

**TALAWAKELLE TEA ESTATES PLC**

**Interim Financial Statements**

**Six months ended 30th September 2017**

**Talawakelle Tea Estates PLC**  
**STATEMENT OF PROFIT OR LOSS**

Group Audited 12 months ended 31.03.2017 Rs.'000		Group			Group		
		Unaudited 06 months ended 30.09.2017 Rs.'000	Unaudited 06 months ended 30.09.2016 Rs.'000	% Change	Unaudited 03 months ended 30.09.2017 Rs.'000	Unaudited 03 months ended 30.09.2016 Rs.'000	% Change
3,334,494	Revenue	2,073,193	1,457,751	42%	964,620	761,798	27%
(2,898,184)	Cost of Sales	(1,837,732)	(1,465,080)	25%	(826,328)	(791,770)	4%
436,310	Gross profit	235,462	(7,329)	>100%	138,293	(29,972)	>100%
16,743	Gain/(Loss) on Fair Value of Biological Assets	-	-	-	-	-	-
22,452	Other Income and Gains	8,039	11,662	-31%	2,114	6,591	-68%
(153,521)	Administrative Expenses	(86,503)	(82,927)	4%	(42,121)	(40,523)	4%
-	Management Fee	-	-	-	-	-	-
321,984	<b>Results From Operating Activities</b>	<b>156,998</b>	<b>(78,594)</b>		<b>98,285</b>	<b>(63,904)</b>	
8,951	Finance Income	21,392	2,185	>100%	14,235	1,511	>100%
(35,758)	Finance Expenses	(12,704)	(17,507)	-27%	(6,262)	(9,628)	-35%
(28,790)	Interest Paid to Government on Finance Lease	(14,336)	(13,939)	3%	(7,367)	(6,759)	9%
(55,597)	Net Finance Expenses	(5,648)	(29,261)		606	(14,876)	
266,388	<b>Profit/(Loss) Before Tax</b>	<b>151,350</b>	<b>(107,855)</b>	>100%	<b>98,892</b>	<b>(78,780)</b>	>100%
(24,906)	Income Tax expenses	(18,455)	(259)	>(100%)	(8,659)	1,622	>(100%)
241,482	<b>Profit/(Loss) for the period</b>	<b>132,894</b>	<b>(108,114)</b>		<b>90,233</b>	<b>(77,158)</b>	
	<b>Attributable to :</b>						
233,769	Equity Holders of the Parent	135,101	(121,854)		89,370	(85,492)	
7,713	Non-Controlling Interest	(2,207)	13,740		863	8,334	
241,482	<b>Net profit/(Loss) for the period</b>	<b>132,894</b>	<b>(108,114)</b>		<b>90,233</b>	<b>(77,158)</b>	
9.84	Basic earnings/(loss) per share (Rs.)	5.69	(5.13)		3.76	(3.60)	
1.00	Dividend per share (Rs.)	1.00	-		-	-	
	<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
241,482	<b>Profit/ (Loss) for the period</b>	<b>132,894</b>	<b>(108,114)</b>		<b>90,233</b>	<b>(77,158)</b>	
	<b>Other Comprehensive Income</b>						
	<b>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
217,547	Actuarial Gain on Defined Benefit Plans	-	-		-	-	
(34,290)	Income Tax Effect	-	-		-	-	
183,257	<b>Other Comprehensive income for the period, net of tax</b>	-	-		-	-	
424,739	<b>Total comprehensive income for the period, net of tax</b>	<b>132,894</b>	<b>(108,114)</b>		<b>90,233</b>	<b>(77,158)</b>	
	<b>Attributable to:</b>						
417,080	Equity Holders of the Parent	135,101	(121,854)		89,370	(85,492)	
7,659	Non- Controlling Interest	(2,207)	13,740		863	8,334	
424,739		<b>132,894</b>	<b>(108,114)</b>		<b>90,233</b>	<b>(77,158)</b>	

Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC**  
**STATEMENT OF PROFIT OR LOSS**

Company Audited 12months ended 31.03.2017 Rs.'000	Company			Company		
	Unaudited 06 months ended 30.09.2017 Rs.'000	Unaudited 06 months ended 30.09.2016 Rs.'000	% Change	Unaudited 03 months ended 30.09.2017 Rs.'000	Unaudited 03 months ended 30.09.2016 Rs.'000	% Change
3,262,361 Revenue	2,050,218	1,398,572	47%	949,410	729,720	30%
(2,859,851) Cost of Sales	(1,818,492)	(1,445,893)	26%	(816,654)	(782,110)	4%
402,510 <b>Gross profit</b>	231,726	(47,321)	>100%	132,756	(52,390)	>100%
16,743 Gain/(Loss) on Fair Value of Biological Assets	-	-	-	-	-	-
36,865 Other Income and Gains	8,039	18,547	-57%	2,114	13,476	-84%
(143,953) Administrative Expenses	(81,346)	(77,389)	5%	(40,172)	(38,356)	5%
- Management Fee	-	-	-	-	-	-
312,166 <b>Results From Operating Activities</b>	158,419	(106,163)		94,698	(77,270)	
8,122 Finance Income	21,392	1,822	>100%	14,235	1,378	>100%
(31,438) Finance Expenses	(10,731)	(15,090)	-29%	(5,271)	(8,480)	-38%
(28,790) Interest Paid to Government on Finance Lease	(14,336)	(13,939)	3%	(7,367)	(6,759)	9%
(52,106) Net Finance Expenses	(3,676)	(27,207)		1,597	(13,861)	
260,061 <b>Profit/(Loss) Before tax</b>	154,743	(133,370)	>-100%	96,295	(91,131)	>-100%
(17,767) Income Tax Expenses	(17,846)	5,100	>100%	(8,073)	5,100	>100%
242,294 <b>Profit/(Loss) for the period</b>	136,898	(128,270)		88,222	(86,031)	
<b>Attributable to :</b>						
242,294 Equity Holders of the Parent	136,898	(128,270)		88,222	(86,031)	
- Non-Controlling Interest	-	-		-	-	
242,294 <b>Net profit/(Loss) for the period</b>	136,898	(128,270)		88,222	(86,031)	
10.20 Basic earnings/(loss) per share (Rs.)	5.76	(5.40)		3.71	(3.62)	
1.00 Dividend per share (Rs.)	1.00	-		-	-	
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
242,294 <b>Profit/ (Loss) for the period</b>	136,898	(128,270)		88,222	(86,031)	
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>						
217,671 Actuarial gain on defined benefit plans	-	-		-	-	
(34,305) Income tax effect	-	-		-	-	
183,366 <b>Other Comprehensive income for the period, net of tax</b>	-	-		-	-	
425,661 <b>Total comprehensive income for the period, net of tax</b>	136,898	(128,270)		88,222	(86,031)	
<b>Attributable to:</b>						
425,661 Equity Holders of the Parent	136,898	(128,270)		88,222	(86,031)	
- Non- controlling Interest	-	-		-	-	
425,661	136,898	(128,270)		88,222	(86,031)	

Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC**
**STATEMENT OF FINANCIAL POSITION**

Company Audited As at 31.03.2017 Rs.'000	Group Audited As at 31.03.2017 Rs.'000		Company		Group	
			Unaudited As at 30.09.2017 Rs.'000	Unaudited As at 30.09.2016 Rs.'000	Unaudited As at 30.09.2017 Rs.'000	Unaudited As at 30.09.2016 Rs.'000
		<b>ASSETS</b>				
		<b>Non Current Assets</b>				
166,286	166,286	Right-to-use of Land	163,241	169,507	163,241	169,507
		Immovable estate assets on finance lease (other than Right to use of Land)	60,746	71,729	60,746	71,729
66,237	66,237					
686,007	1,029,356	Tangible assets other than Immature/Mature Plantations	695,233	695,252	1,030,490	1,046,518
1,801,915	1,801,915	Immature/Mature Plantations	1,801,607	1,802,189	1,801,607	1,802,189
236,837	236,837	Consumable Biological Assets	240,673	221,160	240,673	221,160
-	6,239	Development Cost	-	-	5,759	6,719
134,933	-	Investments in Subsidiaries	134,933	134,933	-	-
-	14,822	Deferred Tax Asset	-	-	14,525	15,313
3,092,215	3,321,692		3,096,432	3,094,770	3,317,040	3,333,135
		<b>Current Assets</b>				
9,947	9,947	Produce on Bearer Biological Assets	9,947	2,145	9,947	2,145
372,307	374,727	Inventories	191,966	280,287	194,387	282,630
157,227	171,249	Trade and Other Receivables	109,661	96,266	131,816	118,474
2,381	2,381	Amounts due from Related Companies	1,180	2,080	1,180	2,080
226,760	226,760	Short Term Investments	611,714	115,247	611,714	115,247
18,915	29,849	Cash and Bank Balances	15,220	7,913	16,210	38,905
787,538	814,915		939,687	503,937	965,253	559,480
3,879,753	4,136,607	<b>TOTAL ASSETS</b>	4,036,119	3,598,707	4,282,293	3,892,615
		<b>EQUITY AND LIABILITIES</b>				
		<b>Equity</b>				
350,000	350,000	Stated Capital	350,000	350,000	350,000	350,000
172,742	172,742	Timber Reserves	172,742	164,435	172,742	164,435
9,947	9,947	Biological Crop Reserves	9,947	2,145	9,947	2,145
1,502,998	1,541,056	Retained Earnings	1,616,145	988,926	1,652,407	1,041,982
2,035,686	2,073,745	<b>Equity attributable to equity holders of the parent</b>	2,148,834	1,505,505	2,185,095	1,558,561
-	173,609	Non-Controlling Interests	-	-	171,402	186,923
2,035,686	2,247,354	<b>Total Equity</b>	2,148,834	1,505,505	2,356,498	1,745,484
		<b>Non Current Liabilities &amp; Deferred Income</b>				
123,414	139,538	Interest Bearing Loans & Borrowings	99,387	229,334	104,761	256,207
799,699	801,101	Retiring Benefit Obligations	805,392	1,010,010	806,794	1,011,078
127,898	127,898	Deferred Tax Liability	137,344	87,375	137,344	87,375
155,426	155,426	Deferred Income	153,443	153,390	153,443	153,390
187,174	187,174	Liability to make Lease Payment after one year	186,811	187,396	186,811	187,396
1,393,611	1,411,137		1,382,376	1,667,505	1,389,153	1,695,447
		<b>Current Liabilities</b>				
376,969	384,487	Trade and Other Payables	426,010	326,305	436,673	336,785
50,822	72,321	Interest Bearing Loans & Borrowings	48,951	63,084	70,450	84,583
727	727	Liability to make Lease Payment within one year	727	643	727	643
8,549	7,117	Amounts due to Related Companies	11,418	14,742	10,989	8,751
-	-	Short Term Borrowings	-	-	-	-
13,390	13,465	Bank Overdraft	17,803	20,923	17,803	20,923
450,457	478,116		504,909	425,697	536,642	451,685
1,844,068	1,889,253	<b>TOTAL LIABILITIES</b>	1,887,285	2,093,202	1,925,795	2,147,131
3,879,753	4,136,607	<b>TOTAL EQUITY AND LIABILITIES</b>	4,036,119	3,598,707	4,282,293	3,892,615
85.71	87.32	Net assets per share	90.48	63.39	92.00	65.62

The Statements of Financial Position as at 30th September 2017 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)  
D S Seneviratne  
Director/ Chief Executive Officer

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

(sgd)  
A M Pandithage  
Chairman  
30th October 2017

(sgd)  
W G R 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
Adjusted Balance as at 01st April 2016	350,000	1,117,196	164,435	2,145	1,633,775	-	1,633,775
Profit/ (Loss) for the period	-	(128,270)	-	-	(128,270)	-	(128,270)
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Balance as at 30th September 2016	350,000	988,926	164,435	2,145	1,505,505	-	1,505,505
<b>Balance as at 01st April 2017</b>	<b>350,000</b>	<b>1,502,998</b>	<b>172,742</b>	<b>9,947</b>	<b>2,035,686</b>	<b>-</b>	<b>2,035,686</b>
Profit/ (Loss) 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	-	(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

<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
Adjusted Balance as at 01st April 2016	350,000	1,163,836	164,435	2,145	1,680,415	179,797	1,860,213
Profit/ (Loss) for the period	-	(121,854)	-	-	(121,854)	13,740	(108,114)
Other comprehensive income	-	-	-	-	-	-	-
Transferred to the timber reserve	-	-	-	-	-	-	-
Realised gain on timber sales	-	-	-	-	-	-	-
Transferred to the biological crop reserve	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(6,615)	(6,615)
Balance as at 30th September 2016	350,000	1,041,982	164,435	2,145	1,558,561	186,923	1,745,484
<b>Balance as at 01st April 2017</b>	<b>350,000</b>	<b>1,541,056</b>	<b>172,742</b>	<b>9,947</b>	<b>2,073,745</b>	<b>173,609</b>	<b>2,247,353</b>
Profit/ (Loss) 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	-	(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

Figures in brackets indicate deductions

**Talawakelle Tea Estates PLC**  
**STATEMENT OF CASH FLOW**

Company Audited 12months ended	Group Audited 12months ended		Company		Group	
			Unaudited 06months ended	Unaudited 06months ended	Unaudited 06months ended	Unaudited 06months ended
31.03.2017 Rs.'000	31.03.2017 Rs.'000		30.09.2017 Rs.'000	30.09.2016 Rs.'000	30.09.2017 Rs.'000	30.09.2016 Rs.'000
260,061	266,388	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
		Net profit/(Loss) before Taxation	154,743	(133,370)	151,350	(107,855)
		<b>ADJUSTMENTS FOR</b>				
135,911	136,120	Provision for defined benefit plan costs	70,282	78,129	70,282	78,129
138,226	155,330	Depreciation/amortisation	73,944	70,871	82,516	78,436
(5,300)	(5,300)	Amortisation of grants	(2,650)	(2,524)	(2,650)	(2,524)
(14,413)	-	Dividend Income	-	(6,885)	-	-
31,437	35,758	Finance costs	10,731	15,090	12,704	17,507
28,790	28,790	Government Lease Interest	14,336	13,939	14,336	13,939
(7,521)	(7,521)	(Profit)/ Loss on disposal of assets	(4,500)	(4,658)	(4,500)	(4,658)
(16,743)	(16,743)	(Gains)/ Loss on Fair Value of Biological Assets	-	-	-	-
(8,705)	(8,705)	Profit on Sale of Trees	(662)	-	(662)	-
-	-	Cost of Asset Returned	125	-	125	-
541,742	584,117	<b>Operating profit before working capital changes</b>	<b>316,350</b>	<b>30,591</b>	<b>323,501</b>	<b>72,974</b>
(48,879)	(48,956)	(Increase)/Decrease in Inventories	180,341	43,142	180,341	43,142
649	(1,083)	(Increase)/Decrease in Trade and Other Receivables	47,567	61,610	39,432	51,692
106,575	105,161	Increase/(Decrease) in Trade and Other Payables	52,072	65,174	54,905	67,004
756	756	(Increase)/Decrease in Amounts due from Related Companies	1,202	1,057	1,202	1,057
(1,962)	(221)	Increase/(Decrease) in Amounts due to Related Companies	2,868	4,232	3,872	1,413
598,881	639,774	<b>Cash generated from operations</b>	<b>600,400</b>	<b>205,806</b>	<b>603,254</b>	<b>237,282</b>
(31,437)	(35,758)	Finance costs paid	(10,731)	(15,090)	(12,704)	(17,507)
(16,714)	(20,440)	Payment of Super Gain Tax/ESC / Income Tax / SRL	(10,902)	(9,042)	(10,902)	(10,793)
(98,206)	(98,206)	Defined benefit plan costs paid	(64,589)	(47,784)	(64,589)	(47,784)
452,522	485,370	<b>Net cash from operating activities</b>	<b>514,178</b>	<b>133,890</b>	<b>515,059</b>	<b>161,198</b>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
9,624	9,624	Grant Received	667	4,812	667	4,812
14,413	-	Dividend Income Received	-	6,885	-	-
9,339	9,339	Proceeds from Sale of Trees	662	-	662	-
11,383	11,383	Proceeds from Disposal of Property, Plant & Equipment	4,500	4,658	4,500	4,658
(88,645)	(88,645)	Field Development Expenditure	(39,001)	(54,303)	(39,001)	(54,303)
(44,578)	(44,905)	Purchase of Property, Plant & Equipment	(39,284)	(18,566)	(39,284)	(18,731)
(88,463)	(103,204)	<b>Net cash used in investing activities</b>	<b>(72,457)</b>	<b>(56,514)</b>	<b>(72,457)</b>	<b>(63,564)</b>
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(23,750)	(37,598)	Dividend Paid	(23,750)	-	(23,750)	(6,615)
(29,401)	(29,401)	Payment of Government lease rentals	(15,230)	(14,700)	(15,230)	(14,700)
135,000	135,000	Proceeds from loans	52,693	135,000	52,693	135,000
(161,630)	(183,129)	Repayment /Transfer of loans	(78,591)	(43,448)	(89,341)	(54,197)
(79,781)	(115,128)	<b>Net cash from financing activities</b>	<b>(64,878)</b>	<b>76,851</b>	<b>(75,627)</b>	<b>59,487</b>
284,277	267,038	<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>376,843</b>	<b>154,227</b>	<b>366,975</b>	<b>157,121</b>
(51,990)	(23,893)	<b>A. Cash &amp; cash equivalents at the beginning of the year</b>	<b>232,287</b>	<b>(51,990)</b>	<b>243,145</b>	<b>(23,893)</b>
232,287	243,145	<b>B. Cash &amp; cash equivalents at the end of the period</b>	<b>609,130</b>	<b>102,237</b>	<b>610,120</b>	<b>133,229</b>
		<b>NOTE A</b>				
		Cash & cash equivalents at the beginning of the year				
9,097	27,130	Cash & bank balances	18,916	9,097	29,850	27,130
43,126	53,191	Short term Investments	226,760	43,126	226,760	53,191
(62,214)	(62,214)	Bank overdrafts	(13,389)	(62,214)	(13,465)	(62,214)
(42,000)	(42,000)	Short term loans	-	(42,000)	-	(42,000)
(51,990)	(23,893)		<b>232,287</b>	<b>(51,990)</b>	<b>243,145</b>	<b>(23,893)</b>
		<b>NOTE B</b>				
		Cash & cash equivalents at the end of the period				
18,916	29,850	Cash & bank balances	15,220	7,913	16,210	38,905
226,760	226,760	Short term Investments	611,714	115,247	611,714	115,247
(13,389)	(13,465)	Bank overdrafts	(17,803)	(20,923)	(17,803)	(20,923)
-	-	Short term loans	-	-	-	-
232,287	243,145		<b>609,130</b>	<b>102,237</b>	<b>610,120</b>	<b>133,229</b>

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 30.09.2017 Rs.'000	06 months ended 30.09.2016 Rs.'000	06 months ended 30.09.2017 Rs.'000	06 months ended 30.09.2016 Rs.'000
<b>Sale of goods</b>				
Tea	2,022,198	1,376,803	2,022,198	1,376,803
Rubber	5,686	5,938	5,686	5,938
Mini Hydro Power	-	-	22,976	59,178
Others	22,334	15,831	22,334	15,831
	<u>2,050,218</u>	<u>1,398,572</u>	<u>2,073,193</u>	<u>1,457,750</u>
<b>SEGMENT INFORMATION</b>				
<b>a) Segment Revenue</b>				
<b>Tea</b>				
Revenue	2,022,198	1,376,803	2,022,198	1,376,803
Revenue expenditure	(1,663,437)	(1,285,175)	(1,663,437)	(1,285,175)
Depreciation	(71,736)	(68,708)	(71,736)	(68,708)
Other non cash expenditure	(70,282)	(78,129)	(70,282)	(78,129)
<b>Segment results</b>	<u>216,742</u>	<u>(55,209)</u>	<u>216,742</u>	<u>(55,209)</u>
<b>Rubber</b>				
Revenue	5,686	5,938	5,686	5,938
Revenue expenditure	(10,829)	(11,719)	(10,829)	(11,719)
Depreciation	(2,207)	(2,163)	(2,207)	(2,163)
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>(7,351)</u>	<u>(7,944)</u>	<u>(7,351)</u>	<u>(7,944)</u>
<b>Mini Hydro Power</b>				
Revenue	-	-	22,976	59,179
Revenue expenditure	-	-	(10,667)	(11,621)
Depreciation	-	-	(8,573)	(7,565)
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>-</u>	<u>-</u>	<u>3,736</u>	<u>39,992</u>
<b>Unallocated</b>				
Revenue	22,334	15,831	22,334	15,831
Revenue expenditure	-	-	-	-
Depreciation	-	-	-	-
Other non cash expenditure	-	-	-	-
<b>Segment results</b>	<u>22,334</u>	<u>15,831</u>	<u>22,334</u>	<u>15,831</u>
<b>Total</b>				
Revenue	2,050,218	1,398,572	2,073,193	1,457,751
Revenue expenditure	(1,674,266)	(1,296,893)	(1,684,933)	(1,308,515)
Depreciation	(73,944)	(70,871)	(82,516)	(78,436)
Other non cash expenditure	(70,282)	(78,129)	(70,282)	(78,129)
<b>Segment results</b>	<u>231,726</u>	<u>(47,321)</u>	<u>235,462</u>	<u>(7,329)</u>
Gains on fair value of biological assets	-	-	-	-
Other Income and Gains	8,039	18,547	8,039	11,662
Administrative Expenses	(81,346)	(77,389)	(86,503)	(82,927)
Management fees	-	-	-	-
Finance Income	21,392	1,822	21,392	2,185
Finance Expenses	(10,731)	(15,090)	(12,704)	(17,507)
Interest paid to Government on Finance Lease	(14,336)	(13,939)	(14,336)	(13,939)
<b>Profit/(Loss) Before Tax</b>	<u>154,743</u>	<u>(133,370)</u>	<u>151,350</u>	<u>(107,855)</u>

**Talawakelle Tea Estates PLC**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

SEGMENT INFORMATION	Company		Group	
	Unaudited 06 months to 30.09.2017 Rs.'000	Unaudited 06 months to 30.09.2016 Rs.'000	Unaudited 06 months to 30.09.2017 Rs.'000	Unaudited 06 months to 30.09.2016 Rs.'000
<b>b) Segment Assets</b>				
<b>Non Current Assets</b>				
Tea	2,613,498	2,635,053	2,613,498	2,635,053
Rubber	107,329	103,624	107,329	103,624
Mini Hydro Power	-	-	355,541	373,299
Biological Assets	240,673	221,160	240,673	221,160
Investments	134,933	134,933	-	-
	<b>3,096,432</b>	<b>3,094,770</b>	<b>3,317,040</b>	<b>3,333,135</b>
<b>Current Assets</b>				
Tea	938,751	503,585	938,751	503,585
Rubber	936	353	936	353
Mini Hydro Power	-	-	25,566	55,542
	<b>939,687</b>	<b>503,937</b>	<b>965,253</b>	<b>559,480</b>
<b>Total Assets</b>	<b>4,036,119</b>	<b>3,598,707</b>	<b>4,282,293</b>	<b>3,892,615</b>
<b>Non Current Liabilities and Deferred Income</b>				
Tea	1,382,376	1,667,505	1,382,376	1,667,505
Rubber	-	-	-	-
Mini Hydro Power	-	-	6,776	27,942
Unallocated	-	-	-	-
	<b>1,382,376</b>	<b>1,667,505</b>	<b>1,389,153</b>	<b>1,695,447</b>
<b>Current Liabilities</b>				
Tea	504,909	425,697	504,909	425,697
Rubber	-	-	-	-
Mini Hydro Power	-	-	31,734	25,987
Unallocated	-	-	-	-
	<b>504,909</b>	<b>425,697</b>	<b>536,642</b>	<b>451,685</b>
<b>Total liabilities</b>	<b>1,887,285</b>	<b>2,093,202</b>	<b>1,925,795</b>	<b>2,147,131</b>
<b>2. STATED CAPITAL</b>				
as at	30.09.2017	30.09.2016	30.09.2017	30.09.2016
<b>Issued and fully paid</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>	<b>Rs.'000</b>
23,750,000 ordinary shares and a golden share which has special rights held by the Secretary to the Treasury	<b>350,000</b>	350,000	<b>350,000</b>	350,000

**TALAWAKELLE TEA ESTATES PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

3. 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 period ended 31 March 2017.
4. Where necessary, comparative figures have been reclassified to conform with the current periods presentation as per amendments of LKAS 16 & LKAS 41.
5. These interim financial statements does not include the gain arising from the valuation of biological assets as the amounts involved are not considered material.
6. Financial statements does not include/classify Actuarial gain/loss on defined benefit plans costs as the valuation is done at the year end.
7. 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.
8. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.
9. 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 31.03.2017.
10. No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial statements.

**TALAWAKELLE TEA ESTATES PLC****FIRST TWENTY SHAREHOLDERS AS AT 30.09.2017**

	<b>Name of the Shareholder</b>	<b>No. of Shares as at 30.09.2017</b>	<b>%</b>
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	590,199	2.49
4	SAMPATH BANK PLC/DR. T. SENTHILVERL SEYLAN BANK PLC/DR.T. SENTHILVERL	209,307 5,000	0.88 0.02
5	WALDOCK MACKENZIE LTD/CEYLINCO SHRIRAM CAPITAL MANAGEMENT SERVICES CO. (PVT) LTD	181,900	0.77
6	MR. G.M. WEERAKOON	150,428	0.63
7	MRS. U. D. D. N. PERERA	112,182	0.47
8	MR. N.A. WITHANA	112,100	0.47
9	COCOSHELL ACTIVATED CARBON COMPANY LIMITED	101,007	0.43
10	AMINA INVESTMENTS LIMITED	84,792	0.36
11	CAPITAL TRUST HOLDINGS LIMITED	58,500	0.25
12	MR. P.A.D. SAMARASEKERA	53,400	0.22
13	MR. K.C. VIGNARAJAH	48,800	0.21
14	SEYLAN BANK PLC/M. F. MOHAMED	48,500	0.20
15	DFCC BANK PLC/MR. K.S.D. SENAWEERA	48,300	0.20
16	ASSETLINE LEASING COMPANY LTD/MR. L.K.N.K. KULAWARDENA	39,000	0.16
17	MR. T. D. R. H. PERERA	36,515	0.15
18	SEYLAN BANK PLC/S. R. FERNANDO	35,900	0.15
19	HARNAM HOLDINGS SDN BHD	35,000	0.15
20	MS. M. J. NIHARA	32,518	0.14

**Directors Shares holding as at end of 30.09.2017**

These shares are held through Merrill J Fernando & Sons (Pvt) Ltd.	1,184,700
Common Directors- Mr. Merrill J. Fernando	
- Mr. Malik J. Fernando	
- Mr. D. C. Fernando	
Dr. K. I. M. Ranasoma	500
Mr. D. S. Seneviratne	600
Mr. W.G.R. Rajadurai	1000

## 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  
Ms. M.D.A. Perera  
Mr.N T Bogahalande  
Mr.D S Seneviratne  
Mr.S L Athukorala  
Mr.M.H. Jamaldeen (Appointed -15/03/17)

### 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@ttl.hayleys.com](mailto:tpl.tea@ttl.hayleys.com)  
website: [www.talawakelleteas.com](http://www.talawakelleteas.com)

### Principal Lines of Business

Cultivation, manufacture and sale of Tea

## INVESTOR INFORMATION

MARKET VALUE OF SHARES	2017 Rs.	2016 Rs.
Closing price on 30.09. ....	49.70	35.50
Highest price recorded for the six months ending	53.50	39.30
Lowest price recorded for the six months ending	31.30	33.40
Highest price recorded for the three months ending	53.50	37.60
Lowest price recorded for the three months ending	44.60	35.00
<b>RATIOS</b>		
Market capitalisation (Rs. '000)	1,180,375	843,125
Price Earning Ratio (times)	8.74	(6.92)
<b>SHARE TRADING FROM 01ST APRIL, 2017 TO 30TH SEPTEMBER, 2017</b>		
No. of transactions	1,396	315
No. of shares traded	1,112,769	330,700
Value of shares traded (Rs.)	54,795,904	11,978,972
Public Holding %	20.27	20.27
Total Number of shareholders representing the public holding	13,522	13,548