



INTERIM FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST MARCH 2018

SUNSHINE HOLDINGS PLC
GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The group reported a remarkable performance for the period ended 31st March 2018, with an increase of LKR 191.8 million (11.9% growth YoY) in Profit After Tax (PAT).

The Group recorded a consolidated revenue of LKR 21.2 billion for the year, a growth of LKR 2.34 billion (12.4% growth YoY). Group revenue was driven by Healthcare, Agri and Consumer goods sectors which contributed 38.0%, 33.9% and 25.1% respectively. Consumer Goods and Agri sectors have performed above expectations in terms of revenue by LKR 470.6 million (9.6%) and LKR 424.1 million (6.2%) respectively. Energy sector performance was satisfactory with the revenue increase of LKR 159.5 million (179.6% growth YoY) and the Healthcare sector has recorded an increase in revenue by LKR 299.1 million (3.8% growth YoY).

The gross profit margin for the year was at 25.4% compared to 25.2% in the previous year. The overall gross profit has improved by LKR 622.3 million up by 13.1%, compared to the previous year. The Group EBIT closed at LKR 2.58 billion against LKR 2.07 billion recorded in the previous year, up by 24.5% mainly due to the high rainfall contributed for Energy sector performance and also the fair value gain on investment properties, in the adoption of fair value model in the continuing operations at Sunshine Packaging Lanka Limited. The main contributors to the growth in Gross profit as well as the EBIT are the Consumer Goods and Energy sectors.

The Healthcare sector recorded revenue of LKR 8.2 billion, up by 3.8% over the previous year. The gross profit margin of the sector was steady and margin pressure prevailed throughout the year whilst the EBIT of the sector has increased by 21.0% that is LKR 72.1 million. The effect of the favourable performance is reflected by the favourable increase in PAT by LKR 60.3 million (30.5% growth YoY) to report a PAT of LKR 258.2 million.

The Agri revenue has notably increased by 11.8% to LKR 7.3 billion compared to the previous year. Despite a increase in gross profit by LKR 16.2 million, PAT has contracted marginally to report a PAT of LKR 1.2 billion.

The revenue growth of Consumer Goods sector is impressive at a rate of 27.7%, to achieve revenue of LKR 5.4 billion. The PAT has also increased by LKR 18.5 million (6.7% growth YoY) to LKR 293.8 million as opposed to LKR 275.3 million in the previous year.

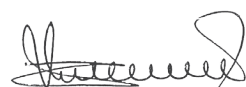
Power sector revenue increased by LKR 159.5 million to LKR 248.4 million from LKR 88.8 million due to high rainfall and the revenue generated from second hydropower project (Upper Waltrim) which commenced its operation in October 2016 resulting an increase in EBIT by LKR 123.7 million to report at LKR 122.0 million compared to the loss of LKR -1.7 million in the previous year.

Profits attributable to equity shareholders (PATMI) from continuing operations of Sunshine Holdings PLC increased significantly by LKR 265.6 million to stand at LKR 829.4 million for FY17/18. Further, compared to the previous year, the EPS has appreciated from LKR 4.13 to LKR 6.08.

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 detail of the Group's performance is available in the company website
(<http://www.sunshineholdings.lk/investor%20relations/index.php>)



V. Govindasamy
Group Managing Director
28th May 2018
Colombo

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited Year ended 31st March 2018 Rs	Audited Year ended 31st March 2017 Rs	Change %	Unaudited Quarter ended 31st March 2018 Rs	Audited Quarter ended 31st March 2017 Rs	Change %
Continuing operations						
Revenue	21,235,736,058	18,890,754,460	12	5,672,739,566	5,039,670,181	13
Cost of sales	(15,850,376,807)	(14,127,705,397)	12	(4,374,545,058)	(3,964,666,968)	10
Gross profit	5,385,359,251	4,763,049,063	13	1,298,194,508	1,075,003,213	21
Other income	540,184,670	233,935,405	131	198,498,624	115,004,424	73
Administration expenses	(1,934,801,279)	(1,905,872,448)	2	(513,527,142)	(527,899,504)	(3)
Selling & distribution expenses	(1,410,714,406)	(1,018,128,745)	39	(392,053,552)	(233,269,063)	68
Results from operating activities	2,580,028,236	2,072,983,275	24	591,112,438	428,839,070	38
Finance income	210,384,328	192,356,996	9	45,986,412	55,471,704	(17)
Finance cost	(366,557,555)	(222,486,761)	65	(140,283,334)	(70,434,379)	99
Net finance cost	(156,173,227)	(30,129,765)	418	(94,296,922)	(14,962,675)	530
Share of profit of equity accounted investees	(1,040,385)	-	-	(1,040,385)	-	-
Profit before tax	2,422,814,624	2,042,853,510	19	495,775,131	413,876,395	20
Income tax expense	(618,292,028)	(430,088,964)	44	(331,501,724)	(132,822,114)	150
Profit for the year	1,804,522,596	1,612,764,546	12	164,273,407	281,054,281	(42)
Discontinued operation						
Profit or (loss) on discontinued operation, net of tax	(210,824,830)	8,456,167		(397,168)	2,123,996	
Other comprehensive income						
Fair value change in available for sales financial assets	34,873,189	6,983,422	-	34,873,189	6,983,422	-
Exchange gain/(loss) on translation of foreign operation	362,529	-	-	362,529	-	-
Defined benefit plan actuarial gain/(loss)	37,314,385	98,789,460	-	1,658,908	98,789,460	-
Tax on other comprehensive income	(3,647,362)	(11,059,429)	-	(267,110)	(11,059,429)	-
Total other comprehensive income for the year	68,902,741	94,713,453	-	36,627,516	94,713,453	-
Total comprehensive income for the year	1,662,600,507	1,715,934,166	(3)	200,503,755	377,891,730	(47)
Profit attributable to:						
Continuing operations						
Owners of the parent company	829,362,966	563,802,278	47	116,245,866	123,432,803	(6)
Non-controlling interest	975,159,630	1,048,962,268	(7)	48,027,541	157,621,478	(70)
Discontinued operation						
Owners of the parent company	(210,824,830)	8,456,167	n/a	(397,168)	2,123,996	n/a
Non-controlling interest	-	-	-	-	-	-
Other comprehensive income attributable to:						
Owners of the parent company	45,881,233	33,761,141	n/a	37,934,779	33,761,141	-
Non-controlling interest	23,021,508	60,952,312	n/a	(1,307,263)	60,952,312	-
Total comprehensive income for the year	1,662,600,507	1,715,934,166	(3)	200,503,755	377,891,730	(47)
Basic earnings per share from continuing operations	6.08	4.13		0.85	0.90	
Basic earnings per share from discontinued operation	(1.54)	0.06		(0.00)	0.02	
	4.54	4.19		0.85	0.92	

Figures in brackets indicate deductions.

n/a - not applicable

The above figures are not audited

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited	Audited	Change	Unaudited	Audited	Change
	Year ended	Year ended		Quarter ended	Quarter ended	
	31st March 2018	31st March 2017		31st March 2018	31st March 2017	
	Rs	Rs	%	Rs	Rs	%
Revenue	395,125,164	414,779,815	(5)	172,738,673	93,667,536	84
Cost of sales	(54,525,642)	(153,907,783)	n/m	(8,629,714)	(14,036,896)	n/m
Gross profit	340,599,522	260,872,032	31	164,108,959	79,630,640	106
Other income	251,875,699	149,419,482	n/m	67,489,215	38,135,462	n/m
Administration expenses	(401,589,825)	(281,043,841)	43	(99,820,950)	(84,438,666)	18
Impairment of investment in subsidiary	(67,972,645)	(21,842,817)	211	-	(21,842,817)	-
Results from operating activities	122,912,751	107,404,856	14	131,777,224	11,484,619	1,047
Finance income	67,426,610	85,731,746	(21)	13,058,577	21,981,828	(41)
Finance cost	(41,781,020)	(2,335,771)	1,689	(40,783,337)	(1,402,436)	2,808
Net finance cost	25,645,590	83,395,975	(69)	(27,724,760)	20,579,392	(235)
Profit before tax	148,558,341	190,800,831	(22)	104,052,464	32,064,011	225
Income tax expense	-	(342,692)	-	-	963,605	(100)
Profit for the year	148,558,341	190,458,139	(22)	104,052,464	33,027,616	215
Other comprehensive income						
Fair value change in available for sales financial assets	34,873,189	6,983,422	399	34,873,189	6,983,422	399
Defined benefit plan actuarial gain/(loss)	889,542	(14,601)	(6,192)	889,542	(14,601)	(6,192)
Total other comprehensive income for the year	35,762,731	6,968,821		35,762,731	6,968,821	-
Total comprehensive income for the year	184,321,072	197,426,960	(7)	139,815,195	39,996,437	250
Basic earnings per share from continuing operations	1.09	1.40		0.76	0.24	

Figures in brackets indicate deductions.
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n/a - not applicable

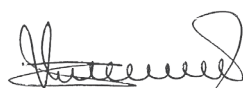
STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 31st March 2018 Rs	Audited As at 31st March 2017 Rs
ASSETS		
Non current assets		
Property, plant and equipment	5,451,893,463	4,754,397,651
Leasehold right to bare land	190,997,000	198,473,000
Biological assets	4,379,456,000	3,629,026,000
Investment property	327,205,000	-
Intangible assets	215,178,822	168,765,418
Investment in associates	7,959,615	-
Other investments	653,396,456	636,733,332
Investment fund	288,595,000	258,319,000
Deferred tax assets	73,661,838	75,590,768
Total non-current assets	11,588,343,194	9,721,305,169
Current assets		
Non current assets held for sales	53,813,314	-
Inventories	3,970,538,868	3,141,301,725
Biological assets-growing crops on bearer plants	49,033,962	35,757,000
Current tax assets	12,267,362	14,631,908
Trade & other receivables	3,241,398,411	3,060,992,146
Amounts due from related parties	4,639,556	83,466,589
Cash & cash equivalent	1,374,218,432	1,876,004,662
Total current assets	8,705,909,905	8,212,154,030
Total assets	20,294,253,099	17,933,459,199
EQUITY AND LIABILITIES		
Equity		
Stated capital	798,504,357	730,939,657
Reserves	390,893,754	331,838,036
Retained earnings	5,185,526,424	5,186,946,893
Equity attributable to owners of the company	6,374,924,536	6,249,724,586
Non-controlling interests	3,427,198,621	5,340,766,263
Total equity	9,802,123,157	11,590,490,849
Non-current liabilities		
Loans and borrowings	3,572,013,985	1,226,846,031
Employee benefits	1,062,640,865	1,085,479,743
Deferred income and capital grants	377,516,000	193,528,000
Deferred tax	450,547,170	333,473,307
Total non-current liabilities	5,462,718,020	2,839,327,081
Current liabilities		
Bank overdraft	927,663,776	711,424,579
Current tax liabilities	168,509,469	214,132,832
Loans and borrowings	808,963,649	357,644,252
Trade and other payables	3,122,273,801	2,220,439,606
Amounts due to related parties	2,001,227	-
Total current liabilities	5,029,411,922	3,503,641,269
Total equity and liabilities	20,294,253,099	17,933,459,199
Net asset value per share (Rs.)	46.33	46.25

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



Chairman
28th May 2018
Colombo



Group Managing Director



Group Chief Financial Officer

STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 31st March 2018 Rs	Audited As at 31st March 2017 Rs
ASSETS		
Non-current assets		
Property, Plant and Equipment	3,290,687	5,901,315
Intangible assets	780,372	1,533,497
Investment in subsidiaries	3,017,900,921	1,376,748,442
Investment in associate	9,000,000	-
Other investments	642,633,456	625,970,332
Total non-current assets	3,673,605,436	2,010,153,586
Current assets		
Current tax assets	3,158,748	3,158,748
Trade & other receivables	59,406,436	45,161,397
Amounts due from related parties	170,891,162	191,996,509
Cash & cash equivalent	526,335,611	731,712,191
Total current assets	759,791,957	972,028,845
Total assets	4,433,397,393	2,982,182,431
EQUITY AND LIABILITIES		
Equity		
Stated capital	798,504,357	730,939,657
Reserves	364,012,083	329,138,894
Retained earnings	1,767,356,201	1,854,405,044
Equity attributable to owners of the company	2,929,872,641	2,914,483,595
Non-controlling interests	-	-
Total equity	2,929,872,641	2,914,483,595
Non-current liabilities		
Employee benefits	78,399,096	51,881,378
Interest bearing borrowings	1,143,330,000	-
Deferred tax	-	-
Total non-current liabilities	1,221,729,096	51,881,378
Current liabilities		
Bank overdraft	-	-
Current tax liabilities	-	-
Interest bearing borrowings	256,670,000	-
Trade and other payables	25,125,656	15,817,458
Amounts due to related parties	-	-
Total current liabilities	281,795,656	15,817,458
Total equity and liabilities	4,433,397,393	2,982,182,431


Net asset value per share (Rs.)

21.47

21.57

Figures in brackets indicate deductions.

The above figures are not audited


Chairman
28th May 2018
Colombo


Group Managing Director


Group Chief Financial Officer

SUNSHINE HOLDINGS PLC

FOR THE YEAR ENDED 31ST MARCH 2018

Attributable to owners of the company

STATEMENT OF CHANGES IN EQUITY - GROUP

	Stated capital	Capital accre- tion reserve	Reserve on exchange gain/ loss	General reserve	Fair value gain or loss reserve on AFS	Reserve on Re-arrange- ment	Retained earnings	Total	Non-control- ling 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 year										
Profit for the year from continuing operations							563,802,278	563,802,278	1,048,962,268	1,612,764,546
Profit for the year from discontinued operations							8,456,167	8,456,167	-	8,456,167
Total other comprehensive income for the the year					6,983,422		26,777,719	33,761,141	60,952,312	94,713,453
Total comprehensive income for the year					6,983,422	-	599,036,164	606,019,586	1,109,914,580	1,715,934,166
Capital accretion reserve transfer to general reserve		(399,837)		399,837						
Transactions with owners of the company										
Share issues		-		-			-	-	348,789,860	348,789,860
Effect on percentage change in holding of Energy Group							4,013,515	4,013,515	(4,013,515)	-
Dividend payment for 2015/16							(141,898,035)	(141,898,035)	(282,481,955)	(424,379,990)
Total contributions by and distributions to owners of the company	-	-	-	-	-	-	(137,884,520)	(137,884,520)	62,294,390	(75,590,130)
Balance as at 31st March 2017	730,939,657	-	-	1,257,725	330,580,311	-	5,186,946,893	6,249,724,586	5,340,766,263	11,590,490,849
Total Comprehensive Income for the balance period										
Profit for the year from continuing operations							829,362,966	829,362,966	975,159,630	1,804,522,596
Profit for the year from discontinued operations							(210,824,830)	(210,824,830)	-	(210,824,830)
Total other comprehensive income for the the year			217,517		34,873,189		10,790,527	45,881,233	23,021,508	68,902,741
Total comprehensive income for the for the year	-	-	217,517	-	34,873,189	-	629,328,663	664,419,369	998,181,138	1,662,600,507
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 for the balance period										
Share issues	67,564,700							67,564,700	89,042,599	156,607,299
Effect on percentage change in holding of EMSPL Group							(330,574,954)	(330,574,954)	(1,275,925,046)	(1,606,500,000)
Re-purchase of shares by Estate Management Services							-	-	(1,350,000,000)	(1,350,000,000)
Effect of percentage change in EMSPL Group due to share repurchase							(83,390,066)	(83,390,066)	83,390,066	-
Re-purchase of shares by Watawala Plantations PLC							-	-	(193,546,782)	(193,546,782)
Effect of percentage change in WPL group due to share repurchase							(37,792,518)	(37,792,518)	37,792,518	-
Opening stock adjustment in Hatton Plantations PLC							(12,273,910)	(12,273,910)	(14,767,090)	(27,041,000)
Effect on percentage change in holding of Energy Group							(370,354)	(370,354)	370,354	-
Dividend payment for 2016/17							(236,496,726)	(236,496,726)	(193,990,990)	(430,487,716)
Balance as at 31st March 2018	798,504,357	-	217,517	1,257,725	365,453,500	23,965,012	5,185,526,424	6,374,924,536	3,427,198,621	9,802,123,157

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC

FOR THE YEAR ENDED 31ST MARCH 2018

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 year						
Profit for the year					190,458,139	190,458,139
Total other comprehensive income for the year		6,983,422			(14,601)	6,968,821
Total comprehensive income for the year		6,983,422			190,443,538	197,426,960
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 March 2017	730,939,657	327,881,169	-	1,257,725	1,854,405,044	2,914,483,595
Total comprehensive income for the balance period						
Profit for the year					148,558,341	148,558,341
Total other comprehensive income for the year		34,873,189			889,542	35,762,731
Total comprehensive income for the year		34,873,189			149,447,883	184,321,072
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 March 2018	798,504,357	362,754,358	-	1,257,725	1,767,356,201	2,929,872,641

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

STATEMENT OF CASH FLOWS - GROUP

	Unaudited	Audited
	Year ended	Year ended
	31st March 2018	31st March 2017
	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax (note 01)	2,211,989,794	2,051,546,620
Adjustments for;		
Interest income	(210,641,202)	(195,050,401)
Dividend income	(5,188,091)	-
Write-off of property, plant and equipment	343,006	-
Share of profit of equity accounted associate	1,040,385	-
Profit on sale of property, plant & equipment	(22,869,231)	(19,842,013)
Provision for other receivable	5,190,824	-
Gain/(loss) on fair value of biological assets	(30,745,000)	(6,161,000)
Interest expense	378,837,123	222,486,761
Depreciation & amortization	641,938,041	554,411,291
Opening stock adjustment	(27,041,000)	-
Fair value adjustment in loan	(3,295,000)	-
(Profit)/ loss on disposal of investments	-	1,085,114
Biological assets-growing crops on bearer plants	(13,276,962)	(35,757,000)
Fair value (gain) or loss on quoted shares	1,131,063	9,113,674
Impairment losses and write-down of biological assets	2,687,000	-
Provision / (reversal) for bad and doubtful debts	29,133,824	1,271,972
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	(56,996,000)	(10,041,000)
Amortization of leasehold rights	7,476,000	7,035,000
Profit on sale of consumable biological assets	(72,625,000)	(20,320,000)
Fair value (gain)/ loss livestock	(31,785,000)	2,591,000
Gratuity (payments) /receipts on staff transfer	(224,021)	-
Exchange (gain)/ loss on foreign operations	362,529	-
Provision gratuity excluding actuarial gain/(loss)	160,831,128	206,880,210
Operating profit before working capital changes	2,909,955,095	2,769,250,228
(Increase)/decrease in inventories	(829,237,143)	(249,128,686)
(Increase)/Decrease in trade and other receivables	(285,504,105)	(684,549,078)
(Increase)/decrease in amounts due from related parties	78,827,033	495,733
Increase/(Decrease) in trade and other payables	901,834,195	(64,263,042)
Increase/(decrease) in amounts due to related parties	2,001,227	(1,377,033)
Cash generated from/ (used in) operations	2,777,876,302	1,770,428,122
Interest paid	(378,837,123)	(222,486,761)
Income tax paid	(546,195,414)	(280,902,593)
Gratuity paid	(146,131,600)	(149,790,009)
Net cash / (used in) operating activities	1,706,712,165	1,119,942,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	210,641,202	195,050,401
Dividend income	5,188,091	-
(Investments)/ disposal in other investments	17,079,001	658,001,450
Acquisition of EMSPL from TATA	(1,606,500,000)	-
Investment in associates	(9,000,000)	-
Investments in investment fund	(30,276,000)	(23,950,000)
Immature plantations expenditure	(388,927,000)	(350,708,000)
Investment in live stock	(241,889,000)	-
Acquisition of property, plant & equipment	(1,440,069,281)	(1,199,366,160)
Acquisition of intangible assets	(65,178,862)	(109,537,315)
Proceeds from disposal of property, plant & equipment	141,839,104	69,688,898
Net Cash used in Investing activities	(3,407,092,745)	(760,820,726)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issued by subsidiary to NCI	89,042,599	348,789,860
Re-purchase of shares by subsidiary	(1,543,546,782)	-
Receipts of interest bearing borrowings	5,488,458,921	474,783,208
Repayment of interest bearing borrowings	(2,672,938,981)	(620,577,585)
Lease rentals paid	(15,737,588)	(12,382,244)
Dividend paid	(168,932,026)	(141,898,035)
Payment to non controlling interest shareholders	(193,990,990)	(282,481,955)
Net cash from / (used in) financing activities	982,355,153	(233,766,751)
Net increase/(decrease) in cash and cash equivalents	(718,025,427)	122,661,282
Cash and cash equivalents at the beginning of the year	1,164,580,083	1,041,918,801
Cash and cash equivalents at the end of the year	446,554,656	1,164,580,083
Cash and cash equivalents		
Cash in hand & bank	1,374,218,432	1,876,004,662
Bank overdraft	(927,663,776)	(711,424,579)
	446,554,656	1,164,580,083
Note 01		
Profit before income tax		
Profit before tax - continuing operations	2,422,814,624	2,042,853,510
Profit before tax - discontinued operations	(210,824,830)	8,693,110
	2,211,989,794	2,051,546,620

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

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Year ended 31st March 2018 Rs	Audited Year ended 31st March 2017 Rs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	148,558,341	190,800,831
Adjustments for;		
Interest income	(67,426,610)	(85,731,746)
Interest expense	41,781,020	2,335,771
Fair value (gain) or loss on quoted shares	1,131,063	9,113,674
Depreciation	3,292,269	2,938,950
Write-off of property, plant and equipment	343,006	-
Provision for other receivable	5,190,824	-
Profit on sale of property, plant & equipment	(1,733,615)	-
(Profit)/ loss on disposal of investments		920,612
Gratuity (payments) /receipts on staff transfer	14,944,783	
Impairment of investment	67,972,645	21,842,817
Provision for gratuity	12,633,327	8,668,251
Operating profit before working capital changes	226,687,053	150,889,160
(Increase)/decrease in trade and other receivables	(19,435,862)	(6,987,089)
(Increase)/decrease in amounts due from related parties	21,105,347	16,408,410
Increase/(decrease) in trade and other payables	9,308,198	4,082,397
Increase/(decrease) in amounts due to related parties	-	(1,360,403)
Cash generated from/ (used in) operations	237,664,735	163,032,475
Interest paid	(41,781,020)	(2,335,771)
Income tax paid	-	(938,743)
Employee benefits paid	(170,850)	-
Net cash / (used in) operating activities	195,712,865	159,757,961
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	67,426,610	85,731,746
Investments in subsidiaries	(1,709,125,124)	(357,219,280)
(Investments)/ disposal in other investments	17,079,001	93,404,450
Investments in associate	(9,000,000)	
Acquisition of intangible assets	-	(90,000)
Proceed from disposal of property, plant & equipment	3,323,477	-
Acquisition of property, plant & equipment	(1,861,384)	(2,014,095)
Net cash used in investing activities	(1,632,157,420)	(180,187,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of interest bearing borrowings	1,400,000,000	
Dividend paid	(168,932,026)	(141,898,035)
Net Cash from / (used in) Financing Activities	1,231,067,974	(141,898,035)
Net increase/(decrease) in cash and cash equivalents	(205,376,580)	(162,327,253)
Cash and cash equivalents at the beginning of the year	731,712,191	894,039,444
Cash and cash equivalents at the end of the year	526,335,611	731,712,191
Cash and cash equivalents		
Cash in hand & bank	526,335,611	731,712,191
Bank overdraft	-	-
	526,335,611	731,712,191

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

SUNSHINE HOLDINGS PLC
FOR THE YEAR ENDED 31ST MARCH

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group				
	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018	Rs. 2017	Rs. 2018		
REVENUE	395,125,164	414,779,815	8,161,804,449	7,862,698,302	7,265,782,000	6,501,765,000	5,381,457,699	4,212,730,806	246,380,460	88,848,902	-	2,730,000	-	(219,543,714)	(190,068,365)	21,235,736,058	18,890,754,460				
RESULT																					
Profit from operating activities	122,812,751	107,404,856	415,578,251	343,479,614	1,566,278,000	1,493,701,000	394,550,567	302,828,499	121,966,917	(1,687,335)	1,192,415,650	462,151,138	129,822,307	(1,363,496,207)	(634,894,497)	2,580,028,236	2,072,983,275				
Net finance cost	25,645,590	83,395,975	(23,224,729)	(39,910,527)	(12,495,000)	(47,620,000)	(49,943,872)	9,126,717	(73,349,770)	(32,482,941)	(18,368,250)	813,528	(3,437,196)	-	-	(156,173,227)	(30,129,765)				
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,040,385)	-	(1,040,385)	-				
Income tax expense	-	(342,682)	(134,164,469)	(105,654,205)	(374,284,000)	(220,422,000)	(50,812,107)	(36,644,617)	(677,243)	(910,019)	(3,331,001)	(3,097,980)	2,130,720	(1,659,318)	(61,368,133)	(618,292,028)	(430,088,964)				
Profit for the year	148,558,341	190,458,139	258,189,053	197,914,882	1,179,499,000	1,225,659,000	293,794,588	275,310,599	47,939,904	(35,080,295)	1,169,716,399	459,876,686	128,515,831	(5,111,835)	(696,262,630)	1,804,522,596	1,612,764,546				
Discontinued operation									(210,824,830)	8,456,167						(210,824,830)	8,456,167				
Other comprehensive income	35,762,731	6,988,821	4,141,226	6,281,962	32,276,000	83,759,000	(3,091,195)	(2,564,930)	(186,021)	(221,312)	6,883,261,978	-	-	469,912	(6,883,261,978)	68,902,741	94,713,453				
Total comprehensive income	184,321,072	197,426,960	262,330,279	204,196,844	1,211,775,000	1,309,418,000	290,703,393	272,745,669	47,753,883	(35,301,607)	8,052,978,377	459,876,686	(82,308,959)	3,834,244	(8,304,952,498)	1,662,600,507	1,715,934,166				

OTHER INFORMATION

Segment assets	4,433,397,393	2,982,182,431	5,103,639,809	4,068,579,098	10,241,154,962	9,112,527,000	1,528,209,801	1,502,994,566	1,664,890,132	1,376,305,274	8,664,470,059	2,006,744,268	482,557,466	589,845,097	(11,824,066,523)	(3,705,718,535)	20,294,253,089	17,933,459,199		
Equity & reserves	2,929,672,641	2,914,483,595	2,412,772,361	2,265,442,062	5,566,410,943	6,050,134,661	1,015,537,749	831,334,362	819,931,504	580,665,352	8,440,803,356	1,831,230,364	252,348,255	334,657,254	(11,655,563,652)	(3,317,456,821)	9,802,123,157	11,590,490,849		
Total liabilities	1,503,524,752	67,698,836	2,690,867,448	1,803,137,016	4,654,744,019	3,062,392,339	512,672,052	671,660,204	844,958,628	795,639,922	223,866,703	75,513,904	230,209,211	255,187,843	(168,597,871)	(388,261,714)	10,492,129,942	6,342,968,350		
Depreciation	3,292,269	2,938,950	116,522,999	105,370,777	386,860,000	313,073,000	59,102,177	70,784,345	68,692,368	46,385,540	-	-	8,075,351	16,558,680	(627,123)	(700,001)	641,938,041	554,411,291		
Capital expenditure	1,861,384	2,104,095	131,943,340	190,341,300	1,637,888,000	1,106,155,000	12,343,720	36,800,747	352,027,699	321,008,745	-	-	-	3,201,588	-	-	2,136,064,143	1,859,611,475		

Figures in brackets indicate deductions
The above figures are not audited

SUNSHINE HOLDINGS PLC

DISCONTINUED OPERATION

	Unaudited Year ended 31st March 2018 Rs.	Audited Year ended 31st March 2017 Rs.
Revenue	48,337,050	325,814,596
Cost of sales	(123,277,232)	(261,487,140)
Gross profit	(74,940,182)	64,327,456
Other income	(87,794,965)	6,149,929
Administration expenses	(34,459,220)	(37,234,648)
Selling & distribution expenses	(1,607,769)	(8,587,797)
Results from operating activities	(198,802,136)	24,654,940
Finance income	256,874	2,693,405
Finance cost	(12,279,568)	(18,655,235)
Net finance cost	(12,022,694)	(15,961,830)
Profit before tax	(210,824,830)	8,693,110
Income tax expense	-	(236,943)
Profit for the period	(210,824,830)	8,456,167

"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 year ended 31st March 2018, 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 year ended 31st March 2018, were authorised for issue by the Board of Directors on 28th May 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, caliandra, 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

Subsequent to the reporting period, the Company has obtained a long term loan, amounting to US \$ 9.15 million for a tenure of five years commencing from 12th April 2018, from the Standard Chartered Bank, Mauritius in order to minimize the finance costs. As a risk mitigation strategy, the Company has entered into a 'Cross Currency Swap' with the Standard Chartered Bank, Sri Lanka branch to fix the US Dollar exchange rate and the interest rate for a period of three years. The Company has the option of making an early settlement of the US Dollar loan, fully or partly, after completion of three years tenure without any penalty.

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 March 2018	31st March 2017	31st March 2017
Ordinary shares	136,492,280	135,140,986	135,140,986

9 Dividend

	Year ended 31st March		
	2017	2016	2015
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 March 2018	31st March 2017	Year ended 31st March 2017
	Rs.	Rs.	Rs.
Highest price	60.00	55.00	58.80
Lowest price	54.00	45.00	45.00
Last traded price	56.10	46.10	46.10

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	31st March 2018		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	10,026,767	7.35%	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 - National Equity Fund	1,200,000	0.88%	-	0.00%
Deutsche Bank AG as Trustee to Candor Opportunitie	800,000	0.59%	550,000	0.41%
Mr. P.H.A.K. Fernando	650,506	0.48%	-	0.00%
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%
Mrs. N.C. Madanayake	280,000	0.21%	-	0.00%
Mr. U.G. Madanayake	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%
Sub Total	131,159,889	96.09%	106,745,381	78.99%
Others	5,332,391	3.91%	28,395,605	21.01%
Total	136,492,280	100.00%	135,140,986	100.00%

PUBLIC SHARE HOLDING

	As at 31st March 2018	As at 31st March 2017
The percentage of shares held by the public	48.13%	7.01%
Number of shareholders representing public holding	1,612	1,376

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

	As at 31st March 2018	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
Mr. A. Talwatte
Mr. Amal Cabraal
Mr. S Shishoo

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 Bank Limited
Standard Chartered Bank

Credit Ratings

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