THREE ACRE FARMS PLC



INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2025

QUARTERLY REVIEW *for the fourth quarter ended 31 December 2025*

The Group's revenue for the fourth quarter of 2025 was Rs. 1,742.1Mn compared to Rs. 1,357.9Mn recorded in the corresponding quarter of 2024, representing an increase of Rs. 384.2Mn or 28%. However, for the year ended 31 December 2025, Group revenue marginally declined to Rs. 6,177.1Mn from Rs. 6,197.9Mn in 2024, representing a decrease of Rs. 20.8Mn.

The Group reported a total comprehensive income of Rs. 604.4Mn for the fourth quarter of 2025 compared to Rs. 437.0Mn during the same quarter of 2024, representing an increase of Rs. 167.4Mn or 38%. The Group reported a total comprehensive income of Rs. 1,536.8Mn for the year 2025 compared to Rs. 1,692.6Mn during the year 2024, representing a decrease of Rs. 155.8Mn or 9%.

The Group's revenue for the quarter under review improved compared to the corresponding period of the previous year, primarily driven by increased demand for Broiler Day Old Chicks (DOCs). This was supported by higher placements by key processors and farmers in anticipation of seasonal demand for end-product chicken. The higher demand coupled with enhanced farm management practices contributed to improvement in Group profitability and underscored the Group's resilience and operational adaptability amid fluctuating market conditions.

The Company and the Group have adhered to the Sri Lanka Financial Reporting Standards in the preparation of the interim financial statements for the year ended 31 December 2025.

There have been no other events subsequent to the interim period which require disclosure in the interim financial statements, except for the disclosure in Note no. 6 – Event After the Reporting Period.

Cheng Chih Kwong
Executive Director and Chief Executive Officer

S S P Corporate ~~Services (Private)~~ Limited
~~Secretaries~~

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All amounts in Sri Lankan Rupees thousands

	Group		Group	Company	
For the three months ended 31 December	2025	2024	Change	2025	2024
Revenue	1,742,103	1,357,946	28%	1,346,094	1,128,678
Cost of sales	(1,019,609)	(1,232,497)	(17%)	(788,520)	(977,858)
Gross profit	**722,494**	**125,449**	**476%**	**557,574**	**150,820**
Other operating income	256,939	112,109	129%	1,502,796	65,325
Selling and distribution expenses	(4,254)	(9,792)	(57%)	(4,254)	(9,792)
Administrative expenses	(3,977)	(4,558)	(13%)	(5,757)	(4,729)
Operating profit	**971,202**	**223,208**	**335%**	**2,050,359**	**201,624**
Interest income	164,323	308,102	(47%)	134,438	273,485
Net finance (costs) / income	(430)	(3,276)	(87%)	1,327	(62,730)
Profit before tax	**1,135,095**	**528,034**	**115%**	**2,186,124**	**412,379**
Taxation	(527,562)	(82,401)	540%	(447,479)	(65,335)
Profit for the period	**607,533**	**445,633**	**36%**	**1,738,645**	**347,044**
Other comprehensive expense for the period, net of tax	(3,106)	(8,664)	(64%)	(3,106)	(8,230)
Total comprehensive income for the period	**604,427**	**436,969**	**38%**	**1,735,539**	**338,814**
Profit attributable to :					
Equity holders of the parent	607,533	445,633		1,738,645	347,044
	607,533	**445,633**		**1,738,645**	**347,044**
Total comprehensive income attributable to :					
Equity holders of the parent	604,427	436,969		1,735,539	338,814
	604,427	**436,969**		**1,735,539**	**338,814**
Basic earnings per share (Rs.)	**25.80**	**18.93**		**73.84**	**14.74**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All amounts in Sri Lankan Rupees thousands

	Group		Group	Company	
For the twelve months ended 31 December	2025	2024	Change	2025	2024
Revenue	6,177,126	6,197,882	-	4,802,235	4,972,935
Cost of sales	(4,524,082)	(4,762,480)	(5%)	(3,494,220)	(3,759,542)
Gross profit	**1,653,044**	**1,435,402**	**15%**	**1,308,015**	**1,213,393**
Other operating income	264,881	122,561	116%	1,510,869	76,350
Selling and distribution expenses	(17,999)	(20,733)	(13%)	(17,999)	(20,733)
Administrative expenses	(42,534)	(40,741)	4%	(35,558)	(32,539)
Operating profit	**1,857,392**	**1,496,489**	**24%**	**2,765,327**	**1,236,471**
Interest income	617,163	831,959	(26%)	530,085	797,342
Net finance costs	(3,370)	(8,745)	(61%)	(2,730)	(68,199)
Profit before tax	**2,471,185**	**2,319,703**	**7%**	**3,292,682**	**1,965,614**
Taxation	(931,327)	(618,441)	51%	(754,444)	(507,694)
Profit for the period	**1,539,858**	**1,701,262**	**(9%)**	**2,538,238**	**1,457,920**
Other comprehensive expense for the period, net of tax	(3,106)	(8,664)	(64%)	(3,106)	(8,230)
Total comprehensive income for the period	**1,536,752**	**1,692,598**	**(9%)**	**2,535,132**	**1,449,690**
Profit attributable to :					
Equity holders of the parent	1,539,858	1,701,262		2,538,238	1,457,920
	1,539,858	1,701,262		**2,538,238**	**1,457,920**
Total comprehensive income attributable to :					
Equity holders of the parent	1,536,752	**1,692,598**		2,535,132	**1,449,690**
	1,536,752	**1,692,598**		**2,535,132**	**1,449,690**
Basic earnings per share (Rs.)	**65.40**	**72.26**		**107.80**	**61.92**

STATEMENT OF FINANCIAL POSITION

All amounts in Sri Lankan Rupees thousands

	Group		Company	
As at	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Assets				
Non-current assets				
Property, plant and equipment	1,375,742	1,151,748	1,156,381	927,483
Investment in subsidiary companies	-	-	-	-
Biological assets	1,261,172	962,567	1,017,000	765,579
Total non-current assets	**2,636,914**	**2,114,315**	**2,173,381**	**1,693,062**
Current assets				
Biological assets	97,484	106,927	89,984	101,302
Inventories	402,145	363,105	361,791	315,152
Trade and other receivables	249,465	129,662	229,761	115,504
Amount due from related companies	1,666	1,573	123,123	1,573
Short-term investment	-	7,488,913	-	6,751,580
Cash and cash equivalents	8,422,155	64,459	7,943,333	59,962
Total current assets	**9,172,915**	**8,154,639**	**8,747,992**	**7,345,073**
Total assets	**11,809,829**	**10,268,954**	**10,921,373**	**9,038,135**
Equity				
Stated capital	623,604	623,604	623,604	623,604
Retained earnings	8,958,556	8,128,155	8,888,221	7,059,439
Total equity	**9,582,160**	**8,751,759**	**9,511,825**	**7,683,043**
Liabilities				
Non-current liabilities				
Deferred tax liabilities	435,116	372,560	321,959	268,914
Employee benefits	79,417	66,868	75,372	63,362
Total non-current liabilities	**514,533**	**439,428**	**397,331**	**332,276**
Current liabilities				
Trade and other payables	1,458,176	974,491	969,371	787,659
Amount due to related companies	254,960	103,276	42,846	235,157
Total current liabilities	**1,713,136**	**1,077,767**	**1,012,217**	**1,022,816**
Total liabilities	**2,227,669**	**1,517,195**	**1,409,548**	**1,355,092**
Total equity and liabilities	**11,809,829**	**10,268,954**	**10,921,373**	**9,038,135**
Net asset per share (Rs.)	**406.97**	**371.70**	**403.98**	**326.31**

K.A.R.S Perera
General Manager

Wickrema Senaka Weerasooria
Non-Executive Chairman

Cheng Chih Kwong
Executive Director and Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY

All amounts in Sri Lankan Rupees thousands

Group	Stated capital	Retained earnings	Total equity
Balance as at 1 January 2024	623,604	7,400,902	8,024,506
Profit for the period	-	1,701,262	1,701,262
Other comprehensive expense for the period, net of tax	-	(8,664)	(8,664)
Dividend paid	-	(965,345)	(965,345)
Balance as at 31 December 2024	623,604	8,128,155	8,751,759
Balance as at 1 January 2025	623,604	8,128,155	8,751,759
Profit for the period	-	1,539,857	1,539,857
Other comprehensive expense for the period, net of tax	-	(3,106)	(3,106)
Dividend paid	-	(706,350)	(706,350)
Balance as at 31 December 2025	623,604	8,958,556	9,582,160

Company	Stated capital	Retained earnings	Total equity
Balance as at 1 January 2024	623,604	6,575,094	7,198,698
Profit for the period	-	1,457,920	1,457,920
Other comprehensive expense for the period, net of tax	-	(8,230)	(8,230)
Dividend paid	-	(965,345)	(965,345)
Balance as at 31 December 2024	623,604	7,059,439	7,683,043
Balance as at 1 January 2025	623,604	7,059,439	7,683,043
Profit for the period	-	2,538,238	2,538,238
Other comprehensive expense for the period, net of tax	-	(3,106)	(3,106)
Dividend paid	-	(706,350)	(706,350)
Balance as at 31 December 2025	623,604	8,888,221	9,511,825

STATEMENT OF CASH FLOWS

All amounts in Sri Lankan Rupees thousands

	Group		Company	
For the year ended 31 December	2025	2024	2025	2024
Operating activities				
Profit before tax	2,471,184	2,319,703	3,292,682	1,965,614
Adjustments:				
Depreciation	122,617	110,492	106,993	94,875
Usage of biological assets	925,468	763,153	670,858	548,747
Loss on disposal of property, plant and equipment	23	6,768	23	6,768
Change in fair value less cost to sell on biological assets	(253,881)	(114,526)	(84,129)	(68,306)
Reversal of impairment provision from related companies	-	-	(215,583)	1,059
Dividend income	-	-	(1,200,000)	-
Exchange (gain) / loss	(5,335)	6,773	(5,335)	6,773
Interest income	(617,163)	(831,959)	(530,085)	(797,342)
Interest expenses	8,705	1,972	8,065	61,426
Provision for slow moving and obsolete items	697	424	697	424
Changes in working capital				
-Trade and other receivables	(515,273)	(120,873)	(509,394)	(114,953)
-Inventories	(39,737)	18,045	(47,336)	11,452
-Trade and other payables	256,564	(139,768)	79,652	(129,307)
-Amount due from related companies	(93)	89,779	94,033	213,837
-Amount due to related companies	151,684	1,265,808	(192,311)	1,213,491
Employee benefits	13,317	10,416	12,778	9,980
Cash generated from operations	**2,518,777**	**3,386,207**	**1,481,608**	**3,024,538**
Exchange gain / (loss)	5,335	(6,773)	5,335	(6,773)
Interest received	660,125	732,281	574,267	697,997
Interest paid	(8,705)	(1,972)	(8,065)	(61,426)
Employee benefits paid	(5,205)	(910)	(5,205)	(910)
Tax paid	(460,319)	(460,423)	(418,008)	(408,586)
Net cash generated from operating activities	**2,710,008**	**3,648,410**	**1,629,932**	**3,244,840**
Investing activities				
Purchase of property, plant and equipment	(346,634)	(28,791)	(335,914)	(27,285)
Proceeds from dividend income	-	-	1,200,000	-
Purchase of biological assets	(960,749)	(969,950)	(826,832)	(708,509)
Net cash (used in) / generated from investing activities	**(1,307,383)**	**(998,741)**	**37,254**	**(735,794)**
Financing activities				
Dividend paid	(706,350)	(965,345)	(706,350)	(965,345)
Short-term investment	7,661,421	(7,273,443)	6,922,535	(6,536,443)
Net cash generated from / (used in) financing activities	**6,955,071**	**(8,238,788)**	**6,216,185**	**(7,501,788)**
Increase / (Decrease) in cash and cash equivalents	**8,357,696**	**(5,589,119)**	**7,883,371**	**(4,992,742)**
Movement in cash and cash equivalents				
At the beginning of the year	64,459	5,653,578	59,962	5,052,704
Increase / (Decrease) for the period	8,357,696	(5,589,119)	7,883,371	(4,992,742)
Balance at the end of the period	**8,422,155**	**64,459**	**7,943,333**	**59,962**

NOTES TO THE DRAFT FINANCIAL STATEMENTS

01. CORPORATE INFORMATION

Three Acre Farms PLC (the "Company") is a "Quoted Public Company" with limited liability, incorporated and domiciled in Sri Lanka. The address of the Company's registered office is No. 15, Rock House Lane, Colombo 15, Sri Lanka.

The principal businesses of the Group are selective breeding, hatching, sale of Commercial Day Old Chicks (DOCs), both Broiler (for chicken meat) and Layer (for the production of table eggs), grandparent farm operation and commercial broiler farming.

The Company was listed in the Colombo Stock Exchange under the Food and Beverage Sector. The parent company, Ceylon Grain Elevators PLC holds 57.21% of the issued share capital of the Company.

02. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements of the Company and the Group for the twelve months ended 31 December 2025 are unaudited and authorised for issue by the Board of Directors on 25 February 2026.

03. BASIS OF PREPARATION

The interim financial statements of the Company and the Group have been prepared in compliance with Sri Lanka Accounting Standard (LKAS) 34 - Interim Financial Reporting.

The interim financial statements have been prepared on a historical cost basis except for defined benefit obligation and biological assets.

04. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

05. CONTINGENT LIABILITIES

There has not been any significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31 December 2025.

06. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2025, there are no events which require adjustments to or disclosure in the draft financial statements, except for the following;

Dividend Declaration

The Directors declared a final dividend of Rs. 40.00 per share for the year ended 31 December 2025 on 28 January 2026, which will be paid on 26 February 2026.

07. COMPARATIVE INFORMATION

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

08. NM – Change in percentage term is Not Meaningful.

INVESTOR INFORMATION

(01) Market Price per Share

	As at 31.12.2025	As at 31.12.2024
Highest Market Price (Rs.)	660.00	317.50
Lowest Market Price (Rs.)	530.00	275.00
Last Traded Price (Rs.)	592.25	298.25

(02) Public Shareholding

	As at 31.12.2025	As at 31.12.2024
The percentage of shares held by the public	27.78%	27.78%
The number of shareholders representing the public holding	3,228	2,874

Float Adjusted Market Capitalisation

The float adjusted market capitalisation as at 31 December 2025 was Rs. 3,873.8Mn under Option 5 of Section 7.14.1 (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

(03) List of 20 major shareholders based on their shareholding as at 31 December 2025.

No.	Name	No. of Shares	Percentage
1	Ceylon Grain Elevators PLC	13,469,980	57.21
2	Prima Limited, Singapore	3,532,627	15.00
3	UBS Switzerland AG -Kershaw Property Holding Inc.	617,360	2.62
4	Eka Limited	313,262	1.33
5	Supra Limited, Hong Kong	258,989	1.10
6	Deutsche Bank AG - National Equity Fund	223,149	0.95
7	Mrs. P. Wijaya / Mr. P. Ramesh & Mrs. D. Ramesh	215,000	0.91
8	People's Leasing & Finance PLC / Mr. I. D. R. Perera	188,405	0.80
9	Mr. G. B. D. Thilakarathne	156,917	0.67
10	Mr. O. Senanayake / Mr. D. R. Peiris & Mr.S. P. Perera	154,119	0.66
11	Employees Trust Fund Board	154,173	0.66
12	Mr. M. N. Singa Laxana	151,171	0.64
13	Dialog Finance PLC / J. K. D. Jayatillake & A. Jayatillake	140,981	0.60
14	Ranavav Holdings (Pvt) Ltd	101,567	0.43
15	Commercial Bank of Ceylon PLC / H. G. Balasuriya	100,000	0.42
15	People's Leasing & Finance PLC / S. P. Perera	100,000	0.42
15	Mrs. S. Vasudevan & Mr.S. Vasudevan	100,000	0.42
18	Mr.J. H. Leanage	86,767	0.37
19	Mr.A. S. Ratnayake	83,139	0.36
20	Mrs.D. M. Fernando	69,908	0.30
	Total	**20,217,844**	**85.87**

CORPORATE INFORMATION

Company Name
Three Acre Farms PLC

Company Registration No.
PQ 195

Registered Office
No.15, Rock House Lane, Colombo 15, Sri Lanka.
Tel : +94 (11) 2522556 or 8 / 2523580 / 2526378 to 2526383
Fax : +94 (11) 2524163
E-mail : info.cge@prima.com.lk

Stated Capital
Rs. 623,604,000

Number of Shares
23,545,000 Ordinary Shares

Subsidiary Companies
Ceylon Pioneer Poultry Breeders Limited
Millennium Multibreeder Farms (Private) Limited

Lawyers
Varners Lanka Law Office
D.L. & F. De Saram

Auditors
KPMG, Sri Lanka

Company Secretary
S S P Corporate Services (Private) Limited
No. 101, Inner Flower Road, Colombo 3

Bankers
Hatton National Bank PLC
Nations Trust Bank PLC
National Development Bank PLC
Bank of Ceylon
Seylan Bank PLC
Union Bank of Colombo PLC

Name of Directors

Mr. Wickrema Senaka Weerasooria	- Non-Executive Chairman
Mr. Cheng Chih Kwong	- Executive Director and Chief Executive Officer
Mr. Bernard Cheng Koh Chuen	- Non-Executive Director
Mr. Sunil Leeniyagoda	- Non-Executive Director
Mr. I. A. Wickramasinghe	- Non-Executive Independent Director
Mr. T. A. B. Speldewinde	- Non-Executive Independent Director

Directors Shareholding

Mr. Wickrema Senaka Weerasooria	- 2,000 Shares
Mr. Cheng Chih Kwong	- 19 Shares
Mr. Bernard Cheng Koh Chuen	- Nil
Mr. Sunil Leeniyagoda	- Nil
Mr. I. A. Wickramasinghe	- Nil
Mr. T. A. B. Speldewinde	- Nil