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Tea  
Estates  
Sri Lanka

**Hapugastenne Plantations PLC**  
**(Company Registration Number PQ 62)**

**Interim Unaudited Financial Statements**  
**Nine months ended 30th September 2016**



HAPUGASTENNE PLANTATIONS PLC  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|  | GROUP                             |                               |             |                                  |                               |             |
|--|-----------------------------------|-------------------------------|-------------|----------------------------------|-------------------------------|-------------|
|  | Three months ended 30th September |                               |             | Nine months ended 30th September |                               |             |
|  | Unaudited<br>2016<br>RS. '000     | Unaudited<br>2015<br>RS. '000 | Change<br>% | Unaudited<br>2016<br>RS. '000    | Unaudited<br>2015<br>RS. '000 | Change<br>% |
| Revenue  | 726,497                           | 700,150                       | 4           | 2,331,384                        | 2,505,035                     | (7)         |
| Cost of Sales  | (680,302)                         | (779,080)                     | 13          | (2,265,775)                      | (2,578,300)                   | 12          |
| <b>Gross Profit</b>  | <b>46,195</b>                     | <b>(78,930)</b>               | 159         | <b>65,609</b>                    | <b>(73,265)</b>               | 190         |
| Other Operating Income                                     | 8,746                             | 14,174                        | (38)        | 38,279                           | 37,568                        | 2           |
| Administration Expenses                                    | (49,581)                          | (57,860)                      | 14          | (153,243)                        | (161,499)                     | 5           |
| Finance Cost   | (31,527)                          | (30,585)                      | (3)         | (83,427)                         | (67,227)                      | (24)        |
| Interest Income  | 48                                | 25                            | 92          | 367                              | 598                           | (39)        |
| <b>Profit from Ordinary<br/>Activities before Taxation</b> | <b>(26,119)</b>                   | <b>(153,176)</b>              | 83          | <b>(132,415)</b>                 | <b>(263,825)</b>              | 50          |
| Taxation   | 4,184                             | (3,829)                       | 209         | 20,774                           | (15,519)                      | 234         |
| <b>Profit after Taxation</b>                               | <b>(21,935)</b>                   | <b>(157,005)</b>              | 86          | <b>(111,641)</b>                 | <b>(279,344)</b>              | 60          |
| <b>Other comprehensive income</b>                          | -                                 | -                             | -           | -                                | -                             | -           |
| <b>Total comprehensive income for the period</b>           | <b>(21,935)</b>                   | <b>(157,005)</b>              | 86          | <b>(111,641)</b>                 | <b>(279,344)</b>              | 60          |

**Profit Attributable to:**  
Equity shareholders of the parent  
Non-controlling interest

|                 |                  |
|-----------------|------------------|
| (22,570)        | (159,873)        |
| 635             | 2,868            |
| <b>(21,935)</b> | <b>(157,005)</b> |

|                  |                  |
|------------------|------------------|
| (118,528)        | (287,081)        |
| 6,887            | 7,737            |
| <b>(111,641)</b> | <b>(279,344)</b> |

**Total comprehensive income attributable to:**  
Owners of the Company  
Non-controlling interest

|                 |                  |
|-----------------|------------------|
| (22,570)        | (159,873)        |
| 635             | 2,868            |
| <b>(21,935)</b> | <b>(157,005)</b> |

|                  |                  |
|------------------|------------------|
| (118,528)        | (287,081)        |
| 6,887            | 7,737            |
| <b>(111,641)</b> | <b>(279,344)</b> |

Earnings per Share - Rs.

|               |        |
|---------------|--------|
| <b>(0.49)</b> | (3.45) |
|---------------|--------|

|               |        |
|---------------|--------|
| <b>(2.56)</b> | (6.20) |
|---------------|--------|

HAPUGASTENNE PLANTATIONS PLC  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|  | COMPANY                           |                               |             |                                  |                               |             |
|--|-----------------------------------|-------------------------------|-------------|----------------------------------|-------------------------------|-------------|
|  | Three months ended 30th September |                               |             | Nine months ended 30th September |                               |             |
|  | Unaudited<br>2016<br>RS. '000     | Unaudited<br>2015<br>RS. '000 | Change<br>% | Unaudited<br>2016<br>RS. '000    | Unaudited<br>2015<br>RS. '000 | Change<br>% |
| Revenue  | 709,037                           | 671,391                       | 6           | 2,257,625                        | 2,422,405                     | (7)         |
| Cost of Sales  | (664,108)                         | (756,750)                     | 12          | (2,210,276)                      | (2,516,748)                   | 12          |
| <b>Gross Profit / (Loss)</b>                             | <b>44,929</b>                     | <b>(85,359)</b>               | 153         | <b>47,349</b>                    | <b>(94,343)</b>               | 150         |
| Other Operating Income                                   | 8,944                             | 13,058                        | (32)        | 36,849                           | 37,418                        | (2)         |
| Administration Expenses                                  | (49,069)                          | (56,873)                      | 14          | (151,485)                        | (159,513)                     | 5           |
| Finance Cost   | (32,152)                          | (30,996)                      | (4)         | (84,902)                         | (68,337)                      | (24)        |
| Interest Income  | 48                                | 25                            | 92          | 367                              | 598                           | (39)        |
| <b>Loss from Ordinary<br/>Activities before Taxation</b> | <b>(27,300)</b>                   | <b>(160,145)</b>              | 83          | <b>(151,822)</b>                 | <b>(284,177)</b>              | 47          |
| Taxation   | 5,738                             | (3,754)                       | 253         | 27,007                           | (10,861)                      | 349         |
| <b>Loss after Taxation</b>                               | <b>(21,562)</b>                   | <b>(163,899)</b>              | 87          | <b>(124,815)</b>                 | <b>(295,038)</b>              | 58          |
| <b>Other comprehensive income</b>                        | -                                 | -                             | -           | -                                | -                             | -           |
| <b>Total comprehensive income for the period</b>         | <b>(21,562)</b>                   | <b>(163,899)</b>              | 87          | <b>(124,815)</b>                 | <b>(295,038)</b>              | 58          |

Earnings per Share - Rs.

(0.47) (3.54)

(2.69) (6.37)

HAPUGASTENNE PLANTATIONS PLC  
STATEMENT OF FINANCIAL POSITION

|   | GROUP                 |                       |                     | COMPANY               |                       |                     |
|---|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
|   | As at<br>30.09.16     | As at<br>30.09.15     | As at<br>31.12.15   | As at<br>30.09.16     | As at<br>30.09.15     | As at<br>31.12.15   |
|   | Unaudited<br>RS. '000 | Unaudited<br>RS. '000 | Audited<br>RS. '000 | Unaudited<br>RS. '000 | Unaudited<br>RS. '000 | Audited<br>RS. '000 |
| <b>ASSETS</b>   |                       |                       |                     |                       |                       |                     |
| <b>Non current assets</b>   |                       |                       |                     |                       |                       |                     |
| Right to use of land on lease   | 507,877               | 525,170               | 521,155             | 507,877               | 525,170               | 521,155             |
| Immovable estate assets on finance lease<br>(other than bare land)    | 99,368                | 114,552               | 110,275             | 99,368                | 114,552               | 110,275             |
| Tangible assets other than biological assets                          | 777,115               | 843,410               | 834,315             | 722,295               | 789,482               | 773,894             |
| Intangible assets   | 37,320                | 43,521                | 42,505              | 35,123                | 41,053                | 40,394              |
| Bearer biological assets  | 1,520,414             | 1,442,853             | 1,486,010           | 1,520,414             | 1,442,853             | 1,486,010           |
| Consumable biological assets  | 991,649               | 1,000,097             | 1,002,959           | 991,649               | 1,000,097             | 1,002,959           |
| Investment in subsidiaries  | -                     | -                     | -                   | 35,003                | 35,002                | 35,003              |
| Lease rental receivable   | 20,349                | 21,596                | 21,648              | 20,349                | 21,596                | 21,648              |
|   | <b>3,954,092</b>      | <b>3,991,199</b>      | <b>4,018,867</b>    | <b>3,932,078</b>      | <b>3,969,805</b>      | <b>3,991,338</b>    |
| <b>Current Assets</b>   |                       |                       |                     |                       |                       |                     |
| Lease rental receivable   | 1,299                 | 1,351                 | 1,299               | 1,299                 | 1,351                 | 1,299               |
| Inventories   | 330,925               | 312,070               | 292,449             | 312,727               | 297,639               | 273,762             |
| Other financial assets  | 1,478                 | -                     | 5,389               | 1,478                 | -                     | 5,389               |
| Trade & other receivables   | 169,675               | 143,453               | 138,456             | 156,436               | 127,686               | 133,829             |
| Amounts due from related companies                                    | 11,058                | 65,123                | 3,898               | 11,058                | 65,123                | 3,898               |
| Cash & bank balances  | 41,857                | 13,681                | 37,772              | 24,766                | 9,606                 | 30,486              |
|   | <b>556,292</b>        | <b>535,678</b>        | <b>479,263</b>      | <b>507,764</b>        | <b>501,405</b>        | <b>448,663</b>      |
| <b>TOTAL ASSETS</b>   | <b>4,510,384</b>      | <b>4,526,877</b>      | <b>4,498,130</b>    | <b>4,439,842</b>      | <b>4,471,210</b>      | <b>4,440,000</b>    |
| <b>EQUITY &amp; LIABILITIES</b>                                       |                       |                       |                     |                       |                       |                     |
| <b>Capital &amp; Reserves</b>   |                       |                       |                     |                       |                       |                     |
| Stated capital<br>(46,315,789 Ordinary shares<br>and a Golden share ) | 550,000               | 550,000               | 550,000             | 550,000               | 550,000               | 550,000             |
| Revaluation reserve   | 279,020               | 288,819               | 286,676             | 279,020               | 288,819               | 286,676             |
| General reserve   | 184,872               | 175,074               | 177,216             | 184,872               | 175,074               | 177,216             |
| Accumulated profit  | 646,920               | 807,281               | 765,448             | 621,898               | 791,375               | 746,713             |
|   | <b>1,660,812</b>      | <b>1,821,174</b>      | <b>1,779,340</b>    | <b>1,635,790</b>      | <b>1,805,268</b>      | <b>1,760,605</b>    |
| <b>SHAREHOLDERS' FUNDS</b>  |                       |                       |                     |                       |                       |                     |
| Non-Controlling Interest  | 50,750                | 43,046                | 45,363              | -                     | -                     | -                   |
|   | <b>1,711,562</b>      | <b>1,864,220</b>      | <b>1,824,703</b>    | <b>1,635,790</b>      | <b>1,805,268</b>      | <b>1,760,605</b>    |
| <b>NON CURRENT LIABILITIES &amp; DEFERRED INCOME</b>                  |                       |                       |                     |                       |                       |                     |
| Interest bearing loans & borrowings                                   | 177,599               | 1,877                 | 161,752             | 177,599               | 1,877                 | 161,752             |
| Deferred taxation   | 68,933                | 173,859               | 102,334             | 63,714                | 170,646               | 97,115              |
| Deferred Income   | 225,219               | 224,601               | 223,841             | 225,219               | 224,601               | 223,841             |
| Retirement benefit obligations  | 788,728               | 790,372               | 785,207             | 787,730               | 789,329               | 784,687             |
| Net liability to the lessor payable after one year                    | 225,231               | 231,953               | 227,976             | 225,231               | 231,953               | 227,976             |
|   | <b>1,485,710</b>      | <b>1,422,661</b>      | <b>1,501,110</b>    | <b>1,479,493</b>      | <b>1,418,406</b>      | <b>1,495,371</b>    |
| <b>CURRENT LIABILITIES</b>  |                       |                       |                     |                       |                       |                     |
| Interest bearing loans & borrowings                                   | 100,273               | 27,992                | 88,298              | 100,273               | 27,992                | 88,298              |
| Net liability to the lessor payable within one year                   | 4,276                 | 4,112                 | 4,276               | 4,276                 | 4,112                 | 4,276               |
| Trade & other payables  | 349,312               | 393,921               | 399,567             | 344,725               | 386,754               | 389,112             |
| Tax payable   | 19,928                | 28,554                | 19,907              | 15,291                | 22,694                | 12,245              |
| Amounts due to related companies                                      | 577,500               | 565,558               | 559,296             | 598,171               | 586,125               | 589,119             |
| Dividend payable  | 7,172                 | 7,171                 | 7,171               | 7,172                 | 7,171                 | 7,171               |
| Bank overdraft  | 254,651               | 212,688               | 93,803              | 254,651               | 212,688               | 93,803              |
|   | <b>1,313,112</b>      | <b>1,239,996</b>      | <b>1,172,318</b>    | <b>1,324,559</b>      | <b>1,247,537</b>      | <b>1,184,024</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | <b>4,510,384</b>      | <b>4,526,877</b>      | <b>4,498,130</b>    | <b>4,439,842</b>      | <b>4,471,210</b>      | <b>4,440,000</b>    |
| Net Assets per Share Rs.  | <b>35.86</b>          | <b>39.32</b>          | <b>38.42</b>        | <b>35.32</b>          | <b>38.98</b>          | <b>38.01</b>        |

The Statements of Financial Position as at 30th September 2016, the Income Statements, Cash Flow Statements and the Statements of Changes in Equity for the nine months and the Income Statements for the three months then ended are drawn up from the unaudited Financial Statements of the Company and its Subsidiaries and they provide the information required by the Colombo Stock Exchange.  
It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act no 7 of 2007.

{signed}  
**D S HEENATIGALAGE**  
**FINANCIAL CONTROLLER**  
Signed for and on behalf of the Board of Directors,

{signed}  
**D J RATWATTE**  
**DIRECTOR**  
Colombo, 26th October 2016

{signed}  
**M C PIETERSZ**  
**DIRECTOR**

HAPUGASTENNE PLANTATIONS PLC

STATEMENT OF CASH FLOWS

|  | GROUP                            |                        |                     | COMPANY                          |            |                     |
|--|----------------------------------|------------------------|---------------------|----------------------------------|------------|---------------------|
|  | Nine months ended 30th September |                        | Year ended          | Nine months ended 30th September |            | Year ended          |
|  | 2016                             | 2015                   | 31.12.15            | 2016                             | 2015       | 31.12.15            |
|  | Un-audited<br>RS. '000           | Un-audited<br>RS. '000 | Audited<br>RS. '000 | Un-audited<br>RS. '000           | Un-audited | Audited<br>RS. '000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |                                  |                        |                     |                                  |            |                     |
| Net Profit from ordinary activities before taxation        | (132,415)                        | (263,825)              | (383,073)           | (151,822)                        | (284,177)  | (413,301)           |
| <b>ADJUSTMENTS FOR</b>                                     |                                  |                        |                     |                                  |            |                     |
| Finance Costs  | 83,427                           | 67,227                 | 98,462              | 84,902                           | 68,337     | 101,301             |
| Retirement benefit obligations - provision                 | 96,687                           | 97,003                 | 125,181             | 96,209                           | 96,364     | 125,038             |
| Amortisation of Grant                                      | (5,920)                          | (5,919)                | (9,775)             | (5,920)                          | (5,919)    | (9,775)             |
| Depreciation   | 128,108                          | 113,104                | 155,646             | 122,542                          | 107,998    | 149,675             |
| Provision for immature fields                              | -                                | -                      | 531                 | -                                | -          | 531                 |
| Fair value gain on other financial assets                  | -                                | -                      | (5,389)             | -                                | -          | (5,389)             |
| Interest Income  | (367)                            | (598)                  | (617)               | (367)                            | (598)      | (617)               |
| Provision for Bad and doubtful debts                       | 145                              | 61                     | 1,355               | 145                              | 61         | 1,355               |
| Provision/(Reversal) for slow moving and obsolete stocks   | 224                              | 130                    | 3,868               | 224                              | 130        | 3,868               |
| (Gains)/Losses on fair value of Biological Assets          | -                                | -                      | (33,846)            | -                                | -          | (33,846)            |
| Change in consumable biological assets due to harvest      | 12,885                           | -                      | 39,609              | 12,885                           | -          | 39,609              |
| Profit on Sale of Property, Plant & Equipment              | (239)                            | -                      | (2,687)             | (239)                            | -          | (2,687)             |
| <b>Operating Profit before Working Capital changes</b>     | 182,535                          | 7,183                  | (10,735)            | 158,559                          | (17,804)   | (44,238)            |
| (Increase)/Decrease in Inventories                         | (38,700)                         | 61,945                 | 77,828              | (39,189)                         | 72,098     | 92,237              |
| (Increase)/Decrease in Trade and other receivables         | (24,473)                         | 69,891                 | 73,593              | (15,861)                         | 61,964     | 54,527              |
| (Increase)/Decrease in Amounts Due from Related Companies  | (7,160)                          | (63,980)               | (2,755)             | (7,160)                          | (63,980)   | (2,755)             |
| Increase/(Decrease) in Trade & Other Payables              | (50,254)                         | (29,826)               | (24,180)            | (44,387)                         | (32,266)   | (29,908)            |
| Increase/(Decrease) in Amounts Due to Related Companies    | 18,204                           | 204,790                | (17,888)            | 9,052                            | 214,506    | 1,083               |
| <b>Cash Generated from Operations</b>                      | 80,153                           | 250,003                | 95,863              | 61,014                           | 234,518    | 70,946              |
| Retirement benefit obligations payment                     | (93,166)                         | (53,248)               | (71,314)            | (93,166)                         | (53,248)   | (71,314)            |
| Finance costs paid   | (83,427)                         | (67,227)               | (55,604)            | (84,902)                         | (68,337)   | (58,444)            |
| Tax Paid   | (14,287)                         | (8,576)                | (24,294)            | (5,029)                          | (2,915)    | (17,683)            |
| <b>Net Cash from Operating Activities</b>                  | (110,727)                        | 120,952                | (55,349)            | (122,083)                        | 110,018    | (76,495)            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |                                  |                        |                     |                                  |            |                     |
| Proceeds from Sale of Property, Plant & Equipments         | 2,320                            | -                      | 2,687               | 2,320                            | -          | 2,687               |
| Interest Income  | 367                              | 598                    | 617                 | 367                              | 598        | 617                 |
| Field Development Expenditure                              | (74,773)                         | (109,198)              | (167,981)           | (74,773)                         | (109,197)  | (167,981)           |
| Purchase of Property, Plant & Equipment                    | (4,825)                          | (31,793)               | (49,462)            | (4,774)                          | (24,129)   | (34,797)            |
| <b>Net Cash from/ (used in) Investing Activities</b>       | (76,911)                         | (140,393)              | (214,139)           | (76,860)                         | (132,728)  | (199,474)           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |                                  |                        |                     |                                  |            |                     |
| Government Grants Received                                 | 7,298                            | 8,258                  | 11,354              | 7,298                            | 8,258      | 11,354              |
| Proceeds from external Loans                               | 135,000                          | 100,000                | 324,840             | 135,000                          | 100,000    | 324,840             |
| Net Proceeds from Inter Copmany Loans                      | -                                | -                      | 216,416             | -                                | -          | 216,416             |
| Repayment of Term Loans/Leases                             | (109,923)                        | (91,382)               | (142,711)           | (109,923)                        | (91,382)   | (142,710)           |
| Dividend paid  | (1,500)                          | (1,500)                | (1,500)             | -                                | -          | -                   |
| <b>Net Cash from / (used in) Financing Activities</b>      | 30,875                           | 15,376                 | 408,398             | 32,375                           | 16,876     | 409,899             |
| <b>Net Increase in Cash &amp; Cash Equivalents</b>         | (156,763)                        | (4,065)                | 138,910             | (166,567)                        | (5,835)    | 133,930             |
| Cash & Cash Equivalents at the beginning of the period     | (56,031)                         | (194,942)              | (194,941)           | (63,317)                         | (197,247)  | (197,247)           |
| Cash & Cash Equivalents at the end of the period - Note 01 | (212,794)                        | (199,007)              | (56,031)            | (229,884)                        | (203,082)  | (63,317)            |
| <b>NOTE 01</b>   |                                  |                        |                     |                                  |            |                     |
| Cash in Hand & Bank  | 41,857                           | 13,681                 | 37,772              | 24,766                           | 9,606      | 30,486              |
| Cash at Overdraft  | (254,651)                        | (212,688)              | (93,803)            | (254,651)                        | (212,688)  | (93,803)            |
|  | (212,794)                        | (199,007)              | (56,031)            | (229,885)                        | (203,082)  | (63,317)            |

HAPUGASTENNE PLANTATIONS PLC

STATEMENT OF CHANGES IN EQUITY

| Group                                    | Stated<br>Capital<br>RS. '000 | Revaluation<br>Reserve<br>RS. '000 | General<br>Reserve<br>RS. '000 | Accumulated<br>Profit<br>RS. '000 | Total<br>RS. '000 | Non-Controlling<br>Interest<br>RS. '000 | Total<br>Equity<br>RS. '000 |
|--|-------------------------------|------------------------------------|--------------------------------|-----------------------------------|-------------------|---|-----------------------------|
| Balance as at 01st January 2015          | 550,000                       | 296,475                            | 167,418                        | 1,094,362                         | 2,108,255         | 36,809                                  | 2,145,064                   |
| Loss for the period                      | -                             | -                                  | -                              | (287,081)                         | (287,081)         | 7,737                                   | (279,344)                   |
| Other Comprehensive Income               | -                             | -                                  | -                              | -                                 | -                 | -                                       | -                           |
| Transferred to general reserve           | -                             | (7,656)                            | 7,656                          | -                                 | -                 | -                                       | -                           |
| Dividend Paid                            | -                             | -                                  | -                              | -                                 | -                 | (1,500)                                 | (1,500)                     |
| Balance as at 30th September 2015        | 550,000                       | 288,819                            | 175,074                        | 807,281                           | 1,821,174         | 43,046                                  | 1,864,220                   |
| Balance as at 01st January 2016          | 550,000                       | 286,676                            | 177,216                        | 765,448                           | 1,779,340         | 45,363                                  | 1,824,703                   |
| Loss for the period                      | -                             | -                                  | -                              | (118,528)                         | (118,528)         | 6,887                                   | (111,641)                   |
| Other Comprehensive Income               | -                             | -                                  | -                              | -                                 | -                 | -                                       | -                           |
| Transferred to general reserve           | -                             | (7,656)                            | 7,656                          | -                                 | -                 | -                                       | -                           |
| Dividend Paid                            | -                             | -                                  | -                              | -                                 | -                 | (1,500)                                 | (1,500)                     |
| <b>Balance as at 30th September 2016</b> | <b>550,000</b>                | <b>279,020</b>                     | <b>184,872</b>                 | <b>646,920</b>                    | <b>1,660,812</b>  | <b>50,750</b>                           | <b>1,711,562</b>            |

Company

| Company                           | Stated<br>Capital<br>RS. '000 | Revaluation<br>Reserve<br>RS. '000 | General<br>Reserve<br>RS. '000 | Accumulated<br>Profit<br>RS. '000 | Total<br>RS. '000 |
|-----------------------------------|-------------------------------|------------------------------------|--------------------------------|-----------------------------------|-------------------|
| Balance as at 01st January 2015   | 550,000                       | 296,475                            | 167,418                        | 1,086,413                         | 2,100,306         |
| Loss for the period               | -                             | -                                  | -                              | (295,038)                         | (295,038)         |
| Other Comprehensive Income        | -                             | -                                  | -                              | -                                 | -                 |
| Transferred to general reserve    | -                             | (7,656)                            | 7,656                          | -                                 | -                 |
| Balance as at 30th September 2015 | 550,000                       | 288,819                            | 175,074                        | 791,375                           | 1,805,268         |
| Balance as at 01st January 2016   | 550,000                       | 286,676                            | 177,216                        | 746,713                           | 1,760,605         |
| Loss for the period               | -                             | -                                  | -                              | (124,815)                         | (124,815)         |
| Other Comprehensive Income        | -                             | -                                  | -                              | -                                 | -                 |
| Transferred to general reserve    | -                             | (7,656)                            | 7,656                          | -                                 | -                 |
| Balance as at 30th September 2016 | 550,000                       | 279,020                            | 184,872                        | 621,898                           | 1,635,790         |

HAPUGASTENNE PLANTATIONS PLC  
NOTES TO THE FINANCIAL STATEMENTS

1. SEGMENTAL INFORMATION

| Group                               | Tea              |                  | Rubber           |                  | Other            |                  | Total            |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                     | 2016<br>RS. '000 | 2015<br>RS. '000 | 2016<br>RS. '000 | 2015<br>RS. '000 | 2016<br>RS. '000 | 2015<br>RS. '000 | 2016<br>RS. '000 | 2015<br>RS. '000 |
| Revenue                             | 1,993,603        | 2,238,093        | 174,857          | 163,900          | 162,924          | 103,042          | 2,331,384        | 2,505,035        |
| Cost of Sales                       | (2,036,751)      | (2,390,553)      | (194,847)        | (163,444)        | (34,177)         | (24,303)         | (2,265,775)      | (2,578,300)      |
| Segment Results (Gross Profit/Loss) | (43,148)         | (152,460)        | (19,990)         | 456              | 128,747          | 78,739           | 65,609           | (73,265)         |
| Other Operating Income              |                  |                  |                  |                  |                  |                  | 38,279           | 37,568           |
| Administration Expenses             |                  |                  |                  |                  |                  |                  | (153,243)        | (161,499)        |
| Net Finance Cost                    |                  |                  |                  |                  |                  |                  | (83,060)         | (66,629)         |
| Loss Before Taxation                |                  |                  |                  |                  |                  |                  | (132,415)        | (263,825)        |
| Company                             | Tea              |                  | Rubber           |                  | Other            |                  | Total            |                  |
|                                     | 2016<br>RS. '000 | 2015<br>RS. '000 | 2016<br>RS. '000 | 2015<br>RS. '000 | 2016<br>RS. '000 | 2015<br>RS. '000 | 2016<br>RS. '000 | 2015<br>RS. '000 |
| Revenue                             | 1,919,844        | 2,155,463        | 174,857          | 163,900          | 162,924          | 103,042          | 2,257,625        | 2,422,405        |
| Cost of Sales                       | (1,981,252)      | (2,329,001)      | (194,847)        | (163,444)        | (34,177)         | (24,303)         | (2,210,276)      | (2,516,748)      |
| Segment Results (Gross Profit)      | (61,408)         | (173,538)        | (19,990)         | 456              | 128,747          | 78,739           | 47,349           | (94,343)         |
| Other Operating Income              |                  |                  |                  |                  |                  |                  | 36,849           | 37,418           |
| Administration Expenses             |                  |                  |                  |                  |                  |                  | (151,485)        | (159,513)        |
| Net Finance Cost                    |                  |                  |                  |                  |                  |                  | (84,535)         | (67,739)         |
| Loss Before Taxation                |                  |                  |                  |                  |                  |                  | (151,822)        | (284,177)        |

**HAPUGASTENNE PLANTATIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

- 2 The Interim Condensed Consolidated Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31.12.2015 and are in compliance with the Sri Lanka Accounting Standard (SLAS) LKAS 34, Interim Financial Reporting.
- 3 No circumstances have arisen since the Balance Sheet date which would require adjustment to or disclosure in the Interim Financial Statements, except for the signing of the Collective Agreement between the Workers Trade Unions and the representatives from the Regional Plantation Companies with effect from 15th October 2016, which does not require adjustments to the financial statements.
- 4 There were no material contingent liabilities as at 30th September 2016
- 5 There were no liabilities to be provided in respect of Management Fee or any other similar charges in these Financial Statements.
- 6 There were no funds raised through an IPO/Right/Debt issue during the period.

**INVESTOR INFORMATION**

| Share Prices          | Quarter ended | Quarter ended |
|-----------------------|---------------|---------------|
|                       | 30.09.16      | 30.09.15      |
| Highest price Rs.     | 20.70         | 31.80         |
| Lowest price Rs.      | 15.10         | 25.00         |
| Last traded price Rs. | 16.30         | 25.70         |

| Directors' Shareholding                             | As At    | As At    |
|---|----------|----------|
|   | 30.09.16 | 30.09.15 |
| Mr. N K H Ratwatte                                  | 1,000    | 1,000    |
| Mr. D.J. Ratwatte (CEO)                             | 100      | 100      |
| Ms. M C Pietersz (appointed w.e.f. 01.07.2016)      | NIL      | NIL      |
| Mr. E R C Moraes                                    | NIL      | NIL      |
| Mr. J M Rutherford                                  | NIL      | NIL      |
| Mr. J Molligoda                                     | 100      | 100      |
| Mr. M Vamadevan                                     | NIL      | NIL      |
| Mr. R A D R Ramanayake (resigned w.e.f. 30.06.2016) | 100      | 100      |
| Mr. A N Wickramasinghe                              | NIL      | NIL      |
| Mr. H A S Crawford                                  | NIL      | NIL      |
| Mr. G Chambers                                      | NIL      | NIL      |

**Major Shareholders as at 30th September 2016**

|    | Name of Shareholder  | No. of Shares     | %             |
|----|--|-------------------|---------------|
| 1  | JAMES FINLAY PLANTATION HOLDINGS (LANKA)LIMITED                      | 27,265,189        | 58.87         |
| 2  | JAMES FINLAY LIMITED, UK ("JFL")                                     | 9,753,979         | 21.06         |
| 3  | JACEY TRUST SERVICES (PRIVATE) LIMITED (held for the benefit of JFL) | 4,661,774         | 10.07         |
| 4  | BETA HOLDINGS LIMITED  | 1,103,022         | 2.38          |
| 5  | CAPITAL ALLIANCE HOLDINGS LTD  | 842,169           | 1.82          |
| 6  | COCOSHELL ACTIVATED CARBON COMPANY LIMITED                           | 44,000            | 0.09          |
| 7  | MR. M I ABDUL HAMEED   | 17,400            | 0.04          |
| 8  | MR. N A WAKISHTA   | 12,529            | 0.03          |
| 9  | MR. M S M MOHIDEEN   | 12,449            | 0.03          |
| 10 | MISS. S E SATARASINGHE   | 12,300            | 0.03          |
| 11 | MR. M W WEERAPUTHRAN   | 10,951            | 0.02          |
| 12 | E.W. BALASURIYA & CO. (PVT) LTD                                      | 10,500            | 0.02          |
| 13 | PAN ASIA BANKING CORPORATION PLC./ MR.R E RAMBUKWELLA                | 8,000             | 0.02          |
| 14 | MR. M FARSHAD CADER  | 6,611             | 0.01          |
| 15 | MR. AYEMAL   | 5,957             | 0.01          |
| 16 | COMMERCIAL BANK OF CEYLON PLC/S.A.GULAMHUSEIN                        | 5,500             | 0.01          |
| 17 | MR. G R PATHMARAJ  | 5,100             | 0.01          |
| 18 | MR. G A J MENDIS   | 5,000             | 0.01          |
| 19 | MR. W S PEIRIS   | 5,000             | 0.01          |
| 20 | MR. JURIAN SZ  | 4,000             | 0.01          |
|    | <b>Twenty major shareholders</b>                                     | <b>43,791,430</b> | <b>94.55</b>  |
|    | Other Shareholders   | 2,524,360         | 5.45          |
|    | <b>Issued Share capital</b>  | <b>46,315,790</b> | <b>100.00</b> |

Of the issued ordinary share capital 10% (2015 : 8.17%) is held by the public representing 21,414 (2015: 21,409) shareholders.