables		22,369	(5,298)
Change in Amount due to Related Parties		10,298	3,090
Change in Other Current Liabilities		18,061	(601)
Cash Generated from Operations		**(6,679)**	**(56,476)**
Finance Income Received		3,335	1,253
Finance Cost Paid		(2,057)	(2,413)
Gratuity Paid		(510)	(454)
Gratuity Transfer		-	3,788
Settlement of the staff Loan		-	7,529
Net Cash Flow from Operating Activities		**(5,912)**	**(46,773)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(7,110)	(756)
Net Cash Flow from / (used) in Investing Activities		**(7,110)**	**(756)**
Net Increase / (Decrease) in Cash and Cash Equivalents		(13,021)	(47,529)
Cash and Cash Equivalents at the beginning	**Note A**	30,328	(15,971)
Cash and Cash Equivalents at the end	**Note B**	**17,307**	**(63,499)**
NOTES			
A. Cash and Cash Equivalents at the beginning			
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)**
B. Cash and Cash Equivalents at the end			
Cash in Hand and at Bank		5,398	2,246
Short Term Investments (less than three months)		52,658	-
Bank Overdraft		(40,749)	(65,746)
		17,307	**(63,499)**

STATEMENT OF CHANGES IN EQUITY

RS. '000	**Stated Capital**	**Revaluation Reserve**	**Retained Earnings**	**Total**
As at 1st April 2025	150,000	700,214	862,622	1,712,836
Profit/ (Loss) for the period	**-**	-	24,811	24,811
Other comprehensive income	**-**	-	-	-
Total comprehensive income	**-**	-	24,811	24,811
As at 30th June 2025	150,000	700,214	887,433	1,737,647
As at 1st April 2026	150,000	700,214	1,028,232	1,878,446
Profit/ (Loss) for the period	-	-	19,432	19,432
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	19,432	19,432
As at 30th June 2026	150,000	700,214	1,047,665	1,897,878

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
OPERATING SEGMENT INFORMATION

Geographical Segment	**Galle**		**N'Eliya**		**Total**	
For the Three months ended 30th June	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Segment Revenue	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**	**RS. '000**
Revenue from contracts with customers	604,553	492,124	222,833	238,996	827,386	731,119
					827,386	731,119
Segment Results						
Revenue Expenditure	(568,062)	(465,725)	(197,786)	(215,803)	(765,848)	(681,528)
Depreciation of Property, Plant and Equipment	(12,203)	(11,732)	(4,490)	(3,748)	(16,693)	(15,481)
Gratuity Charge and Related Costs	(5,162)	(2,328)	(3,710)	(960)	(8,871)	(3,288)
Segment Gross Profit/ (Loss)	19,125	12,339	16,848	18,484	35,973	30,823
Other Operating Income					32,742	40,105
Finance Expense					(2,057)	(3,769)
Finance Income					3,335	1,253
Unallocated Expenses					(25,012)	(25,951)
Management Fees					(12,497)	(9,195)
Profit / (Loss) Before Tax					32,484	33,265
Segment Assets						
Allocated Assets						
Non - Current Assets						
Property, Plant & Equipment	979,464	938,912	301,334	269,659	1,280,798	1,208,571
Accumulated Depreciation	(249,370)	(201,758)	(82,887)	(66,409)	(332,258)	(268,167)
Intangible Assets	-	1,000		250	-	1,250
Accumulated Amortisation	-	(1,000)		(250)	-	(1,250)
Current Assets	665,401	357,867	172,576	157,570	837,977	515,437
	1,395,494	1,095,021	391,024	360,819	1,786,518	1,455,840
Unallocated Assets						
Non - Current Assets						
Cost					1,066,192	880,316
Depreciation and Amortisation					(37,359)	(34,785)
Current Assets					78,529	96,938
Total Assets					2,893,880	2,398,310
Segment Liabilities						
Allocated Liabilities						
Non Current Liabilities	25,432	19,456	18,415	13,736	43,847	33,192
Current Liabilities	199,045	120,001	77,494	51,371	276,540	171,372
	224,477	139,457	95,910	65,107	320,387	204,564
Unallocated Liabilities						
Non Current Liabilities					400,665	337,567
Current Liabilities					274,949	118,532
					675,614	456,100
Total Liabilities					996,001	660,664
Segment Capital Expenditure						
Allocated Capital Expenditure	4,029	480	705	276	4,733	756
Unallocated Capital Expenditure					2,376	-
					7,110	756

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 Three months ended 30th June 2026 were authorised for issue by the Board of Directors on 13th August 2026.

3 Basis of Preparation

The interim condensed financial statements for the Three months ended 30th June 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 30th June 2026	As at 31st March 2026
Number of public shareholders	1,811	1,719
Public holding percentage	24.73	24.73
Compliant under option 5 - Float adjusted market capitalization (Rs.'000s)	283,394	288,587

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 30th June 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 30th June 2026	As at 31st March 2026
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	Nil	Nil
MR. K Sivanesan (Appointed w.e.f 07th Aug 2026)	Nil	Nil

5.3 Twenty largest shareholders of the Company are as follows:

		As at 30th June 2026		As at 31st March 2026	
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	2,191,298	7.30	2,289,862	7.63
3	Mr. C.R. Narangoda	287,787	0.96	287,779	0.96
4	Mr. M.S.M. Ali	261,500	0.87	263,500	0.88
5	Senkadagala Finance PLC/C.R.Narangoda	242,227	0.81	242,227	0.81
6	C F T International (Private) Limited	225,000	0.75	225,000	0.75
7	Mr.W.G.S.C. Jayaweera	178,190	0.59	178,189	0.59
8	Senkadagala Finance PLC/ A.K.S.Mendis & C.R. Narangoda	128,379	0.43	128,379	0.43
9	Mr. A.K.S. Mendis	114,152	0.38	114,909	0.38
10	T R L Holdings (Private) Limited	100,000	0.33	100,000	0.33
11	Mr. M.S.F. Haqque	83,000	0.28	83,000	0.28
12	Sampath Bank PLC/Hi-Line Trading (Private) Limited	79,450	0.26	67,450	0.22
13	Mr. A.I. Abeydeera	75,860	0.25	80,790	0.27
14	Mrs. S.I. Haqque	67,000	0.22	67,000	0.22
15	Mr. H.P. Fernando	65,000	0.22	65,000	0.22
16	Mr. N.D. Kurukulasuriya	62,400	0.21	62,400	0.21
17	Mr. R.P.U.P. Gunawardena	60,000	0.20	60,000	0.20
18	Mr. M.A.M. Azlam	55,000	0.18	-	-
19	Dr. D.S.A. Samaraweera	53,000	0.18	53,000	0.18
20	Mrs. S. Vasudevan	52,669	0.18	52,669	0.18
	Total	26,963,225	89.87	27,002,467	90.01

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

	As at 30th June 2026	As at 31st March 2026
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 30th June 2026.

5.6 Market Price per share

For the quarter ended 30th June	2026	2025
	Rs.	Rs.
Highest	47.70	43.90
Lowest	37.50	35.00
Last Traded	38.20	41.60

6 Capital Commitments

The value of contractual commitments for acquisition of property, plant and equipment as at 30th June 2026 is Rs. 7 Mn.

7 Contingencies

There is no Contingent Liability of the Company as at 30th June 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.