Tea Smallholder Factories PLC

Interim Financial Statements

30th September 2026

Browns PLANTATIONS
TSFL

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

INCOME STATEMENT

	For the quarter ended 30th September			For the six months ended 30th September		
	30.09.2026 Unaudited RS. '000	**30.09.2025 Unaudited RS. '000**	***Change %***	**30.09.2026 Unaudited RS. '000**	**30.09.2025 Unaudited RS. '000**	***Change %***
Revenue from Contracts with Customers	1,106,986	935,470	*18*	1,934,372	1,666,590	*16*
Cost of Sales	(1,071,852)	(903,806)	*19*	(1,863,265)	(1,604,103)	*16*
Gross Profit / (Loss)	**35,134**	**31,664**	*11*	**71,107**	**62,487**	*14*
Other Operating Income	37,324	43,601	*(14)*	70,066	83,705	*(16)*
Administrative Expenses	(37,339)	(24,732)	*51*	(62,351)	(50,683)	*23*
Management Fees	(11,437)	(9,989)	*14*	(23,935)	(19,184)	*25*
Results From Operating Activities	**23,682**	**40,543**	*(42)*	**54,887**	**76,324**	*(28)*
Finance Expense	(1,109)	(741)	*50*	(3,166)	(4,509)	*(30)*
Finance Income	3,167	1,459	*117*	6,502	2,712	*140*
Net Finance Income / (Expense)	2,058	718	*187*	3,336	(1,797)	*(286)*
Change in Fair Value of Investment Property	-	-	-	-	-	-
Profit / (Loss) Before Tax	**25,740**	**41,262**	*(38)*	**58,223**	**74,527**	*(22)*
Tax (Expense) / Reversal	(4,413)	-	*100*	(17,465)	(8,456)	*107*
Profit / (Loss) for the period	**21,327**	**41,262**	*(48)*	**40,758**	**66,072**	*(38)*
Other Comprehensive Income						
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	**21,327**	**41,262**	*(48)*	**40,758**	**66,072**	*(38)*
	Rs.	**Rs.**		**Rs.**	**Rs.**	
Earnings per share - Basic	0.71	1.38		1.36	2.20	

Note : Figures in brackets indicate deductions.

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

STATEMENT OF FINANCIAL POSITION

	As at 30.09.2026 Unaudited RS. '000	As at 31.03.2026 Audited RS. '000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	972,628	982,007
Right of Use Assets	1,821	1,865
Investment Property	996,000	996,000
Intangible Assets	7,303	7,303
Non-Current Financial Assets	173	434
Other Non-Current Assets	35	50
	1,977,960	1,987,660
Current Assets		
Inventories	618,217	495,451
Trade and Other Receivables	199,926	234,109
Amounts due from Related Parties	16,163	15,744
Other Current Assets	14,557	11,181
Income Tax Recoverable	-	-
Short Term Investments	51,708	51,290
Cash in Hand and at Bank	50,951	4,082
	951,522	811,857
Total Assets	2,929,482	2,799,517
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	150,000	150,000
Revaluation Reserve	700,214	700,214
Retained Earnings	1,068,990	1,028,232
Total Equity	1,919,204	1,878,446
Non-Current Liabilities		
Deferred Tax Liabilities	383,119	383,119
Employee Benefit Liabilities	51,625	49,834
Deferred Grants and Subsidies	358	368
	435,102	433,321
Current Liabilities		
Trade and Other Payables	306,105	294,989
Amounts due to Related Parties	150,558	121,600
Income Tax Payable	21,613	4,148
Other Current Liabilities	96,900	41,968
Bank Overdraft	-	25,044
	575,176	487,749
Total Equity and Liabilities	2,929,482	2,799,517
Net Assets Per Share (Rs.)	63.97	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
10th November 2026

TEA SMALLHOLDER FACTORIES PLC
CASH FLOW STATEMENT

		Six months ended	
		30.09.2026 Unaudited RS. '000	**30.09.2025 Unaudited RS. '000**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) Before Tax		58,223	74,527
ADJUSTMENTS FOR :			
Finance Income		(6,502)	(2,712)
Depreciation of Property, Plant and Equipment		34,333	32,343
Amortisation of Right of Use Assets		44	44
Gratuity Charge and Related Cost		3,703	7,677
Amortisation of Grants		(10)	(10)
Finance Cost		3,166	4,509
Operating Profit before Working Capital changes		**92,957**	**116,379**
Change in Inventories		(122,767)	7,541
Change in Trade and Other Receivables		34,183	(90,503)
Change in Amount due from Related Parties		(419)	-
Change in Other Current Assets		(3,099)	(1,326)
Change in Trade and Other Payables		11,116	18,272
Change in Amount due to Related Parties		28,958	15,885
Change in Other Current Liabilities		54,932	(857)
Cash Generated from Operations		**95,861**	**65,391**
Finance Income Received		6,502	2,712
Finance Cost Paid		(3,166)	(3,154)
Gratuity Paid		(1,912)	(1,259)
Gratuity Transfer		-	3,788
Settlement of Staff Loan		-	7,529
Net Cash Flow from Operating Activities		**97,285**	**75,007**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(24,954)	(5,500)
Net Cash Flow from / (used) in Investing Activities		**(24,954)**	**(5,500)**
Net Increase / (Decrease) in Cash and Cash Equivalents		72,331	69,506
Cash and Cash Equivalents at the beginning	**Note A**	30,328	(15,971)
Cash and Cash Equivalents at the end	**Note B**	**102,659**	**53,536**
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		50,951	6,461
Short Term Investments (less than three months)		51,708	51,500
Bank Overdraft		-	(4,426)
		102,659	**53,536**

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	**-**	-	66,072	66,072
Other comprehensive income	**-**	-	-	-
Total comprehensive income	**-**	-	66,072	66,072
As at 30th September 2025	150,000	700,214	928,693	1,778,907
As at 1st April 2026	150,000	700,214	1,028,232	1,878,446
Profit/ (Loss) for the period	-	-	40,758	40,758
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	40,758	40,758
As at 30th September 2026	150,000	700,214	1,068,990	1,919,204

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
OPERATING SEGMENT INFORMATION

Geographical Segment	**Galle**		**N'Eliya**		**Total**	
For the Six months ended 30th September	**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	1,427,797	1,186,729	506,575	479,861	1,934,372	1,666,590
					1,934,372	1,666,590
Segment Results						
Revenue Expenditure	(1,363,657)	(1,129,325)	(463,799)	(437,359)	(1,827,456)	(1,566,684)
Depreciation of Property, Plant and Equipment	(24,307)	(23,346)	(9,026)	(7,497)	(33,332)	(30,843)
Gratuity Charge and Related Costs	(1,730)	(4,656)	(746)	(1,921)	(2,476)	(6,576)
Segment Gross Profit/ (Loss)	38,103	29,402	33,004	33,084	71,107	62,487
Other Operating Income					70,066	83,705
Finance Expense					(3,166)	(4,509)
Finance Income					6,502	2,712
Unallocated Expenses					(62,351)	(50,683)
Management Fees					(23,935)	(19,184)
Profit / (Loss) Before Tax					58,223	74,527
Segment Assets						
Allocated Assets						
Non - Current Assets						
Property, Plant & Equipment	1,016,344	938,912	310,750	274,209	1,327,094	1,213,122
Accumulated Depreciation	(281,120)	(208,322)	(87,423)	(68,713)	(368,543)	(277,035)
Current Assets	662,156	414,131	152,044	148,404	814,200	562,536
	1,397,380	1,144,722	375,371	353,900	1,772,750	1,498,622
Unallocated Assets						
Non - Current Assets						
Cost					1,056,084	872,178
Depreciation and Amortisation					(36,675)	(35,484)
Current Assets					137,322	80,285
Total Assets					2,929,482	2,415,602
Segment Liabilities						
Allocated Liabilities						
Non Current Liabilities	21,165	21,235	14,885	14,440	36,051	35,675
Current Liabilities	185,632	133,241	68,984	59,764	254,616	193,005
	206,797	154,476	83,869	74,203	290,666	228,679
Unallocated Liabilities						
Non Current Liabilities					399,051	346,489
Current Liabilities					320,560	61,524
					719,612	408,014
Total Liabilities					1,010,278	636,694
Segment Capital Expenditure						
Allocated Capital Expenditure	14,439	3,876	7,701	1,624	22,140	5,500
Unallocated Capital Expenditure					2,814	-
					24,954	5,500

Note : Figures in brackets indicate deductions.

TEA SMALLHOLDER FACTORIES PLC
OPERATING SEGMENT INFORMATION

Geographical Segment	**Galle**		**N'Eliya**		**Total**	
For the quarter ended 30th September	**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	823,244	694,606	283,742	240,865	1,106,986	935,470
					1,106,986	935,470
Segment Results						
Revenue Expenditure	(795,595)	(663,600)	(266,013)	(221,556)	(1,061,608)	(885,156)
Depreciation of Property, Plant and Equipment	(12,103)	(11,614)	(4,536)	(3,748)	(16,639)	(15,362)
Gratuity Charge and Related Costs	3,432	(2,328)	2,963	(960)	6,395	(3,288)
Segment Gross Profit/ (Loss)	18,978	17,063	16,156	14,601	35,134	31,664
Other Operating Income					37,324	43,601
Change in fair value of Investment Property					-	-
Finance Expense					(1,109)	(741)
Finance Income					3,167	1,459
Unallocated Expenses					(37,339)	(24,732)
Management Fees					(11,437)	(9,989)
Profit / (Loss) Before Tax					25,740	41,262
Segment Capital Expenditure						
Allocated Capital Expenditure	10,410	3,396	6,996	1,348	17,406	4,744
Unallocated Capital Expenditure					438	-
					17,844	4,744

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 Six months ended 30th September 2026 were authorised for issue by the Board of Directors on 10th November 2026.

3 Basis of Preparation

The interim condensed financial statements for the Six months ended 30th September 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 September 2026	As at 30th June 2026
Number of public shareholders	1,853	1,811
Public holding percentage	24.73	24.73
Compliant under option 5 - Float adjusted market capitalization (Rs.'000s)	254,461	283,394

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 September 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 September 2026	As at 30th June 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 September 2026		As at 30th June 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 Pvt Ltd	2,132,500	7.11	2,191,298	7.30
3	Mr. C.R. Narangoda	288,503	0.96	287,787	0.96
4	Mr. M.S.M. Ali	276,963	0.92	261,500	0.87
5	Senkadagala Finance PLC /C.R.Narangoda	242,227	0.81	242,227	0.81
6	C F T International (Pvt) Ltd	225,000	0.75	225,000	0.75
7	Mr. W.G.S.C. Jayaweera	178,241	0.59	178,190	0.59
8	Mr. M.A.M. Azlam	141,751	0.47	55,000	0.18
9	T R L Holdings (Pvt) Limited	100,000	0.33	100,000	0.33
10	Mr. M.S.F. Haqque	83,000	0.28	83,000	0.28
11	Sampath Bank PLC/HI-Line Trading (Private) Limited	79,450	0.26	79,450	0.26
12	Mrs. S.I. Haqque	67,000	0.22	67,000	0.22
13	Mr. H.P. Fernando	65,000	0.22	65,000	0.22
14	Mr. N.D. Kurukulasuriya	62,400	0.21	62,400	0.21
15	Senkadagala Finance PLC /A.K.S.Mendis & C.R.Narangoda	62,255	0.21	128,379	0.43
16	Mr. R.P.U.P. Gunawardena	60,000	0.20	60,000	0.20
17	Dr. C. Alwishewa	58,756	0.20	49,937	0.17
18	Dr. D.S.A. Samaraweera	53,000	0.18	53,000	0.18
19	Mrs. S. Vasudevan	52,669	0.18	52,669	0.18
20	Peoples Leasing and Finance PLC /N.Anoshan	52,253	0.17	52,253	0.17
	Total	26,862,281	89.54	26,875,403	89.58

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

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

5.6 Market Price per share

For the quarter ended 30th September	2026	2025
	Rs.	Rs.
Highest	39.70	60.00
Lowest	34.00	33.50
Last Traded	34.30	54.60

6 Capital Commitments

The value of contractual commitments for acquisition of property, plant and equipment as at 30th September 2026 is Rs. 1.4 Mn.

7 Contingencies

There are no Contingent Liabilities of the Company as at 30th September 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.