

TALAWAKELLE TEA ESTATES PLC

Interim Financial Statements

Six months ended 30th September 2018

Talawakelle Tea Estates PLC
STATEMENT OF PROFIT OR LOSS

Group Audited Year ended 31.03.2018 Rs.'000		Group			Group		
		Unaudited 06 months ended 30.09.2018 Rs.'000	Unaudited 06 months ended 30.09.2017 Rs.'000	% Change	Unaudited 03 months ended 30.09.2018 Rs.'000	Unaudited 03 months ended 30.09.2017 Rs.'000	% Change
4,061,310	Revenue	1,924,274	2,073,193	-7%	803,221	964,620	-17%
(3,307,226)	Cost of Sales	(1,782,540)	(1,837,732)	-3%	(754,864)	(826,328)	-9%
754,084	Gross profit	141,733	235,462	-40%	48,357	138,293	-65%
9,091	Change in Fair Value of Biological Assets	-	-	-	-	-	-
22,309	Other Income and Gains	13,901	8,039	73%	10,624	2,114	>100%
(169,416)	Administrative Expenses	(98,375)	(86,503)	14%	(50,139)	(42,121)	19%
616,067	Results From Operating Activities	57,260	156,998		8,842	98,285	
52,099	Finance Income	43,294	21,392	>100%	23,235	14,235	63%
(21,891)	Finance Expenses	(9,440)	(12,704)	-26%	(4,508)	(6,262)	-28%
(29,446)	Interest Paid to Government on Finance Lease	(15,175)	(14,336)	6%	(7,587)	(7,367)	3%
761	Net Finance Income/ (Expenses)	18,679	(5,648)		11,140	606	
616,828	Profit Before Tax	75,939	151,350	-50%	19,982	98,892	-80%
(69,262)	Income Tax expenses	(14,617)	(18,455)	-21%	(6,356)	(8,659)	-27%
547,566	Profit for the period	61,322	132,894		13,627	90,233	
	Attributable to :						
548,436	Equity Holders of the Parent	55,104	135,101		8,833	89,370	
(870)	Non-Controlling Interest	6,218	(2,207)		4,794	863	
547,566	Net profit/(Loss) for the period	61,322	132,894		13,627	90,233	
23.09	Basic earnings per share (Rs.)	2.32	5.69		0.37	3.76	
5.00	Dividend per share (Rs.)	2.50	1.00		-	-	
	STATEMENT OF COMPREHENSIVE INCOME						
547,566	Profit for the period	61,322	132,894		13,627	90,233	
	Other Comprehensive Income						
	Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:						
21,956	Actuarial Gain on Defined Benefit Plans	-	-		-	-	
(3,074)	Income Tax Effect	-	-		-	-	
18,882	Other Comprehensive income for the period, net of tax	-	-		-	-	
566,448	Total comprehensive income for the period, net of tax	61,322	132,894		13,627	90,233	
	Attributable to:						
567,323	Equity Holders of the Parent	55,104	135,101		8,833	89,370	
(875)	Non- Controlling Interest	6,218	(2,207)		4,794	863	
566,448		61,322	132,894		13,627	90,233	

Figures in brackets indicate deductions

Talawakelle Tea Estates PLC
STATEMENT OF PROFIT OR LOSS

Company Audited Year ended 31.03.2018 Rs.'000		Company			Company		
		Unaudited 06 months ended 30.09.2018 Rs.'000	Unaudited 06 months ended 30.09.2017 Rs.'000	% Change	Unaudited 03 months ended 30.09.2018 Rs.'000	Unaudited 03 months ended 30.09.2017 Rs.'000	% Change
4,009,007	Revenue	1,882,422	2,050,218	-8%	779,832	949,410	-18%
(3,269,090)	Cost of Sales	(1,762,770)	(1,818,492)	-3%	(745,192)	(816,654)	-9%
739,917	Gross profit	119,652	231,726	-48%	34,639	132,756	-74%
9,091	Change in Fair Value of Biological Assets	-	-	-	-	-	-
24,329	Other Income and Gains	13,901	8,039	73%	10,624	2,114	>100%
(160,524)	Administrative Expenses	(92,621)	(81,346)	14%	(47,604)	(40,172)	19%
612,813	Results From Operating Activities	40,933	158,419		(2,341)	94,698	
52,099	Finance Income	43,294	21,392	>100%	23,235	14,235	63%
(18,420)	Finance Expenses	(7,725)	(10,731)	-28%	(3,728)	(5,271)	-29%
(29,446)	Interest Paid to Government on Finance Lease	(15,175)	(14,336)	6%	(7,587)	(7,367)	3%
4,233	Net Finance Income/ (Expenses)	20,394	(3,676)		11,919	1,597	
617,045	Profit Before tax	61,327	154,743	-60%	9,578	96,295	-90%
(66,242)	Income Tax Expenses	(13,175)	(17,846)	-26%	(5,975)	(8,073)	-26%
550,803	Profit/(Loss) for the period	48,151	136,898		3,604	88,222	
	Attributable to :						
550,803	Equity Holders of the Parent	48,151	136,898		3,604	88,222	
-	Non-Controlling Interest	-	-		-	-	
550,803	Net profit/(Loss) for the period	48,151	136,898		3,604	88,222	
23.19	Basic earnings per share (Rs.)	2.03	5.76		0.15	3.71	
5.00	Dividend per share (Rs.)	2.50	1.00		-	-	
	STATEMENT OF COMPREHENSIVE INCOME						
550,803	Profit/ (Loss) for the period	48,151	136,898		3,604	88,222	
	Other Comprehensive Income						
	Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:						
21,967	Actuarial gain on defined benefit plans	-	-		-	-	
(3,075)	Income tax effect	-	-		-	-	
18,892	Other Comprehensive income for the period, net of tax	-	-		-	-	
569,695	Total comprehensive income for the period, net of tax	48,151	136,898		3,604	88,222	
	Attributable to:						
569,695	Equity Holders of the Parent	48,151	136,898		3,604	88,222	
-	Non- controlling Interest	-	-		-	-	
569,695		48,151	136,898		3,604	88,222	

Figures in brackets indicate deductions

Talawakelle Tea Estates PLC
STATEMENT OF FINANCIAL POSITION

Company Audited As at 31.03.2018 Rs.'000	Group Audited As at 31.03.2018 Rs.'000		Company		Group	
			Unaudited As at 30.09.2018 Rs.'000	Unaudited As at 30.09.2017 Rs.'000	Unaudited As at 30.09.2018 Rs.'000	Unaudited As at 30.09.2017 Rs.'000
		ASSETS				
		Non Current Assets				
160,619	160,619	Right-to-use of Land	157,785	163,241	157,785	163,241
62,050	62,050	Immovable estate assets on finance lease (other than Right to use of Land)	60,913	60,746	60,913	60,746
722,236	1,053,389	Tangible assets other than Immature/Mature Plantations	745,819	695,233	1,068,786	1,030,490
1,793,060	1,793,060	Immature/Mature Plantations	1,769,145	1,801,607	1,769,145	1,801,607
252,739	252,739	Consumable Biological Assets	256,239	240,673	256,239	240,673
-	5,279	Development Cost	-	-	4,776	5,759
134,933	-	Investments in Subsidiaries	134,933	134,933	-	-
-	13,740	Deferred Tax Asset	-	-	14,960	14,525
3,125,636	3,340,876		3,124,833	3,096,432	3,332,603	3,317,040
		Current Assets				
12,124	12,124	Produce on Bearer Biological Assets	12,124	9,947	12,124	9,947
452,541	454,884	Inventories	301,719	191,966	304,062	194,387
182,917	196,830	Trade and Other Receivables	152,204	109,661	170,020	131,816
1,815	1,815	Amounts due from Related Companies	3,467	1,180	3,467	1,180
702,448	702,448	Short Term Investments	848,372	611,714	848,372	611,714
12,646	16,169	Cash and Bank Balances	12,332	15,220	21,969	16,210
1,364,491	1,384,270		1,330,219	939,687	1,360,014	965,253
4,490,127	4,725,146	TOTAL ASSETS	4,455,051	4,036,119	4,692,616	4,282,293
		EQUITY AND LIABILITIES				
		Equity				
350,000	350,000	Stated Capital	350,000	350,000	350,000	350,000
179,655	179,655	Timber Reserves	179,655	172,742	179,655	172,742
12,124	12,124	Biological Crop Reserves	12,124	9,947	12,124	9,947
1,944,852	1,980,539	Retained Earnings	1,933,628	1,616,145	1,976,267	1,652,407
2,486,631	2,522,318	Equity attributable to equity holders of the parent	2,475,407	2,148,834	2,518,046	2,185,095
-	170,793	Non-Controlling Interests	-	-	177,011	171,402
2,486,631	2,693,111	Total Equity	2,475,407	2,148,834	2,695,057	2,356,498
		Non Current Liabilities & Deferred Income				
96,633	96,633	Interest Bearing Loans & Borrowings	73,004	99,387	73,004	104,761
809,992	811,824	Retiring Benefit Obligations	852,839	805,392	854,776	806,794
158,206	158,206	Deferred Tax Liability	171,381	137,344	171,381	137,344
150,126	150,126	Deferred Income	147,865	153,443	147,865	153,443
186,353	186,353	Liability to make Lease Payment after one year	185,943	186,811	185,943	186,811
1,401,310	1,403,142		1,431,032	1,382,376	1,432,968	1,389,153
		Current Liabilities				
527,464	538,012	Trade and Other Payables	437,059	426,010	451,497	436,673
49,242	65,366	Interest Bearing Loans & Borrowings	49,242	48,951	54,614	70,450
821	821	Liability to make Lease Payment within one year	821	727	821	727
11,239	10,676	Amounts due to Related Companies	53,206	11,418	49,375	10,989
13,419	14,018	Bank Overdraft	8,285	17,803	8,285	17,803
602,186	628,894		548,612	504,909	564,591	536,642
2,003,496	2,032,036	TOTAL LIABILITIES	1,979,644	1,887,285	1,997,559	1,925,795
4,490,127	4,725,146	TOTAL EQUITY AND LIABILITIES	4,455,051	4,036,119	4,692,616	4,282,293
104.70	106.20	Net assets per share	104.23	90.48	106.02	92.00

The Statements of Financial Position as at 30th September 2018 and the Statements of Profit or Loss, Statements of Comprehensive Income, the Statements of Changes in Equity and Cash flow statements for the six months then ended are drawn up from the unaudited Financial Statements of the Company; and its subsidiaries and 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 Companies Act No.7 of 2007

(sgd)
Dilantha Seneviratne
Director/ Chief Executive Officer

Signed on behalf of the Board of Directors of Talawakelle Tea Estates PLC

(sgd)
Mohan Pandithage
Chairman
29th October 2018

(sgd)
Roshan Rajadurai
Managing Director

The notes on pages 06 form an integral part of these financial statements
Figures in brackets indicate deductions

Talawakelle Tea Estates PLC

STATEMENT OF CHANGES IN EQUITY

<u>Company</u>	Stated Capital	Retained Earnings	Timber Reserve	Biological Crop Reserve	Total	Non Controlling Interest	Total Equity
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 01st April 2017	350,000	1,502,998	172,742	9,947	2,035,686	-	2,035,686
Profit for the period	-	136,898	-	-	136,898	-	136,898
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends Paid	-	(23,750)	-	-	(23,750)	-	(23,750)
Balance as at 30th September 2017	350,000	1,616,145	172,742	9,947	2,148,834	-	2,148,834
Balance as at 01st April 2018	350,000	1,944,852	179,655	12,124	2,486,631	-	2,486,631
Profit for the period	-	48,151	-	-	48,151	-	48,151
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends Paid	-	(59,375)	-	-	(59,375)	-	(59,375)
Balance as at 30th September 2018	350,000	1,933,628	179,655	12,124	2,475,407	-	2,475,407

<u>Group</u>	Stated Capital	Attributable to equity holders of the parent			Total	Non Controlling Interest	Total Equity
		Retained Earnings	Timber Reserve	Biological Crop Reserve			
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Balance as at 01st April 2017	350,000	1,541,056	172,742	9,947	2,073,745	173,609	2,247,353
Profit for the period	-	135,101	-	-	135,101	(2,207)	132,894
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends Paid	-	(23,750)	-	-	(23,750)	-	(23,750)
Balance as at 30th September 2017	350,000	1,652,407	172,742	9,947	2,185,095	171,402	2,356,498
Balance as at 01st April 2018	350,000	1,980,539	179,655	12,124	2,522,318	170,793	2,693,111
Profit for the period	-	55,104	-	-	55,104	6,218	61,322
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends Paid	-	(59,375)	-	-	(59,375)	-	(59,375)
Balance as at 30th September 2018	350,000	1,976,267	179,655	12,124	2,518,046	177,011	2,695,057

Figures in brackets indicate deductions

Talawakelle Tea Estates PLC
STATEMENT OF CASH FLOW

Company Audited	Group Audited		Company		Group	
			Unaudited	Unaudited	Unaudited	Unaudited
Year ended	Year ended		06 months ended	06 months ended	06 months ended	06 months ended
31.03.2018	31.03.2018	CASH FLOWS FROM OPERATING ACTIVITIES	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Rs.'000	Rs.'000		Rs.'000	Rs.'000	Rs.'000	Rs.'000
617,045	616,828	Net profit before Taxation	61,327	154,743	75,939	151,350
		ADJUSTMENTS FOR				
139,355	139,773	Provision for defined benefit plan costs	85,211	70,282	85,315	70,282
136,238	153,412	Depreciation/amortisation	80,290	73,944	88,980	82,516
(5,300)	(5,300)	Amortisation of grants	(2,650)	(2,650)	(2,650)	(2,650)
(2,020)	-	Dividend Income	-	-	-	-
18,420	21,891	Finance costs	7,725	10,731	9,440	12,704
29,446	29,446	Government Lease Interest	15,175	14,336	15,175	14,336
(12,288)	(12,288)	Profit on disposal of assets	(6,324)	(4,500)	(6,324)	(4,500)
(9,091)	(9,091)	(Gains)/ Loss on Fair Value of Biological Assets	-	-	-	-
(1,248)	(1,248)	Profit on Sale of Trees	(739)	(662)	(739)	(662)
-	-	Cost of Asset Returned	-	125	-	125
910,558	933,426	Operating profit before working capital changes	240,015	316,350	265,136	323,501
(80,233)	(80,156)	(Increase)/Decrease in Inventories	150,822	180,341	150,822	180,341
(25,689)	(25,582)	(Increase)/Decrease in Trade and Other Receivables	30,712	47,567	26,810	39,432
132,272	133,366	Increase/(Decrease) in Trade and Other Payables	(59,492)	52,072	(58,263)	54,905
567	567	(Increase)/Decrease in Amounts due from Related Companies	(1,653)	1,202	(1,653)	1,202
2,690	3,559	Increase/(Decrease) in Amounts due to Related Companies	41,966	2,868	38,699	3,872
940,164	965,179	Cash generated from operations	402,371	600,400	421,552	603,254
(18,420)	(21,891)	Finance costs paid	(7,725)	(10,731)	(9,440)	(12,704)
(20,500)	(20,500)	Payment of Super Gain Tax/ESC / Income Tax / SRL	(30,303)	(10,902)	(30,303)	(10,902)
(107,095)	(107,095)	Defined benefit plan costs paid	(42,363)	(64,589)	(42,363)	(64,589)
794,149	815,693	Net cash from operating activities	321,980	514,178	339,446	515,059
		CASH FLOWS FROM INVESTING ACTIVITIES				
-	-	Grant Received	388	667	388	667
2,020	-	Dividend Income Received	-	-	-	-
1,248	1,248	Proceeds from Sale of Trees	739	662	739	662
14,129	14,129	Proceeds from Disposal of Property, Plant & Equipment	6,606	4,500	6,606	4,500
(64,365)	(64,365)	Field Development Expenditure	(24,828)	(39,001)	(24,828)	(39,001)
(100,347)	(104,366)	Purchase of Property, Plant & Equipment	(54,659)	(39,284)	(54,659)	(39,284)
125	125	Cost of Asset Returned	-	-	-	-
(147,190)	(153,229)	Net cash used in investing activities	(71,754)	(72,457)	(71,754)	(72,457)
		CASH FLOWS FROM FINANCING ACTIVITIES				
(118,750)	(120,691)	Dividend Paid	(59,375)	(23,750)	(59,375)	(23,750)
(30,459)	(30,459)	Payment of Government lease rentals	(16,479)	(15,230)	(16,479)	(15,230)
73,648	73,648	Proceeds from loans	-	52,693	-	52,693
(102,008)	(123,507)	Repayment /Transfer of loans	(23,629)	(78,591)	(34,382)	(89,341)
(177,570)	(201,010)	Net cash from financing activities	(99,483)	(64,878)	(110,235)	(75,627)
469,389	461,454	Net increase / (decrease) in cash & cash equivalents	150,743	376,843	157,457	366,975
232,287	243,145	A. Cash & cash equivalents at the beginning of the year	701,676	232,287	704,599	243,145
701,676	704,599	B. Cash & cash equivalents at the end of the period	852,419	609,130	862,056	610,120
		NOTE A				
		Cash & cash equivalents at the beginning of the year				
18,916	29,850	Cash & bank balances	12,646	18,916	16,169	29,850
226,760	226,760	Short term Investments	702,448	226,760	702,448	226,760
(13,389)	(13,465)	Bank overdrafts	(13,419)	(13,389)	(14,018)	(13,465)
232,287	243,145		701,676	232,287	704,599	243,145
		NOTE B				
		Cash & cash equivalents at the end of the period				
12,646	16,169	Cash & bank balances	12,332	15,220	21,969	16,210
702,448	702,448	Short term Investments	848,372	611,714	848,372	611,714
(13,419)	(14,018)	Bank overdrafts	(8,285)	(17,803)	(8,285)	(17,803)
701,676	704,599		852,419	609,130	862,056	610,120

The notes on pages 06 form an integral part of these financial statements
Figures in brackets indicate deductions

1. REVENUE Summary	Company		Group	
	Unaudited	Unaudited	Unaudited	Unaudited
	06 months ended 30.09.2018 Rs.'000	06 months ended 30.09.2017 Rs.'000	06 months ended 30.09.2018 Rs.'000	06 months ended 30.09.2017 Rs.'000
Sale of goods				
Tea	1,853,173	2,022,198	1,853,173	2,022,198
Rubber	4,300	5,686	4,300	5,686
Mini Hydro Power	-	-	41,852	22,976
Others	24,949	22,334	24,949	22,334
	1,882,422	2,050,218	1,924,274	2,073,193

SEGMENT INFORMATION

a) Segment Revenue

Tea

Revenue	1,853,173	2,022,198	1,853,173	2,022,198
Revenue expenditure	(1,585,541)	(1,663,437)	(1,585,541)	(1,663,437)
Depreciation	(77,776)	(71,736)	(77,776)	(71,736)
Other non cash expenditure	(85,211)	(70,282)	(85,211)	(70,282)
Segment results	104,646	216,742	104,646	216,742

Rubber

Revenue	4,300	5,686	4,300	5,686
Revenue expenditure	(11,728)	(10,829)	(11,728)	(10,829)
Depreciation	(2,514)	(2,207)	(2,514)	(2,207)
Other non cash expenditure	-	-	-	-
Segment results	(9,943)	(7,351)	(9,943)	(7,351)

Mini Hydro Power

Revenue	-	-	41,852	22,976
Revenue expenditure	-	-	(10,977)	(10,667)
Depreciation	-	-	(8,689)	(8,573)
Other non cash expenditure	-	-	(105)	-
Segment results	-	-	22,081	3,736

Unallocated

Revenue	24,949	22,334	24,949	22,334
Revenue expenditure	-	-	-	-
Depreciation	-	-	-	-
Other non cash expenditure	-	-	-	-
Segment results	24,949	22,334	24,949	22,334

Total

Revenue	1,882,422	2,050,218	1,924,274	2,073,193
Revenue expenditure	(1,597,269)	(1,674,266)	(1,608,246)	(1,684,933)
Depreciation	(80,290)	(73,944)	(88,980)	(82,516)
Other non cash expenditure	(85,211)	(70,282)	(85,315)	(70,282)
Segment results	119,652	231,726	141,733	235,462

Change in fair value of biological assets	-	-	-	-
Other Income and Gains	13,901	8,039	13,901	8,039
Administrative Expenses	(92,621)	(81,346)	(98,375)	(86,503)
Finance Income	43,294	21,392	43,294	21,392
Finance Expenses	(7,725)	(10,731)	(9,440)	(12,704)
Interest paid to Government on Finance Lease	(15,175)	(14,336)	(15,175)	(14,336)
Profit Before Tax	61,327	154,743	75,939	151,350

Talawakelle Tea Estates PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SEGMENT INFORMATION	Company		Group	
	Unaudited 06 months to 30.09.2018 Rs.'000	Unaudited 06 months to 30.09.2017 Rs.'000	Unaudited 06 months to 30.09.2018 Rs.'000	Unaudited 06 months to 30.09.2017 Rs.'000
b) Segment Assets				
Non Current Assets				
Tea	2,624,738	2,613,498	2,624,738	2,613,498
Rubber	108,923	107,329	108,923	107,329
Mini Hydro Power	-	-	342,703	355,541
Biological Assets	256,239	240,673	256,239	240,673
Investments	134,933	134,933	-	-
	3,124,833	3,096,432	3,332,603	3,317,040
Current Assets				
Tea	1,329,273	938,751	1,329,273	938,751
Rubber	946	936	946	936
Mini Hydro Power	-	-	29,795	25,566
	1,330,219	939,687	1,360,014	965,253
Total Assets	4,455,051	4,036,119	4,692,616	4,282,293
Non Current Liabilities and Deferred Income				
Tea	1,431,032	1,382,376	1,431,032	1,382,376
Rubber	-	-	-	-
Mini Hydro Power	-	-	1,936	6,776
Unallocated	-	-	-	-
	1,431,032	1,382,376	1,432,968	1,389,153
Current Liabilities				
Tea	548,612	504,909	548,612	504,909
Rubber	-	-	-	-
Mini Hydro Power	-	-	15,979	31,734
Unallocated	-	-	-	-
	548,612	504,909	564,591	536,642
Total liabilities	1,979,644	1,887,285	1,997,559	1,925,795
2. STATED CAPITAL				
	as at			
Issued and fully paid	30.09.2018	30.09.2017	30.09.2018	30.09.2017
23,750,001 Ordinary Shares and a Golden Share which has special rights held by the Secretary to the Treasury	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	350,000	350,000	350,000	350,000

TALAWAKELLE TEA ESTATES PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. Changes in Accounting policies and Disclosures

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements for the year ended 31 March 2018, except for the adoption of new standards effective as of 1 April 2018.

The Group applies SLFRS 15 Revenue from Contracts with Customers and SLFRS 9 Financial Instruments for the first time that require restatement of previous Financial Statements. As required by LKAS 34, the nature and effect of these changes are disclosed below.

And for the other amendments and interpretations apply for the first time in 2018 do not have an impact on the Interim Condensed Consolidated Financial Statements of the Group.

(a) SLFRS 15 Revenue from Contracts with Customers

SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS.

The Group adopted SLFRS 15 using the full retrospective method of adoption. Based on the assessment performed, the Group concluded that SLFRS 15 does not have a material impact on the Group's Consolidated Financial Statements.

(b) SLFRS 9 Financial Instruments

SLFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. SLFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, paragraph 7.2.16 of SLFRS 9 permits an entity not to apply the requirements of this Standard to interim periods prior to the date of initial application, if it is impracticable.

Based on the "Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements" issued by The Institute of Chartered Accountants of Sri Lanka entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the Group has prepared the Interim Financial Statements for the quarter ended 30th September 2018 based on LKAS 39.

TALAWAKELLE TEA ESTATES PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

4. The Interim Financial Statements of the Company/Group are unaudited and have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS/LKAS) and are in compliance with Sri Lanka Accounting Standard 34-Interim Financial Reporting. Further, provisions of the Companies Act No.7 of 2007 have been considered in preparing the Interim Financial Statements of the Company/Group. They also comply with the accounting policies and methods set out in the Annual Report for the year ended 31 March 2018.
5. Where necessary, comparative figures have been reclassified to conform with the current periods presentation as per amendments of LKAS 16 & LKAS 41.
6. These interim financial statements does not include the gain arising from the valuation of biological assets as the amounts involved are not considered material.
7. Financial statements does not include/classify Actuarial gain/loss on defined benefit plans costs as the valuation is done at the year end.
8. Consequent to a Board decision, no management fee has been charged by Hayleys Plantations Services (Pvt) Limited.
9. The presentation and classification of the Interim Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.
10. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
11. There has not been any significant changes in the nature of the contingent liabilities which were disclosed in the Annual Report for the period ended 31.03.2018.
12. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
13. The Income Tax and Deferred tax has been calculated at the 14% as per the Inland Revenue Act No. 24 of 2017.

TALAWAKELLE TEA ESTATES PLC

FIRST TWENTY SHAREHOLDERS AS AT 30.09.2018

	Name of the Shareholder	<i>No. of Shares as at 30.09.2018</i>	%
1	HAYLEYS PLANTATION SERVICES (PRIVATE) LIMITED	17,750,000	74.74
2	MERRILL J FERNANDO & SONS (PVT) LIMITED	1,184,700	4.99
3	ANVERALLY AND SONS (PVT) LTD A/C NO 01	449,573	1.89
4	SEZEKA LIMITED	422,080	1.78
5	MR. G.M. WEERAKOON	279,359	1.18
6	CAPITAL TRUST HOLDINGS LIMITED	224,116	0.94
7	MR. N.A. WITHANA	112,100	0.47
8	COCOSHELL ACTIVATED CARBON COMPANY LIMITED	107,107	0.45
9	MRS.U.D.D.N.PERERA	82,543	0.35
10	VINGROWS BUSINESS SOLUTIONS (PVT) LTD	60,499	0.25
11	MR. P.A.D. SAMARASEKERA	53,400	0.22
12	MR.K.D.GUNARATNE	50,810	0.21
13	MR. K.C. VIGNARAJAH	48,800	0.21
14	HATTON NATIONAL BANK PLC/CAPITAL TRUST HOLDINGS LTD	38,157	0.16
15	ASSETLINE LEASING COMPANY LTD/MR L.K.N.K. KULAWARDENA	34,000	0.14
16	MR.H.G.BALASURIYA	30,000	0.13
17	SECRETARY TO THE TREASURY	28,444	0.12
18	MR. A.V. EMMANUEL	28,000	0.12
19	HARNAM HOLDINGS SDN BHD	25,000	0.11
20	MRS.N.D.P.GURUGE	25,000	0.11

Directors Shares holding as at end of 30.09.2018

Mr. W.G.R. Rajadurai	1000
Mr. D. S. Seneviratne	600
Through -Merrill J. Fernando & Sons (Pvt) Ltd	1,184,700
Common Directors- Mr. Merrill J. Fernando	
- Mr. Malik J. Fernando	
- Mr. D. C. Fernando	

CORPORATE INFORMATION

Name of Company

Talawakelle Tea Estates PLC
(A quoted public company with limited liability, incorporated
in Sri Lanka on 22nd June 1992)

Company Registration Number

PQ 36

Stock Exchange Listing

The ordinary shares of the Company are listed with the Colombo Stock
Exchange of Sri Lanka

Directors

Mr.A M Pandithage - Chairman
Mr.W G R Rajadurai - Managing Director
Mr.Merrill J Fernando
Mr.Malik J Fernando (Alternate - Mr.D C Fernando)
Dr.S S S B D G Jayawardena
Dr.K I M Ranasoma (Resinged- w.e.f 01st July 2018)
Ms. M.D.A. Perera
Mr.N T Bogahalande
Mr.D S Seneviratne
Mr.S L Athukorala
Mr.M.H. Jamaldeen

Secretaries

Hayleys Group Services (Pvt) Limited
No.400, Deans Road, Colombo 10, Sri Lanka

Subsidiaries

TTEL Hydro Power Company (Pvt) Ltd
TTEL Somerset Hydro Power (Pvt) Ltd

Registered Office

No.400, Deans Road, Colombo 10,
Sri Lanka
Telephone: (94-11) -2627754-5, 2697203
Fax : (94-11) -2627782
e-mail: tpl.tea@tتل.hayleys.com
website: www.talawakelleteas.com

Principal Lines of Business

Cultivation and manufacture of black tea.

INVESTOR INFORMATION

MARKET VALUE OF SHARES	2018	2017
	Rs.	Rs.
Closing price on 30.09.	48.20	49.70
Highest price recorded for the six months ending	59.90	53.50
Lowest price recorded for the six months ending	45.00	31.30
Highest price recorded for the three months ending	52.30	53.50
Lowest price recorded for the three months ending	45.00	44.60

RATIOS

Price Earning Ratio (times)	20.77	8.74
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SHARE TRADING FROM 01ST APRIL, 2018 TO 30TH SEPTEMBER, 2018

No. of transactions	567	1,396
No. of shares traded	597,867	1,112,769
Value of shares traded (Rs.)	31,046,170	54,795,904

Public Holding %	20.27	20.27
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Total Number of shareholders representing the public holding	13,461	13,522
No.of Shares in Stated Capital	23,750,000	23,750,000

Float Adjusted Market capitalisation as at 28.09.2018 (Rs. '000) **232,040**

There were no non-voting shares as at 30th September 2018

The Company complies with option 5 of the Listing Rules 7.13.1(a)-less than

Rs.2.5Bn Float Adjusted Market Capitalization which requires 20% minimum Public Holding