



INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
31ST DECEMBER 2017

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The group reported an outstanding performance for the period ended 31st December 2017, with an increase of Rs. 306.4 million (23.0% YoY) in PAT.

The Group recorded a consolidated revenue of Rs. 15.6 billion for the period, a growth of Rs. 1,711.9 million (12.4% YoY). Group revenue was driven by Healthcare, Agri and Consumer goods sectors which contributed 38.5%, 34.3% and 24.5% respectively. Agri and Consumer goods sectors have performed above expectations in terms of revenue by Rs. 162.1 million (3.1%) and Rs. 276.0 million (7.8%) respectively. Energy sector performance was satisfactory with the revenue increase of Rs. 136.4 million (201.7% YoY) and the Healthcare sector has recorded an increase in revenue by Rs. 191.6 million (3.3% YoY).

The gross profit margin for the quarter was at 26.3% compared to the 26.6% in the same period, previous year. However, overall gross profit has improved by Rs. 399.1 million up by 10.8%, compared to the same period previous year. The Group EBIT closed at Rs. 1988.9 million against Rs. 1,644.1 million recorded in the previous year, up by 21.0% mainly due to the fair value gain on investment properties, in the adoption of fair value model in the continuing operations at Sunshine Packaging Lanka Limited and high rainfall in Energy sector. The main contributors to the growth in Gross profit as well as the EBIT are the Healthcare and Energy sectors.

The Healthcare sector recorded revenue of Rs. 6.0 billion, up by 3.3% over the same period previous year. The gross profit margin of the sector has also increased favourably whilst the EBIT of the sector has increased remarkably by 68.2% that is Rs. 131.3 million. The effect of the favourable performance is reflected by the impressive increase in Profit after tax by Rs. 110.3 million (121.6% growth YoY) to report a PAT of Rs. 201.1 million.

The Agri revenue has notably increased by 13.3% to Rs. 5.4 billion compared to the same period previous year. However, the gross profit has increased marginally by only Rs. 15.0 million. The profit after tax has increased by Rs. 25.8 million, a marginal increase of 2.5% to Rs. 1,039.7 million from Rs. 1,013.9 million in the same period previous year. Although the revenue growth of Consumer goods sector is impressive at a rate of 27.4%, to achieve revenue of Rs. 3.8 billion, the profit after tax has come down by 17.4% to Rs.205.6 million as opposed to Rs. 249.0 million reported in the same period previous year. This has been mainly due to the rise in net finance cost by Rs. 48.5 million.

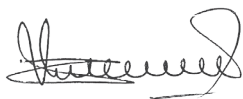
Power sector revenue increased by Rs. 136.4 million to Rs. 204.0 million from Rs. 67.6 million due to high rainfall and the revenue generated from second hydropower project (Upper Waltrim) which commenced its operation in October 2016 resulting an increase in EBIT by Rs. 103.0 million to report at Rs. 110.9 million compared to the Rs. 7.9 million in the same period previous year.

Profits attributable to equity shareholders (PATMI) from continuing operations of Sunshine Holdings PLC increased significantly by Rs. 281.3 million to stand at Rs. 721.8 million for 9MFY17/18. Further, the EPS has appreciated from Rs. 3.23 to Rs. 5.23 compared to the same period previous year.

The Company purchased the shares of Estate Management Services (Pvt) Limited (EMSPL), held by Tata Global Beverages Limited to increase its stake to 60% from 33.15% on 28th December 2017.

Your Group continues to enhance shareholder value by pursuing strategic investments and is on the lookout for strategic investments that fits our Group's long term interest.

Further details of the Groups 9MFY17/18 performance are available in the company website.
(<http://www.sunshineholdings.lk/investor%20relations/index.php>)



V. Govindasamy
Group Managing Director
08th February 2018
Colombo

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited						Audited
	Period ended	Period ended	Change	Quarter ended	Quarter ended	Change	Year ended
	31st December 2017 Rs	31st December 2016 Rs	%	31st December 2017 Rs	31st December 2016 Rs	%	31st March 2017 Rs
Continuing operations							
Revenue	15,562,996,492	13,851,084,279	12	5,234,918,378	4,366,275,855	20	19,216,569,056
Cost of sales	(11,475,831,749)	(10,163,038,429)	13	(3,800,088,263)	(3,183,090,102)	19	(14,389,192,537)
Gross profit	4,087,164,743	3,688,045,850	11	1,434,830,115	1,183,185,753	21	4,827,376,519
Other income	341,686,046	118,930,981	187	78,202,726	52,061,135	50	240,085,334
Administration expenses	(1,421,274,137)	(1,377,972,944)	3	(346,915,186)	(489,867,435)	(29)	(1,943,107,096)
Selling & distribution expenses	(1,018,660,854)	(784,859,682)	30	(469,430,656)	(254,684,888)	84	(1,026,716,542)
Results from operating activities	1,988,915,798	1,644,144,205	21	696,686,999	490,694,565	42	2,097,638,215
Finance income	164,397,916	136,885,292	20	62,559,296	51,205,963	22	195,050,401
Finance cost	(226,274,221)	(152,052,382)	49	(99,532,115)	(58,986,367)	69	(241,141,996)
Net finance cost	(61,876,305)	(15,167,090)	308	(36,972,819)	(7,780,404)	375	(46,091,595)
Share of profit of equity accounted investees	-	-	-	-	(663,576)	(100)	-
Profit before tax	1,927,039,493	1,628,977,115	18	659,714,180	482,250,585	37	2,051,546,620
Income tax expense	(288,910,683)	(297,266,850)	(3)	(170,804,371)	(75,519,512)	126	(430,325,906)
Profit for the period	1,638,128,810	1,331,710,265	23	488,909,809	406,731,073	20	1,621,220,714
Discontinued operation							
Profit or (loss) on discontinued operation, net of tax	(210,427,662)	6,332,171		(15,323,724)	(4,100,964)		
Other comprehensive income							
Fair value change in available for sales financial assets	-	-	-	-	-	-	6,983,422
Defined benefit plan actuarial gain/(loss)	35,655,477	-	-	(9,625,382)	-	-	98,789,460
Tax on other comprehensive income	(3,380,252)	-	-	2,673,696	-	-	(11,059,429)
Total other comprehensive income for the period	32,275,225	-	-	(6,951,686)	-	-	94,713,453
Total comprehensive income for the period	1,459,976,373	1,338,042,436	9	466,634,399	402,630,109	16	1,715,934,167
Profit attributable to:							
Continuing operations							
Owners of the parent company	713,852,277	440,369,475	62	181,967,643	17,508,758	939	572,258,446
Non-controlling interest	924,276,533	891,340,790	4	306,942,166	389,222,315	(21)	1,048,962,268
Discontinued operation							
Owners of the parent company	(210,427,662)	6,332,171	n/a	(15,323,724)	(4,100,964)	n/a	-
Non-controlling interest	-	-	-	-	-	-	-
Other comprehensive income attributable to:							
Owners of the parent company	7,946,454	-	n/a	(7,069,139)	-	-	33,761,141
Non-controlling interest	24,328,771	-	n/a	117,453	-	-	60,952,312
Total comprehensive income for the period	1,459,976,373	1,338,042,436	9	466,634,399	402,630,109	16	1,715,934,167
Basic earnings per share from continuing operations	5.23	3.23		1.33	0.13		4.23
Basic earnings per share from discontinued operation	(1.54)	0.05		(0.11)	(0.03)		-
	3.69	3.27		1.22	0.10		4.23

Figures in brackets indicate deductions.

n/a - not applicable

The above figures are not audited

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited						Audited
	Period ended 31st December 2017 Rs	Period ended 31st December 2016 Rs	Change %	Quarter ended 31st December 2017 Rs	Quarter ended 31st December 2016 Rs	Change %	Year ended 31st March 2017 Rs
Revenue	222,386,491	321,112,279	(31)	81,358,729	63,807,162	28	414,779,815
Cost of sales	(45,895,928)	(139,870,887)	n/m	(26,045,003)	(13,649,577)	n/m	(153,907,783)
Gross profit	176,490,563	181,241,392	(3)	55,313,726	50,157,585	10	260,872,032
Other income	184,386,484	111,284,020	n/m	67,271,840	39,658,503	n/m	149,419,482
Administration expenses	(301,768,875)	(196,605,175)	53	(104,290,080)	(76,659,538)	36	(302,886,658)
Impairment of investment in subsidiary	(67,972,645)	-	-	-	-	-	-
Results from operating activities	(8,864,473)	95,920,237	(109)	18,295,486	13,156,550	39	107,404,856
Finance income	54,368,033	63,749,918	(15)	13,907,557	22,385,850	(38)	85,731,746
Finance cost	(997,683)	(933,335)	7	(585,048)	(616,817)	(5)	(2,335,771)
Net finance cost	53,370,350	62,816,583	(15)	13,322,509	21,769,033	(39)	83,395,975
Profit before tax	44,505,877	158,736,820	(72)	31,617,995	34,925,583	(9)	190,800,831
Income tax expense	-	(1,306,297)	-	-	(326,405)	(100)	(342,692)
Profit for the period	44,505,877	157,430,523	(72)	31,617,995	34,599,178	(9)	190,458,139
Other comprehensive income							
Fair value change in available for sales financial assets	-	-	-	-	-	-	6,983,422
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	(14,601)
Total other comprehensive income for the period	-	-	-	-	-	-	6,968,821
Total comprehensive income for the period	44,505,877	157,430,523	(72)	31,617,995	34,599,178	(9)	197,426,960
Basic earnings per share from continuing operations	0.33	1.15		0.23	0.25		1.41

Figures in brackets indicate deductions.
The above figures are not audited

n/m - not meaningful

STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 31st December 2017 Rs	Audited As at 31st March 2017 Rs
ASSETS		
Non current assets		
Property, plant and equipment	5,221,776,268	4,754,397,651
Leasehold right to bare land	193,054,831	198,473,000
Biological assets	3,872,540,996	3,629,026,000
Investment property	327,205,000	-
Intangible assets	186,679,925	168,765,418
Other investments	618,378,594	636,733,332
Investment fund	280,882,592	258,319,000
Deferred tax assets	72,851,197	75,590,768
Total non-current assets	10,773,369,403	9,721,305,169
Current assets		
Non current assets held for sales	53,879,674	-
Inventories	3,782,903,924	3,141,301,725
Biological assets-growing crops on bearer plants	47,221,804	35,757,000
Current tax assets	12,215,868	14,631,908
Trade & other receivables	3,677,502,649	3,060,992,146
Amounts due from related parties	68,173,802	83,466,589
Cash & cash equivalents	2,094,274,042	1,876,004,662
Total current assets	9,736,171,763	8,212,154,030
Total assets	20,509,541,166	17,933,459,199
EQUITY AND LIABILITIES		
Equity		
Stated capital	798,504,357	730,939,657
Reserves	355,803,048	331,838,036
Retained earnings	5,508,432,454	5,186,946,894
Equity attributable to owners of the company	6,662,739,859	6,249,724,587
Non-controlling interests	3,213,308,212	5,340,766,263
Total equity	9,876,048,071	11,590,490,850
Non-current liabilities		
Loans and borrowings	2,138,864,903	1,226,846,031
Employee benefits	1,072,615,700	1,085,479,743
Deferred income and capital grants	185,043,217	193,528,000
Deferred tax	295,318,307	333,473,307
Total non-current liabilities	3,691,842,127	2,839,327,081
Current liabilities		
Bank overdraft	2,514,215,231	711,424,579
Current tax liabilities	134,817,148	214,132,832
Loans and borrowings	1,562,501,960	357,644,252
Trade and other payables	2,726,457,821	2,220,439,605
Amounts due to related parties	3,658,808	-
Total current liabilities	6,941,650,968	3,503,641,268
Total equity and liabilities	20,509,541,166	17,933,459,199

Net asset value per share (Rs.)

48.81

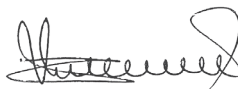
46.25

Figures in brackets indicate deductions.


The above figures are not audited



Chairman
08th February 2018
Colombo



Group Managing Director



Group Chief Financial Officer

STATEMENT OF FINANCIAL POSITION - COMPANY

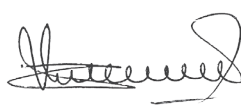
	Unaudited As at 31st December 2017 Rs	Audited As at 31st March 2017 Rs
ASSETS		
Non-current assets		
Property, Plant and Equipment	5,570,453	5,901,315
Intangible assets	966,074	1,533,497
Investment in subsidiaries	2,915,275,797	1,376,748,442
Other investments	607,615,594	625,970,332
Total non-current assets	3,529,427,918	2,010,153,586
Current assets		
Current tax assets	3,158,748	3,158,748
Trade & other receivables	104,891,934	45,161,397
Amounts due from related parties	258,820,279	191,996,509
Cash & cash equivalents	418,193,323	731,712,191
Total current assets	785,064,284	972,028,845
Total assets	4,314,492,202	2,982,182,431
EQUITY AND LIABILITIES		
Equity		
Stated capital	798,504,357	730,939,657
Reserves	329,138,894	329,138,894
Retained earnings	1,662,414,195	1,854,405,044
Equity attributable to owners of the company	2,790,057,446	2,914,483,595
Non-controlling interests	-	-
Total equity	2,790,057,446	2,914,483,595
Non-current liabilities		
Employee benefits	75,129,332	51,881,378
Deferred tax	-	-
Total non-current liabilities	75,129,332	51,881,378
Current liabilities		
Bank overdraft	1,406,036,646	
Current tax liabilities		
Trade and other payables	43,268,778	15,817,458
Amounts due to related parties		
Total current liabilities	1,449,305,424	15,817,458
Total equity and liabilities	4,314,492,202	2,982,182,431
Net asset value per share (Rs.)	20.44	21.57

Figures in brackets indicate deductions.

The above figures are not audited



Chairman
08th February 2018
Colombo



Group Managing Director



Group Chief Financial Officer

SUNSHINE HOLDINGS PLC

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

Attributable to owners of the company

STATEMENT OF CHANGES IN EQUITY - GROUP

In Rupees

	Stated capital	Capital accretion reserve	General reserve	Fair value gain or loss reserve on AFS	Reserve on Re-arrangement	Retained earnings	Total	Non-controlling interest	Total equity
Balance as 01st April 2016	730,939,657	399,837	857,888	323,596,889		- 4,725,795,249	5,781,589,520	4,168,557,293	9,950,146,813
Total comprehensive income for the period									
Profit for the nine months						446,701,646	446,701,646	891,340,790	1,338,042,436
Total other comprehensive income for the nine months						-	-	-	-
Total comprehensive income for the nine months						446,701,646	446,701,646	891,340,790	1,338,042,436
Capital accretion reserve transfer to general reserve		(399,837)	399,837						
Transactions with owners of the company									
Share issues		-	-					292,000,000	292,000,000
Effect on percentage change in holding of Energy Group								-	-
Dividend payment for 2015/16						(141,898,035)	(141,898,035)	(181,076,433)	(322,974,468)
Total contributions by and distributions to owners of the company	-	-	-	-	-	(141,898,035)	(141,898,035)	110,923,567	(30,974,468)
Balance as at 31st December 2016	730,939,657	-	1,257,725	323,596,889		- 5,030,598,860	6,086,393,131	5,170,821,650	11,257,214,781
Total Comprehensive Income for the balance period									
Profit for the three months						125,556,800	125,556,800	157,621,478	283,178,278
Total other comprehensive income for the three months				6,983,422		26,777,719	33,761,141	60,952,312	94,713,453
Total comprehensive income for the three months				6,983,422		- 152,334,519	159,317,941	218,573,790	377,891,731
Capital accretion reserve transfer to general reserve		-	-						
Transactions with owners of the company for the balance period									
Share issues								56,789,860	56,789,860
Effect on percentage change in holding of Energy Group						4,013,515	4,013,515	(4,013,515)	
Dividend payments for 2015/16								(101,405,522)	(101,405,522)
Balance as at 31st March 2017	730,939,657	-	1,257,725	330,580,311		- 5,186,946,894	6,249,724,587	5,340,766,263	11,590,490,850
Total comprehensive income for the period									
Profit for the nine months						503,424,615	503,424,615	924,276,533	1,427,701,148
Total other comprehensive income for the nine months						7,946,454	7,946,454	24,328,771	32,275,225
Total comprehensive income for the nine months						- 511,371,069	511,371,069	948,605,304	1,459,976,373
Reserve on re-arrangement in Hatton Plantations Limited					23,965,012	(13,240,669)	10,724,343	(10,724,343)	
Transactions with owners of the company									
Share issues	67,564,700						67,564,700		67,564,700
Effect on percentage change in holding of EMSPL Group						59,851,886	59,851,886	(1,666,351,886)	(1,606,500,000)
Re-purchase of shares by Estate Management Services								(1,350,000,000)	(1,350,000,000)
Dividend payment for 2016/17						(236,496,726)	(236,496,726)	(48,987,126)	(285,483,852)
Balance as at 31st December 2017	798,504,357	-	1,257,725	330,580,311	23,965,012	5,508,432,454	6,662,739,859	3,213,308,212	9,876,048,071

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

STATEMENT OF CHANGES IN EQUITY - COMPANY	Stated	Fair value	Capital ac-	General	Retained	Total
In Rupees	capital	gain or loss	cretion	reserve	earnings	
		reserve on	reserve			
		AFS				
Balance as at 01st April 2016	730,939,657	320,897,747	399,837	857,888	1,805,859,541	2,858,954,670
Total comprehensive income for the period						
Profit for the nine months					157,430,523	157,430,523
Total other comprehensive income for the nine months					-	-
Total comprehensive income for the nine months		-			157,430,523	157,430,523
Capital accretion reserve transfer to general reserve			(399,837)	399,837	-	-
Transactions with owners of the company						
Dividend payment for 2015/16					(141,898,035)	(141,898,035)
Balance as at 31st December 2016	730,939,657	320,897,747	-	1,257,725	1,821,392,029	2,874,487,158
Total comprehensive income for the balance period						
Profit for the three months					33,027,616	33,027,616
Total other comprehensive income for the three months		6,983,422			(14,601)	6,968,821
Total comprehensive income for the three months		6,983,422			33,013,015	39,996,437
Capital accretion reserve transfer to general reserve			-	-	-	-
Transactions with owners of the company						
Dividend payments for 2015/16	-	-	-	-	-	-
Total	-	-	-	-	-	-
Balance as at 31st March 2017	730,939,657	327,881,169	-	1,257,725	1,854,405,044	2,914,483,595
Total comprehensive income for the period						
Profit for the nine months					44,505,877	44,505,877
Total other comprehensive income for the nine months					-	-
Total comprehensive income for the nine months					44,505,877	44,505,877
Transactions with owners of the company						
Share issue	67,564,700					67,564,700
Dividend payments - 2016/17					(236,496,726)	(236,496,726)
Balance as at 31st December 2017	798,504,357	327,881,169	-	1,257,725	1,662,414,195	2,790,057,446

Figures in brackets indicate deductions.
The above figures are not audited

STATEMENT OF CASH FLOWS - GROUP

	Unaudited		Audited
	Period ended	Period ended	Year ended
	31st December 2017	31st December 2016	31st March 2017
	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax (note 01)	1,716,611,831	1,635,826,055	2,051,546,620
Adjustments for;			
Interest income	(164,654,507)	(138,591,056)	(195,050,401)
Dividend income	(2,906,010)	(4,165,281)	-
Write-off of property, plant and equipment	-	661,816	-
Profit/(loss) of equity investee	-	164,512	-
Profit on sale of property, plant & equipment	(18,002,535)	(15,860,784)	(19,842,013)
Gain/(loss) on fair value of biological assets	(8,237,000)	-	(6,161,000)
Interest expense	236,506,791	166,950,874	241,141,996
Depreciation & amortization	472,287,634	411,551,551	554,411,291
(Profit)/ loss on disposal of investments	-	-	1,085,114
Biological assets-growing crops on bearer plants	(11,464,804)	-	(35,757,000)
Fair value (gain) or loss on quoted shares	2,005,450	3,655,084	9,113,674
Impairment losses and write-down of biological assets	1,498,457	-	-
Provision / (reversal) for bad and doubtful debts	31,114,525	-	1,271,972
Provision for inventories	(3,596,009)	-	-
Fair value gain on investment properties	(127,092,307)	-	-
Loss on assets realisation of discontinued operation	70,773,192	-	-
Amortization of deferred income & capital grants	(8,484,975)	(8,822,783)	(10,041,000)
Amortization of leasehold rights	5,418,169	5,276,034	7,035,000
Profit on sale of consumable biological assets	(34,674,380)	(2,227,000)	(20,320,000)
Movement in livestock	-	6,574,000	2,591,000
Provision gratuity excluding actuarial gain/(loss)	138,203,444	107,044,993	206,880,210
Operating profit before working capital changes	2,295,306,966	2,168,038,015	2,787,905,463
(Increase)/decrease in inventories	(638,006,190)	(408,415,633)	(249,128,686)
(Increase)/Decrease in trade and other receivables	(718,398,220)	(645,510,420)	(684,549,078)
(Increase)/decrease in amounts due from related parties	15,292,787	49,556,938	495,733
Increase/(Decrease) in trade and other payables	506,018,216	807,357	(64,263,042)
Increase/(decrease) in amounts due to related parties	3,658,808	(1,300,259)	(1,377,033)
Cash generated from/ (used in) operations	1,463,872,367	1,163,175,998	1,789,083,357
Interest paid	(236,506,791)	(166,950,874)	(241,141,996)
Income tax paid	(404,606,007)	(241,490,367)	(280,902,593)
Gratuity paid	(115,412,011)	(94,431,231)	(149,790,009)
Net cash / (used in) operating activities	707,347,558	660,303,526	1,117,248,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	164,654,507	138,591,056	195,050,401
Dividend income	2,906,010	4,165,281	-
(Investments)/ disposal in other investments	16,349,287	95,589,948	658,001,450
Acquisition of EMSPL from TATA	(1,606,500,000)	-	-
(Investments)/ disposal in short term investments	-	275,159,000	-
Investments in investment fund	(22,563,592)	(18,425,286)	(23,950,000)
Immature plantations expenditure	(262,003,943)	(233,013,252)	(350,708,000)
Investment in live stock	(118,794,411)	-	-
Acquisition of property, plant & equipment	(1,087,587,636)	(804,005,688)	(1,199,366,160)
Acquisition of intangible assets	(31,857,187)	(51,636,546)	(109,537,315)
Proceeds from disposal of property, plant & equipment	104,570,611	33,713,100	69,688,898
Net Cash used in investing activities	(2,840,826,354)	(559,862,387)	(760,820,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issued by subsidiary to NCI	-	292,000,000	348,789,860
Re-purchase of shares by subsidiary	(1,350,000,000)	-	-
Receipts of interest bearing borrowings	2,433,951,081	411,053,761	474,783,208
Repayment of interest bearing borrowings	(306,872,972)	(516,095,751)	(620,577,585)
Lease rentals paid	(10,201,433)	(8,543,221)	(12,382,244)
Dividend paid	(168,932,026)	(141,898,035)	(141,898,035)
Payment to non controlling interest shareholders	(48,987,126)	(181,076,433)	(282,481,955)
Net cash from / (used in) financing activities	548,957,524	(144,559,679)	(233,766,751)
Net increase/(decrease) in cash and cash equivalents	(1,584,521,272)	(44,118,540)	122,661,282
Cash and cash equivalents at the beginning of the period	1,164,580,083	1,041,918,801	1,041,918,801
Cash and cash equivalents at the end of the period	(419,941,189)	997,800,261	1,164,580,083
Cash and cash equivalents			
Cash in hand & bank	2,094,274,042	1,778,000,805	1,876,004,662
Bank overdraft	(2,514,215,231)	(780,200,544)	(711,424,579)
	(419,941,189)	997,800,261	1,164,580,083
Note 01			
Profit before income tax			
Profit before tax - continuing operations	1,927,039,493	1,628,977,115	2,051,546,620
Profit before tax - discontinued operations	(210,427,662)	6,848,940	-
	1,716,611,831	1,635,826,055	2,051,546,620

Figures in brackets indicate deductions.

The above figures are not audited

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited		Audited
	Period ended 31st December 2017	Period ended 31st December 2016	Year ended 31st March 2017
	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	44,505,877	158,736,820	190,800,831
Adjustments for;			
Interest income	(54,368,033)	(63,749,918)	(85,731,746)
Interest expense	997,683	933,335	2,335,771
Fair value (gain) or loss on quoted shares	2,005,450	3,655,084	9,113,674
Depreciation & amortization	2,519,997	2,166,203	2,938,950
Profit on sale of property, plant & equipment	-	-	-
(Profit)/ loss on disposal of investments	-	10	920,612
Impairment of investment	67,972,645	-	21,842,817
Provision for gratuity	23,418,805	5,400,000	8,668,251
Operating profit before working capital changes	87,052,424	107,141,534	150,889,160
(Increase)/decrease in trade and other receivables	(59,730,537)	(30,841,335)	(6,987,089)
(Increase)/decrease in amounts due from related parties	(66,823,770)	(110,495,275)	16,408,410
Increase/(decrease) in trade and other payables	27,451,320	1,851,349	4,082,397
Increase/(decrease) in amounts due to related parties	-	(1,339,648)	(1,360,403)
Cash generated from/ (used in) operations	(12,050,563)	(33,683,375)	163,032,475
Interest paid	(997,683)	(933,335)	(2,335,771)
Income tax paid	-	(938,743)	(938,743)
Employee benefits paid	(170,850)	-	-
Net cash / (used in) operating activities	(13,219,096)	(35,555,453)	159,757,961
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	54,368,033	63,749,918	85,731,746
Investments in subsidiaries	(1,606,500,000)	(199,999,900)	(357,219,280)
(Investments)/ disposal in other investments	16,349,287	95,589,948	93,404,450
Acquisition of intangible assets	-	(90,000)	-
Proceed from disposal of property, plant & equipment	-	-	(90,000)
Acquisition of property, plant & equipment	(1,621,712)	(1,749,112)	(2,014,095)
Net cash used in investing activities	(1,537,404,392)	(42,499,146)	(180,187,179)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	(168,932,026)	(141,898,035)	(141,898,035)
Net Cash from / (used in) Financing Activities	(168,932,026)	(141,898,035)	(141,898,035)
Net increase/(decrease) in cash and cash equivalents	(1,719,555,514)	(219,952,634)	(162,327,253)
Cash and cash equivalents at the beginning of the period	731,712,191	894,039,444	894,039,444
Cash and cash equivalents at the end of the period	(987,843,323)	674,086,810	731,712,191
Cash and cash equivalents			
Cash in hand & bank	418,193,323	674,086,810	731,712,191
Bank overdraft	(1,406,036,646)	-	-
	(987,843,323)	674,086,810	731,712,191

Figures in brackets indicate deductions.
The above figures are not audited

SUNSHINE HOLDINGS PLC

FOR THE NINE MONTHS ENDED 31ST DECEMBER

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE	222,386,491	321,112,279	6,017,628,479	5,826,006,669	5,367,923,313	4,737,894,110	3,835,915,226	3,011,174,008	203,960,483	67,600,767	-	-	682,500	-	(85,500,000)	(112,703,554)	15,562,996,492	13,851,084,279
RESULT																		
Profit from operating activities	(8,864,473)	95,920,237	323,877,725	192,590,008	1,162,963,402	1,182,913,454	292,755,761	280,969,572	110,883,317	7,919,962	133,857,940	357,302,072	127,774,807	-	(154,332,681)	(473,471,100)	1,988,915,798	1,644,144,205
Net finance cost	53,370,350	62,816,583	(19,657,088)	(20,102,331)	(12,243,507)	(44,062,640)	(40,148,278)	8,378,249	(54,108,572)	(18,081,511)	10,910,790	(662,469)	-	(3,452,971)	-	-	(61,876,305)	(15,167,090)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax expense	-	(1,306,297)	(103,150,345)	(81,736,435)	(111,064,748)	(124,999,998)	(46,987,292)	(40,337,870)	(261,971)	-	(3,099,510)	(2,312,918)	-	-	(24,346,817)	(46,573,332)	(288,910,683)	(297,266,850)
Profit for the year	44,505,877	157,430,523	201,070,292	90,751,242	1,039,655,147	1,013,850,816	205,620,191	249,009,951	56,512,774	(10,161,549)	141,669,220	354,326,685	127,774,807	(3,452,971)	(178,679,498)	(520,044,432)	1,638,128,810	1,331,710,265
Discontinued operation													(210,427,662)	6,332,171	-	-	(210,427,662)	6,332,171
Other comprehensive income	-	-	-	-	32,275,225	-	-	-	-	-	-	-	-	-	-	-	32,275,225	-
Total comprehensive income	44,505,877	157,430,523	201,070,292	90,751,242	1,071,930,372	1,013,850,816	205,620,191	249,009,951	56,512,774	(10,161,549)	141,669,220	354,326,685	(82,652,855)	2,879,200	(178,679,498)	(520,044,432)	1,459,976,373	1,338,042,436

OTHER INFORMATION

Segment assets	4,314,492,202	2,937,656,453	4,510,122,252	4,055,792,017	11,032,456,363	8,939,384,955	1,826,809,436	1,385,423,409	1,642,325,998	1,268,459,565	9,597,193,075	2,076,240,198	481,450,570	577,265,147	(12,895,308,730)	(3,501,268,413)	20,509,541,166	17,738,953,331
Equity & reserves	2,790,057,446	2,874,487,157	2,371,512,374	2,122,084,460	6,920,905,835	5,754,567,477	1,036,954,554	925,458,650	637,178,116	451,796,180	8,369,302,970	1,977,372,300	252,004,398	333,702,209	12,501,867,622)	(3,182,253,652)	9,876,048,071	11,257,214,781
Total liabilities	1,524,434,756	63,169,296	2,138,609,878	1,933,707,557	4,111,550,528	3,184,817,478	789,854,882	459,964,759	1,005,147,882	816,663,385	1,227,890,105	98,867,898	229,446,172	243,562,938	(393,441,108)	(319,014,761)	10,633,493,095	6,481,738,550
Depreciation	2,519,997	2,166,203	87,495,130	72,055,748	278,082,142	247,861,473	45,040,823	48,045,109	51,601,587	29,593,876	-	-	8,075,352	12,356,539	(527,397)	(527,397)	472,287,634	411,551,551
Capital expenditure	1,621,712	1,839,112	48,032,064	133,052,952	1,190,678,543	741,531,516	11,055,245	27,422,147	248,855,613	181,313,571	-	-	-	3,496,188	-	-	1,500,243,177	1,088,655,486

Figures in brackets indicate deductions

The above figures are not audited

SUNSHINE HOLDINGS PLC

DISCONTINUED OPERATION

	Period ended 31st December 2017 Rs.	Period ended 31st December 2016 Rs.
Revenue	46,111,197	250,540,888
Cost of sales	(121,249,857)	(203,310,036)
Gross profit	(75,138,660)	47,230,852
Other income	(89,157,741)	4,796,959
Administration expenses	(34,450,409)	(27,561,477)
Selling & distribution expenses	(1,704,873)	(4,424,666)
Results from operating activities	(200,451,683)	20,041,668
Finance income	256,591	1,705,764
Finance cost	(10,232,570)	(14,898,492)
Net finance cost	(9,975,979)	(13,192,728)
Profit before tax	(210,427,662)	6,848,940
Income tax expense	-	(516,769)
Profit for the period	(210,427,662)	6,332,171

"Subsequent to the CSE announcements on 16th June 2017 and 30th August 2017, the board of directors of Sunshine Packaging Lanka Limited, fully owned subsidiary of Sunshine Holdings PLC, decided to discontinue the manufacturing operations with effect from 31st August 2017, and to classify its land and buildings as an investment property and stated at fair value."

NOTES TO THE ACCOUNTS

1 Corporate information

Sunshine Holdings PLC (the "Company") is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on Colombo Stock Exchange of Sri Lanka. The address of the Company's registered office is no. 60, Dharmapala Mawatha, Colombo 03.

The Group is primarily involved in the importing and selling of pharmaceuticals, managing portfolio of investments, cultivation and marketing of tea, rubber, palm oil and related products, manufacturing and selling of food and tea cans and generation of power.

2 Interim consolidated financial statements

The Interim Financial Statements for the nine months ended 31st December 2017, includes the "Company" referring to Sunshine Holdings PLC as the holding Company and the "Group" comprise the Company and subsidiary companies of Sunshine Healthcare Lanka Limited and its subsidiaries, Sunshine Packaging Lanka Limited, Sunshine Energy (Pvt) Limited and its subsidiaries, Estate Management Services (Pvt) Limited, Watawala Plantations PLC and its subsidiaries, and Watawala Tea Ceylon Limited.

Sunshine Holdings PLC (the Company) purchased 6,769,216 ordinary shares of Estate Management Services (Private) Limited (EMSPL) from Tata Global Beverages Limited, for a consideration of LKR 1,606,500,000 and the Company is the owner of 60% of the issued shares of EMSPL with effect from 28th December 2017. The profits attributable to the owners of the parent company is increased by 26.85%, which is consolidated with effect from 01st January 2018 onwards

3 Approval of financial statements

The Interim Financial Statements of the Group and the Company for the nine months ended 31st December 2017, were authorised for issue by the Board of Directors on 08th February 2018.

4 Basis of preparation

The Interim Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards with effect from 01st January 2014 (SLFRS/LKAS). There were no changes to the accounting policies and methods of computation since the publication of the Annual Report 2016/17. Further, these Financial Statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting". Previous period figures and phrases have been rearranged wherever necessary to conform to the current presentation.

5 Significant accounting policies**5.1 Basis of consolidation**

Subsidiaries are those entities controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration that substantive rights that give the ability to direct the activities of the subsidiaries.

"The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements from the date the control effectively commences until the date that control effectively ceases. Non-controlling interest is measured at the proportionate share of the acquiree's identifiable net assets. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

5.2 Property, plant & equipments**5.2.1 Recognition and measurement**

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses if any, whilst land is measured at fair value.

5.2.2 De-recognition

The carrying amount of an item of Property, plant & equipment is de-recognised on disposal; or when no future economic benefits are expected from its use. Gains and losses on de-recognition are recognised in income statement and gains are not classified as revenue. When re-valued assets are sold, any related amount included in the revaluation reserve is transferred to Retained Earnings.

5.2.3 Depreciation

Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment.

5.2.4 Biological assets

The Group recognise the biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and fair value or cost of the assets can be measured reliably.

Bearer biological assets

Tea, rubber, oil palm, caliadra, sundry crops and nurseries are classified as bearer biological assets. The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of Sri Lanka Accounting Standard LKAS 16 - Property Plant and Equipment as per the ruling issued by Institute of Chartered Accountants of Sri Lanka.

Consumable biological assets

Timber plantation is classified as consumable biological assets and is measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. The fair value of trees younger than five years cannot be reliably estimated and are carried at cost less impairment. The cost includes direct material, direct labour and appropriate proportion of directly attributable overheads. Gains or losses arising on initial recognition of timber plantations at fair values less costs to sell and from the change in fair values less costs of plantations at each reporting date are included in profit or loss for the period in which they arise. All costs incurred in maintaining the assets are included in Profit or Loss for the period in which they arise.

Livestock

Livestock is measured at their fair value less estimated point of sale costs. Changes in fair value of livestock are recognised in the income statement.

5.3 Investment properties

"Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are evaluated at least every 3 years by an accredited external, independent valuer. Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal."

5.4 Investments in subsidiaries

Quoted and unquoted investments in shares held on long term basis by the Company and Group are stated at cost less provision for diminution in value of investments.

NOTES TO THE ACCOUNTS

5.5 Other long term investments

Unquoted investments in shares held on long-term basis are stated at fair value at the financial position date.

5.6 Inventories

Inventories other than produce stock and nurseries are stated at the lower of cost or net realisable value, after making due allowances for obsolete and slow moving items. The Group uses weighted average cost formula and actual cost in assigning the cost of inventories. The cost includes expenses in acquiring stocks, production and conversion cost and other costs incurred in bringing them to their existing location and condition.

5.7 Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

a) Dividend income

Sunshine Holdings PLC's revenue comprises net dividends received from Group Companies and other equity investments. Dividend income is recognised in income statement on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

b) Perennial crops

Revenue from perennial crops are recognised in the year of harvesting. Revenue comprises of invoiced value of sales, net of brokerage, public sale expenses, and other levies related to turnover.

Sale of tea at auction

As per the Tea By-Laws and conditions issued by the Ceylon Tea Traders' Association (Section 17), the highest bidder (buyer) is accepted and a sale is completed at the fall of the hammer. The sale is recorded at the price and quantity agreed upon and raise the sale note.

Sale of rubber at auction

As per the Rubber By-Laws and conditions issued by the Colombo Rubber Traders' Association, the highest bidder (buyer) is accepted and a sale is completed at the fall of the hammer. The sale is recorded at the price and quantity agreed upon and raising the sale note.

Sale of palm oil

The revenue is recognised on invoicing and oil is ready for delivery.

Income from sale of trees

Revenue from the sale of timber/trees is recognised at the point that the legal ownership, risk of loss and the rewards have passed to the purchaser and the quantity sold is determinable.

Income from livestock

Revenue from the sale of livestock is measured at the fair value of the consideration received or receivable. Any increase or decrease in the fair value of livestock is recognised as revenue in the income statement under profit or loss.

c) Wholesale and retail revenue is recognized on an accrual basis at the point of invoicing

6 Comparatives

The presentation and classification of the Financial Statements of the previous periods have been amended, where relevant, for better presentation and to be comparable with those of the current period.

7 Events after the reporting date

No circumstance has arisen since the reporting date which would require adjustment to or disclosure in the financial statements.

8 Stated capital is represented by shares in issue as given below:

No. of shares as at	31st December 2017	31st March 2017	31st December 2016
Ordinary shares	136,492,280	135,140,986	135,140,986

9 Dividend

	Year ended 31st March		2015
	2017	2016	
Dividend paid (Rs)	168,926,233	141,898,035	128,383,937
No of ordinary shares	135,140,986	135,140,986	135,140,986
Dividend per share (cash)	1.25	1.05	0.95
Dividend per share (scrip)	0.50	-	-

10 Commitments & contingencies

There has not been significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2017.

11 Net assets per share

Net assets per share has been calculated, for all periods, based on the number of shares issued as at the reporting date.

12 The interim Financial Statements are not audited.

NOTES TO THE ACCOUNTS

SHAREHOLDER INFORMATION

Market price per share	Three months ended	Three months ended	Audited
	31st December 2017	31st December 2016	Year ended 31st March 2017
	Rs.	Rs.	Rs.
Highest price	58.00	54.50	58.80
Lowest price	48.00	46.00	45.00
Last traded price	57.00	46.60	46.10

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	31st December 2017		31st March 2017	
	No of Shares Held	%	No of Shares Held	%
Lamurep Investments Limited	67,343,470	49.34%	43,408,220	32.12%
Deepcar Limited	25,856,000	18.94%	25,600,000	18.94%
SBI Ven Holdings Pte Limited	14,998,500	10.99%	14,850,000	10.99%
Sampath Bank/Dr. T. Senthilvel	12,932,565	9.47%	15,501,605	11.47%
Ceylon Property Development Limited	3,030,000	2.22%	3,000,000	2.22%
J.B. Cocoshell (Pvt) Limited	2,312,663	1.69%	250,000	0.18%
GF Capital Global Limited	1,677,155	1.23%	1,561,540	1.16%
Deutsche Bank AG as Trustee to Candor Opportunitie	763,115	0.56%	550,000	0.41%
Nuwara Eliya Property Developers (pvt) Ltd	581,013	0.43%	575,261	0.43%
Mr.V.Govindasamy	447,763	0.33%	443,330	0.33%
Pershing LLC S/A Aerbach Grauson & Co	325,508	0.24%	322,286	0.24%
Cocoshell Activated Carbon Company Limited	288,555	0.21%	-	0.00%
Deutsche Bank AG Singapore Branch	280,000	0.21%	-	0.00%
E.W. Balasuriya & Co. (Pvt) Limited	276,989	0.20%	183,139	0.14%
Mr. R. Maheswaran	252,500	0.18%	250,000	0.18%
Miss A. Radhakrishnan	252,500	0.18%	250,000	0.18%
Miss M.P. Radhakrnan	252,500	0.18%	250,000	0.18%
Seylan Bank Ltd/ Govindasamy Ramanan	230,912	0.17%	-	0.00%
Life Insurance Corporation (Lanka) Ltd	170,500	0.12%	-	0.00%
HSBC Intl Nom Ltd-SSBT-Royce Global Value Trust,IN	158,150	0.12%	-	0.00%
Sub Total	132,430,358	97.02%	106,995,381	79.17%
Others	4,061,922	2.98%	28,145,605	20.83%
Total	136,492,280	100.00%	135,140,986	100.00%

PUBLIC SHARE HOLDING

	As at 31st December 2017	As at 31st March 2017
The percentage of shares held by the public	48.11%	7.01%
Number of shareholders representing public holding	1,491	1,376

The number of shares held by the Board of Directors are as follows:

	As at 31st December 2017	As at 31st March 2017
Mr.V.Govindasamy - Group Managing Director	447,763	443,330
Mr.G.Sathasivam	3,030	1,000
Mr.S.G.Sathasivam	1,010	1,000
Mr.B.A.Hulangamuwa	57,524	56,955
Mr.A.Talwatte	1,010	1,000

SUNSHINE HOLDINGS PLC

CORPORATE INFORMATION

Name of Company

Sunshine Holdings PLC

Legal Form

Public Limited Liability Company
(Incorporated in 1973 and listed in the
Colombo Stock Exchange)

Company Registration Number

PQ13

Principal Activities

Holding Company, carrying out investment in subsidiaries

Registered Office

No. 60, Dharmapala Mawatha, Colombo 03

Directors

Mr. Munir Shaikh - (Chairman)
Mr. G. Sathasivam
Mr. V. Govindasamy - (Group Managing Director)
Mr. B.A. Hulangamuwa
Mr. N.B. Weerasekera
Mr. S.G. Sathasivam
Mr. Harsha Abeywickrama
Ms. R. Kobbekaduwa - (Resigned with effect from 31st December 2017)
Mr. A. Talwatte
Mr. Amal Cabraal
Mr. S Shishoo (Appointed with effect from 18th December 2017)

Secretaries

Corporate Services (Private) Limited
No. 216, De Seram Place,
Colombo 10
Tel: 011 4 605 100

Auditors

KPMG
Chartered Accountants
32A, Sri Mohamed Macan Marker Mawatha,
Colombo 03

Lawyers

F J & G de Saram (Attorney-at-Law)
No.216, de Saram Place
Colombo 10

Nithya Partners

Attorneys-at-Law
No. 97/A, Galle Road
Colombo 03

Bankers

Hatton National Bank PLC
National Development Bank
MCB Limited

Credit Ratings

The Company has been assigned a national long-term rating of 'A-(lka)'; stable outlook by Fitch Ratings Lanka Limited