



INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
31ST DECEMBER 2018

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 16.7 billion for the nine months ended 31st December 2018 (9MFY18/19), up by LKR 1.1 billion or 7.3% YoY compared to the same period last year. The Group revenue which predominantly includes revenue from Healthcare, Consumer goods and agribusiness sectors, contributed 40.3%, 25.9% and 30.7% respectively. Consumer goods and Healthcare sectors recorded significant YoY growth at 13.9% YoY and 12.8% YoY respectively against the same period last year, despite a dip in the Agri sector, where revenue contracted by LKR 189 million (3.5% degrowth YoY).

The gross profit margin for 9MFY18/19 was at 26.7% compared to 26.3% in the same period last year. The gross profit improved by LKR 374 million which is up by 9.1% YoY compared to the same period previous year backed by the significant contribution from the consumer goods sector. The Group EBIT closed at LKR 2.1 billion with a slight increase of 4.1% YoY.

The Healthcare sector recorded revenue of LKR 6.8 billion in 9MFY18/19, an increase of 12.8% YoY over the same period last year. Whilst the margin pressure prevailed during the period under review mainly due to devaluation of Sri Lanka Rupee (LKR) along with the price controls in the Healthcare business, the EBIT and Profit after Tax (PAT) stood at LKR 331 million and LKR 218 million respectively.

The Consumer Goods sector reported strong growth of 13.9% YoY, to achieve a revenue of LKR 4.4 billion. The PAT increased by LKR 186 million (90.4% growth YoY) to LKR 391 million due to better margins against same period last year. The Agri sector performance was lesser than expectation during the nine months under review due to the drop-in revenue by LKR 189 million YoY (3.5% declined YoY) due to unfavorable weather conditions affecting the tea sub sector. The Gross Profit has decreased accordingly by LKR 183 million YoY (13.4% declined YoY), compared to the same period last year.

Power sector has outperformed with a revenue of LKR 311 million over LKR 107 million due to higher rain falls in the catchment areas. This has resulted in an increase in PAT to LKR 165 million compared to LKR 57 million in the same period last year.

Group PAT amounted to LKR 1,308 million in 9MFY18/19 compared to LKR 1,638 million reported during the same period last year. Profits attributable to equity shareholders (PATMI) of Sunshine Holdings PLC increased by 36.9% YoY to LKR 700 million for 9MFY18/19

Further details of the Group's performance is available in the company website.

(<http://www.sunshineholdings.lk/investor%20relations/index.php>)

V. Govindasamy
Group Managing Director
12th February 2019
Colombo

STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited			Audited
	Period ended	Period ended	Change	Quarter ended	Quarter ended	Change	Year ended
	31st December 2018 Rs	31st December 2017 Rs	%	31st December 2018 Rs	31st December 2017 Rs	%	31st March 2018 Rs
Continuing operations							
Revenue	16,706,617,148	15,562,996,492	7	5,792,026,915	5,234,918,378	11	21,235,736,058
Cost of sales	(12,245,640,027)	(11,475,831,749)	7	(4,183,927,151)	(3,800,088,263)	10	(15,850,376,807)
Gross profit	4,460,977,121	4,087,164,743	9	1,608,099,764	1,434,830,115	12	5,385,359,251
Other income	298,380,952	341,686,046	(13)	75,614,868	78,202,726	(3)	540,184,670
Administration expenses	(1,415,833,514)	(1,421,274,137)	(0)	(341,191,027)	(346,915,186)	(2)	(1,934,801,279)
Selling & distribution expenses	(1,273,040,627)	(1,018,660,854)	25	(570,104,548)	(469,430,656)	21	(1,410,714,406)
Results from operating activities	2,070,483,932	1,988,915,798	4	772,419,057	696,686,998	11	2,580,028,236
Finance income	203,748,705	164,397,916	24	93,194,986	62,559,296	49	210,384,328
Finance cost	(412,550,125)	(226,274,221)	82	(161,590,438)	(99,532,115)	62	(366,557,555)
Net finance cost	(208,801,420)	(61,876,305)	237	(68,395,452)	(36,972,819)	85	(156,173,227)
Share of profit of equity accounted investees	(4,595,007)	-	-	(1,398,472)	-	-	(1,040,385)
Profit before tax	1,857,087,504	1,927,039,493	(4)	702,625,132	659,714,180	7	2,422,814,624
Income tax expense	(548,491,105)	(288,910,683)	90	(198,014,716)	(170,804,371)	16	(618,292,028)
Profit for the period	1,308,596,399	1,638,128,810	(20)	504,610,416	488,909,809	3	1,804,522,596
Discontinued operation							
Profit or (loss) on discontinued operation, net of tax	(24,161,124)	(210,427,662)		(3,933,557)	(15,323,724)		(210,824,830)
Other comprehensive income							
Fair value change in available for sales financial assets							34,873,189
Exchange gain/(Loss) on foreign operation translation	4,421,691	-	-	3,640,184	-	-	362,529
Defined benefit plan actuarial gain/(loss)	-	35,655,477	-	-	(9,625,382)	-	37,314,385
Tax on other comprehensive income	-	(3,380,252)	-	-	2,673,696	-	(3,647,362)
Total other comprehensive income for the period	4,421,691	32,275,225	-	3,640,184	(6,951,686)	-	68,902,741
Total comprehensive income for the period	1,288,856,966	1,459,976,373	(12)	504,317,043	466,634,399	8	1,662,600,507
Profit attributable to:							
Continuing operations							
Owners of the parent company	721,472,395	713,852,277	1	277,807,882	181,967,643	53	829,362,966
Non-controlling interest	587,124,003	924,276,533	(36)	226,802,533	306,942,166	(26)	975,159,630
Discontinued operation							
Owners of the parent company	(24,161,124)	(210,427,662)	n/a	(3,933,557)	(15,323,724)	n/a	(210,824,830)
Non-controlling interest	-	-	-	-	-	-	-
Other comprehensive income attributable to:							
Owners of the parent company	2,653,015	7,946,454	n/a	2,184,111	(7,069,139)	-	45,881,233
Non-controlling interest	1,768,677	24,328,771	n/a	1,456,074	117,453	-	23,021,508
Total comprehensive income for the period	1,288,856,966	1,459,976,373	(12)	504,317,043	466,634,399	8	1,662,600,507
Basic earnings per share from continuing operations	5.03	5.23		1.87	1.33		6.08
Basic earnings per share from discontinued operation	(0.17)	(1.54)		(0.02)	(0.11)		(1.54)
	4.87	3.69		1.85	1.22		4.54

Figures in brackets indicate deductions.

The above figures are not audited

n/a not applicable

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited			Unaudited			Audited
	Period ended	Period ended	Change	Quarter ended	Quarter ended	Change	Year ended
	31st December 2018	31st December 2017	%	31st December 2018	31st December 2017	%	31st March 2018
	Rs	Rs	%	Rs	Rs	%	Rs
Revenue	194,793,381	222,386,491	(12)	102,570,614	81,358,729	26	395,125,164
Cost of sales	(37,452,248)	(45,895,928)	(18)	(13,157,621)	(26,045,003)	(49)	(54,525,642)
Gross profit	157,341,133	176,490,563	(11)	89,412,993	55,313,726	62	340,599,522
Other income	206,118,745	184,386,484	12	76,801,255	67,271,840	14	251,875,699
Administration expenses	(288,491,171)	(301,768,875)	(4)	(100,795,956)	(104,290,080)	(3)	(401,589,825)
Impairment of investment in subsidiary	(60,000,000)	(67,972,645)	-	(20,000,000)	-	-	(67,972,645)
Results from operating activities	14,968,707	(8,864,473)	(269)	45,418,292	18,295,486	148	122,912,751
Finance income	81,352,221	54,368,033	50	32,125,538	13,907,557	131	67,426,610
Finance cost	(133,319,001)	(997,683)	13,263	(45,126,920)	(585,048)	7,613	(41,781,020)
Net finance cost	(51,966,781)	53,370,350	(197)	(13,001,383)	13,322,509	(198)	25,645,590
Profit before tax	(36,998,074)	44,505,877	(183)	32,416,909	31,617,995	3	148,558,341
Income tax expense	-	-	-	-	-	-	-
Profit for the period	(36,998,074)	44,505,877	(183)	32,416,909	31,617,995	3	148,558,341
Other comprehensive income							
Fair value change in available for sales financial assets	-	-	-	-	-	-	34,873,189
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	889,542
Total other comprehensive income for the period	-	-	-	-	-	-	35,762,731
Total comprehensive income for the period	(36,998,074)	44,505,877	(183)	32,416,909	31,617,995	3	184,321,072
Basic earnings per share from continuing operations	(0.26)	0.33		0.24	0.23		1.09

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

STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 31st December 2018 Rs	Audited As at 31st March 2018 Rs
ASSETS		
Non current assets		
Property, plant and equipment	5,572,945,518	5,451,893,463
Leasehold right to bare land	185,840,562	190,997,000
Biological assets	4,646,014,394	4,379,456,000
Investment property	327,205,000	327,205,000
Intangible assets	246,629,361	215,178,822
Investment in associates	3,364,608	7,959,615
Other investments	952,227,359	941,991,456
Deferred tax assets	62,660,718	73,661,838
Total non-current assets	11,996,887,520	11,588,343,194
Current assets		
Non-current assets held for sales	27,954,799	53,813,314
Inventories	3,943,169,610	3,970,538,868
Biological assets-growing crops on bearer plants	65,404,994	49,033,962
Derivative assets on SWAP agreement	264,861,390	-
Current tax assets	9,557,231	12,267,362
Trade & other receivables	4,113,230,337	3,241,398,411
Amounts due from related parties	4,785,493	4,639,556
Cash & cash equivalents	1,960,523,419	1,374,218,432
Total current assets	10,389,487,273	8,705,909,905
Total assets	22,386,374,793	20,294,253,099
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	798,504,357
Reserves	393,546,770	390,893,755
Retained earnings	5,638,399,309	5,185,526,424
Equity attributable to owners of the company	7,673,661,326	6,374,924,536
Non-controlling interests	3,939,745,179	3,427,198,621
Total equity	11,613,406,505	9,802,123,157
Non-current liabilities		
Loans and borrowings	3,548,787,724	3,572,013,985
Employee benefits	1,027,907,123	1,062,640,865
Deferred income and capital grants	335,454,380	377,516,000
Deferred tax	510,428,618	450,547,170
Total non-current liabilities	5,422,577,844	5,462,718,020
Current liabilities		
Bank overdraft	1,220,453,183	927,663,776
Current tax liabilities	254,567,317	168,509,469
Loans and borrowings	864,417,973	808,963,649
Trade and other payables	3,003,197,467	3,122,273,801
Amounts due to related parties	7,754,504	2,001,227
Total current liabilities	5,350,390,444	5,029,411,922
Total equity and liabilities	22,386,374,793	20,294,253,099
Net asset value per share (Rs.)	53.54	46.71

Figures in brackets indicate deductions.

The above figures are not audited

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited	Audited
	As at	As at
	31st December 2018	31st March 2018
	Rs	Rs
ASSETS		
Non-current assets		
Property, Plant and Equipment	17,438,106	3,290,687
Intangible assets	212,949	780,372
Investment in subsidiaries	2,957,900,921	3,017,900,921
Investment in associate	9,000,000	9,000,000
Other investments	634,139,544	642,633,456
Total non-current assets	3,618,691,520	3,673,605,436
Current assets		
Derivative assets on SWAP agreement	264,861,390	-
Current tax assets	3,158,748	3,158,748
Trade & other receivables	118,145,649	59,406,436
Amounts due from related parties	326,679,944	170,891,162
Cash & cash equivalent	1,012,310,978	526,335,611
Total current assets	1,725,156,709	759,791,957
Total assets	5,343,848,229	4,433,397,393
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	798,504,357
Reserves	364,012,083	364,012,083
Retained earnings	1,485,919,741	1,767,356,201
Equity attributable to owners of the company	3,491,647,071	2,929,872,641
Non-controlling interests	-	-
Total equity	3,491,647,071	2,929,872,641
Non-current liabilities		
Loans and borrowings	1,479,419,766	1,143,330,000
Employee benefits	80,208,336	78,399,096
Total non-current liabilities	1,559,628,102	1,221,729,096
Current liabilities		
Loans and borrowings	210,554,124	256,670,000
Trade and other payables	80,579,247	25,125,656
Amounts due to related parties	1,439,685	-
Total current liabilities	292,573,056	281,795,656
Total equity and liabilities	5,343,848,229	4,433,397,393

Net asset value per share (Rs.)

24.36

21.47

Figures in brackets indicate deductions.

The above figures are not audited

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.

Group Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.

Chairman
12th February 2019
Colombo

Group Managing Director

STATEMENT OF CHANGES IN EQUITY - GROUP

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2018

	Attributable to owners of the company								
	Stated capital	Reserve on exchange gain or loss	General reserve	Fair value gain or loss reserve on AFS	Reserve on Re-arrangement	Retained earnings	Total	s interest	Total equity
Balance as 01st April 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 period									
Profit from continuing operations for the nine months						713,852,278	713,852,278	924,276,533	1,638,128,811
Profit from discontinued operations for the nine months						(210,427,663)	(210,427,663)	-	(210,427,663)
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
Transactions with owners of the company									
Share issues	67,564,700	-	-	-	-	-	67,564,700	-	67,564,700
Reserve on re-arrangement in Hatton Plantations PLC					23,965,012	(13,240,669)	10,724,343	(10,724,343)	-
Re-purchase of shares by Estate Management Services (Pvt) Ltd								(1,350,000,000)	(1,350,000,000)
Effect on Percentage change in holding of EMSPL Group						59,851,886	59,851,886	(1,666,351,886)	(1,606,500,000)
Dividend payment for 2016/17						(236,496,726)	(236,496,726)	(48,987,126)	(285,483,852)
Total contributions by and distributions to owners of the company	67,564,700	-	-	-	23,965,012	(189,885,509)	(98,355,797)	(3,076,063,355)	(3,174,419,152)
Balance as at 31st December 2017	798,504,357	-	1,257,725	330,580,311	23,965,012	5,508,432,453	6,662,739,858	3,213,308,212	9,876,048,070
Total Comprehensive Income for the balance period									
Profit from continuing operations for the three months				-		115,510,688	115,510,688	50,883,097	166,393,785
Profit from discontinued operations for the three months						(397,167)	(397,167)	-	(397,167)
Total other comprehensive income for the three months		217,517		34,873,189		2,844,073	37,934,779	(1,307,263)	36,627,516
Total comprehensive income for the three months	-	217,517	-	34,873,189	-	117,957,594	153,048,300	49,575,834	202,624,134
Dividend paid 2016/17								(145,003,864)	(145,003,864)
Reserve on re-arrangement in Hatton Plantations PLC								-	-
Re-purchase of shares by Estate Management Services (Pvt) Ltd								-	-
Effect on Percentage change in holding of EMSPL Group on Acquisition						(390,426,840)	(390,426,840)	390,426,840	-
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	-
Issue of shares								89,042,599	89,042,599
						(440,863,622)	(440,863,622)	164,314,575	(276,549,047)
Balance as at 31st March 2018	798,504,357	217,517	1,257,725	365,453,500	23,965,012	5,185,526,425	6,374,924,536	3,427,198,621	9,802,123,157
Total comprehensive income for the period									
Profit from continuing operations for the nine months						721,472,395	721,472,395	587,124,003	1,308,596,399
Profit from discontinued operations for the nine months						(24,161,124)	(24,161,124)	-	(24,161,124)
Total other comprehensive income for the nine months		2,653,015				-	2,653,015	1,768,677	4,421,691
Total comprehensive income for the nine months	-	2,653,015	-	-	-	697,311,271	699,964,286	588,892,680	1,288,856,966
Share issues	68,210,885						68,210,885	-	68,210,885
Issue of shares - private placement	775,000,005						775,000,005		775,000,005
Share issuing cost						(39,700,000)	(39,700,000)		(39,700,000)
Dividend payment for 2017/18						(204,738,387)	(204,738,387)	(76,346,122)	(281,084,508)
Balance as at 31st December 2018	1,641,715,247	2,870,532	1,257,725	365,453,500	23,965,012	5,638,399,309	7,673,661,325	3,939,745,179	11,613,406,505

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

STATEMENT OF CHANGES IN EQUITY - COMPANY

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2018

In Rupees	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings	Total
Balance as at 01st April 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 from continuing operations for the nine months				44,505,878	44,505,878
Total other comprehensive income for the nine months				-	-
Total comprehensive income for the nine months	-	-	-	44,505,878	44,505,878
Share Issues	67,564,700	-	-	-	67,564,700
Dividend payment for 2016/17				(236,496,726)	(236,496,726)
Balance as at 31st December 2017	798,504,357	327,881,169	1,257,725	1,662,414,196	2,790,057,447
Total comprehensive income for the balance period					
Profit from continuing operations for the three months				104,052,463	104,052,463
Total other comprehensive income for the three months		34,873,189		889,542	35,762,731
Total comprehensive income for the three months	-	34,873,189	-	104,942,005	139,815,194
Dividend payments for 2016/17				-	-
Balance as at 31st March 2018	798,504,357	362,754,358	1,257,725	1,767,356,201	2,929,872,641
Total comprehensive income for the period					
Profit from continuing operations for the nine months				(36,998,074)	(36,998,074)
Total other comprehensive income for the nine months				-	-
Total comprehensive income for the nine months	-	-	-	(36,998,074)	(36,998,074)
Share issue	68,210,885				68,210,885
Issue of shares - private placement	775,000,005				775,000,005
Share issuing cost				(39,700,000)	(39,700,000)
Dividend payments - 2017/18				(204,738,387)	(204,738,387)
Balance as at 31st December 2018	1,641,715,247	362,754,358	1,257,725	1,485,919,740	3,491,647,070

Figures in brackets indicate deductions.

The above figures are not audited

STATEMENT OF CASH FLOWS - GROUP

	Unaudited		Audited
	Period ended 31st December 2018	Period ended 31st December 2017	Year ended 31st March 2018
	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax (note 01)	1,832,926,380	1,716,611,831	2,211,989,794
Adjustments for;			
Interest income	(203,749,900)	(164,654,507)	(210,641,202)
Dividend income	-	(2,906,010)	(5,188,091)
Write-off of property, plant and equipment	-	-	343,006
Profit on sale of property, plant & equipment	(69,174,804)	(18,002,535)	(22,869,231)
Provision for other receivable	1,306,000	-	5,190,824
(Gain)/loss on fair value of biological assets	-	(8,237,000)	(30,745,000)
Interest expense	416,315,356	236,506,791	378,837,123
Depreciation & amortization	514,386,439	472,287,634	641,938,041
Profit/(loss) of equity investee	4,595,007	-	1,040,385
Opening stock adjustment	-	-	(27,041,000)
Fair value adjustment in loan	-	-	(3,295,000)
Fair value (gain)/ loss on investment property	-	-	(127,092,307)
Biological assets-growing crops on bearer plants	(16,371,032)	(11,464,804)	(13,276,962)
Fair value (gain) or loss on quoted shares	3,757,066	2,005,450	1,131,063
Impairment losses and write-down of biological assets	-	1,498,457	2,687,000
Provision / (reversal) for bad and doubtful debts	(31,773,349)	31,114,525	29,133,824
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	70,773,192
Amortization of deferred income & capital grants	(42,061,620)	(8,484,975)	(56,996,000)
Amortization of leasehold rights	5,156,438	5,418,169	7,476,000
Profit on sale of consumable biological assets	(22,972,633)	(34,674,380)	(72,625,000)
Fair value gain / (loss) on livestock	-	-	(31,785,000)
Gratuity (payments) /receipts on staff transfer	-	-	(224,021)
Exchange gain/(loss) on translation of foreign operations	4,421,691	-	362,529
Provision gratuity excluding actuarial gain/(loss)	92,196,171	138,203,444	160,831,128
Operating profit before working capital changes	2,488,957,213	2,295,306,966	2,909,955,095
(Increase)/decrease in inventories	27,369,258	(638,006,190)	(829,237,143)
(Increase)/Decrease in trade and other receivables	(841,364,576)	(718,398,220)	(285,504,105)
(Increase)/decrease in amounts due from related parties	(145,937)	15,292,787	78,827,033
Increase/(Decrease) in trade and other payables	(119,076,334)	506,018,217	901,834,195
Increase/(decrease) in amounts due to related parties	5,753,277	3,658,808	2,001,227
Cash generated from/ (used in) operations	1,561,492,900	1,463,872,367	2,777,876,302
Interest paid	(416,315,356)	(236,506,791)	(378,837,123)
Income tax paid	(388,840,561)	(404,606,007)	(546,195,414)
Gratuity paid	(126,929,913)	(115,412,011)	(146,131,600)
Net cash / (used in) operating activities	629,407,070	707,347,558	1,706,712,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	203,749,900	164,654,507	210,641,202
Dividend income	-	2,906,010	5,188,091
Investment in associate	-	-	(9,000,000)
(Investments)/ disposal in other investments	(13,992,970)	(6,214,305)	(13,196,999)
Immature plantations expenditure	(245,720,711)	(262,003,943)	(388,927,000)
Investment in live stock	(156,970,743)	(118,794,411)	(241,889,000)
Acquisition of property, plant & equipment	(521,224,261)	(1,087,587,636)	(1,440,069,281)
Acquisition of intangible assets	(47,117,978)	(31,857,187)	(65,178,862)
Acquisition of EMSPL from TATA	-	(1,606,500,000)	(1,606,500,000)
Proceeds from disposal of biological assets	28,341,512	53,536,432	85,087,000
Proceeds from disposal of property, plant & equipment	127,250,699	51,034,179	56,752,104
Net Cash used in Investing activities	(625,684,551)	(2,840,826,354)	(3,407,092,745)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issued by subsidiary to NCI	-	-	89,042,599
Proceeds from issues of share	775,000,005	-	-
Share issue cost	(39,700,000)	-	-
Re-purchase of shares by subsidiary	-	(1,350,000,000)	(1,543,546,782)
Receipts of interest bearing borrowings	2,355,866,448	2,433,951,081	5,488,458,921
Repayment of interest bearing borrowings	(2,580,084,449)	(306,872,972)	(2,672,938,981)
Lease rentals paid	(8,415,320)	(10,201,433)	(15,737,588)
Dividend paid	(136,527,501)	(168,932,026)	(168,932,026)
Payment to non controlling interest shareholders	(76,346,122)	(48,987,126)	(193,990,990)
Net cash from / (used in) financing activities	289,793,062	548,957,524	982,355,153
Net increase/(decrease) in cash and cash equivalents	293,515,580	(1,584,521,272)	(718,025,427)
Cash and cash equivalents at the beginning of the period	446,554,656	1,164,580,083	1,164,580,083
Cash and cash equivalents at the end of the period	740,070,236	(419,941,189)	446,554,656
Cash and cash equivalents			
Cash in hand & bank	1,960,523,419	2,094,274,042	1,374,218,432
Bank overdraft	(1,220,453,183)	(2,514,215,231)	(927,663,776)
	740,070,236	(419,941,189)	446,554,656
Note 01			
Profit before income tax			
Profit before tax - continuing operations	1,857,087,504	1,927,039,493	2,422,814,624
Profit before tax - discontinued operations	(24,161,124)	(210,427,662)	(210,824,830)
	1,832,926,381	1,716,611,831	2,211,989,794

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

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited		Audited
	Period ended 31st December 2018 Rs	Period ended 31st December 2017 Rs	Year ended 31st March 2018 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	(36,998,074)	44,505,877	148,558,341
Adjustments for;			
Interest income	(81,352,221)	(54,368,033)	(67,426,610)
Interest expense	133,319,001	997,683	41,781,020
Fair value (gain) or loss on quoted shares	3,757,066	2,005,450	1,131,063
Depreciation	4,547,264	2,519,997	3,292,269
Profit on sale of property, plant & equipment	-	-	(1,733,615)
Write off of property, plant and equipment			343,006
Provision for other receivable			5,190,824
Gratuity (payments) /receipts on staff transfer	-		14,944,783
Impairment of investment	60,000,000	67,972,645	67,972,645
Provision for gratuity	9,900,000	23,418,805	12,633,327
Operating profit before working capital changes	93,173,037	87,052,424	226,687,053
(Increase)/decrease in trade and other receivables	(58,739,214)	(59,730,537)	(19,435,863)
(Increase)/decrease in amounts due from related parties	(155,788,783)	(66,823,770)	21,105,347
Increase/(decrease) in trade and other payables	55,453,597	27,451,320	9,308,198
Increase/(decrease) in amounts due to related parties	1,439,685	-	-
Cash generated from/ (used in) operations	(64,461,678)	(12,050,563)	237,664,735
Interest paid	(133,319,001)	(997,683)	(41,781,020)
Income tax paid	-		-
Employee benefits paid	(8,090,760)	(170,850)	(170,850)
Net cash / (used in) operating activities	(205,871,440)	(13,219,096)	195,712,865
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	81,352,221	54,368,033	67,426,610
Investments in subsidiaries		(1,606,500,000)	(1,709,125,124)
Investments in associates			(9,000,000)
(Investments)/ disposal in other investments	4,736,845	16,349,287	17,079,001
Acquisition of intangible assets	-		-
Proceed from disposal of property, plant & equipment	-	-	3,323,478
Acquisition of property, plant & equipment	(18,127,261)	(1,621,712)	(1,861,384)
Net cash used in investing activities	67,961,806	(1,537,404,392)	(1,632,157,419)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issued	775,000,005		
Share issue cost	(39,700,000)		
Receipts of interest bearing borrowings	1,425,112,500		1,400,000,000
Repayment of interest bearing borrowings	(1,400,000,000)		-
Dividend paid	(136,527,501)	(168,932,026)	(168,932,026)
Net Cash from / (used in) Financing Activities	623,885,004	(168,932,026)	1,231,067,974
Net increase/(decrease) in cash and cash equivalents	485,975,370	(1,719,555,514)	(205,376,581)
Cash and cash equivalents at the beginning of the period	526,335,607	731,712,191	731,712,191
Cash and cash equivalents at the end of the period	1,012,310,978	(987,843,323)	526,335,610
Cash and cash equivalents			
Cash in hand & bank	1,012,310,978	418,193,323	526,335,610
Bank overdraft	-	(1,406,036,646)	-
	1,012,310,978	(987,843,323)	526,335,610

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

SUNSHINE HOLDINGS PLC
SEGMENTAL ANALYSIS
FOR THE NINE MONTHS ENDED 31ST DECEMBER

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	LKR	2018	LKR	2018	LKR	2018	LKR	2018	LKR	2018	LKR	2018	LKR	2018	LKR	2018	LKR	2018
REVENUE	194,795,381	222,386,491	6,786,655,051	6,017,628,479	5,179,028,689	5,367,923,313	4,366,701,063	3,835,915,226	311,293,437	203,960,483	-	12,936,265	682,500	(146,790,737)	(85,500,000)	16,706,617,148	15,562,996,492	
RESULT																		
Profit from operating activities	14,868,707	(8,864,473)	331,296,228	323,877,725	1,041,651,146	1,162,963,402	564,385,178	292,755,761	198,009,437	110,883,317	133,857,940	12,936,265	127,774,807	(401,600,132)	(154,332,684)	2,070,483,932	1,988,915,798	
Net finance cost	(51,966,781)	53,370,350	(4,806,056)	(19,657,088)	(118,392,153)	(12,243,507)	7,403,037	(40,146,278)	(27,304,941)	(54,108,572)	(1,988,029)	(11,766,488)	-	-	-	(208,801,420)	(61,876,305)	
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,595,007)	-	(4,595,007)	-	
Income tax expense	-	-	(108,254,057)	(103,150,345)	(189,500,000)	(111,064,748)	(180,320,962)	(46,987,292)	(5,717,030)	(261,971)	(3,099,510)	-	-	(63,180,011)	(24,346,817)	(548,491,105)	(288,910,663)	
Profit for the year	(36,998,074)	44,505,877	218,236,115	201,070,292	733,758,992	1,039,655,147	391,467,253	205,620,191	164,987,467	56,512,774	141,669,221	1,169,767	127,774,807	(469,375,150)	(178,679,501)	1,308,596,399	1,638,128,810	
Discontinued operation	-	-	-	-	-	-	-	-	-	-	-	(24,161,124)	(210,427,862)	-	-	(24,161,124)	(210,427,862)	
Other comprehensive income	-	-	-	-	-	32,275,225	4,421,691	-	-	-	-	-	-	-	-	4,421,691	32,275,225	
Total comprehensive income	(36,998,074)	44,505,877	218,236,115	201,070,292	733,758,992	1,071,930,372	395,888,944	205,620,191	164,987,467	56,512,774	141,669,221	(22,991,357)	(82,652,855)	(469,375,150)	(178,679,501)	1,288,856,866	1,459,976,372	

OTHER INFORMATION

Segment assets	5,343,840,229	4,314,482,202	5,570,518,156	4,510,122,252	10,640,209,387	11,032,456,363	1,725,982,933	1,826,809,436	1,931,512,775	1,842,325,998	9,597,193,075	488,741,545	481,450,570	(11,971,694,486)	(12,895,308,730)	22,386,374,793	20,509,941,166
Equity & reserves	3,491,647,071	2,790,057,446	2,545,780,121	2,371,512,374	6,210,762,629	6,920,905,835	1,127,426,677	1,036,954,554	984,918,971	637,178,116	8,369,302,970	229,356,888	252,004,398	(11,600,148,658)	(12,501,867,622)	11,613,406,505	9,876,048,071
Total liabilities	1,852,201,158	1,524,434,756	3,024,738,033	2,138,609,879	4,429,446,758	4,111,550,528	598,566,256	789,854,882	946,593,804	1,005,147,882	1,227,890,103	239,384,647	229,446,172	(371,545,828)	(383,441,106)	10,772,968,288	10,633,893,095
Depreciation	4,547,264	2,519,997	94,867,410	87,495,130	312,413,282	278,082,142	50,894,557	45,040,823	51,660,526	51,601,587	3,401	-	8,075,352	(527,397)	-	514,386,439	472,287,634
Capital expenditure	18,127,260	1,621,712	62,728,624	48,032,064	642,042,639	1,190,670,543	47,432,984	11,055,245	200,604,185	248,855,613	96,000	-	-	-	-	971,033,692	1,500,243,177

Figures in brackets indicate deductions
The above figures are not audited

DISCONTINUED OPERATION

	Unaudited		Audited
	Period ended 31st December 2018 Rs.	Period ended 31st December 2017 Rs.	Year ended 31st March 2018 Rs.
Revenue	438,600	46,111,197	48,337,050
Cost of sales	(1,705,833)	(121,249,857)	(123,277,232)
Gross profit	(1,267,233)	(75,138,660)	(74,940,182)
Other income	(16,532,632)	(89,157,741)	(87,794,965)
Administration expenses	(2,594,993)	(34,450,409)	(34,459,220)
Selling & distribution expenses	(2,230)	(1,704,873)	(1,607,769)
Results from operating activities	(20,397,088)	(200,451,683)	(198,802,136)
Finance income	1,195	256,591	256,874
Finance cost	(3,765,231)	(10,232,570)	(12,279,568)
Net finance cost	(3,764,036)	(9,975,979)	(12,022,694)
Profit before tax	(24,161,124)	(210,427,662)	(210,824,830)
Income tax expense	-	-	-
Profit for the period	(24,161,124)	(210,427,662)	(210,824,830)

"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."

SUNSHINE HOLDINGS PLC

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 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.

3 Approval of financial statements

The Interim Financial Statements of the Group and the Company for the nine months ended 31st December 2018, were authorised for issue by the Board of Directors on 12th February 2019.

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 in to 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, caliantra, 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.

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.

NOTES TO THE ACCOUNTS

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 Utilization of private placement proceeds

Objective number	Objective as per shareholder circular	Amount allocated as per shareholder circular in LKR	Proposed date of utilization as per shareholder circular	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of Unutilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg. Whether lent to related parties' etc.)
2	2	775,000,000	12-Apr-2021	775,000,000	100%	-	0%	Fixed deposit in a licensed commercial bank

7 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.

8 Events after the reporting date

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

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

No. of shares as at	31st December 2018	31st March 2018	31st December 2017
Ordinary shares	149,554,103	136,492,280	136,492,280

10 Dividend

	Year ended 31st March		
	2018	2017	2016
Dividend paid (Rs)	136,492,280	168,926,233	141,898,035
No of ordinary shares	136,492,280	135,140,986	135,140,986
Dividend per share (cash)	1.00	1.25	1.05
Dividend per share (scrip)	0.50	0.50	-

11 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 2018.

12 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.

13 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 2018	31st December 2017	Year ended 31st March 2018
	Rs.	Rs.	Rs.
Highest price	55.00	58.00	64.90
Lowest price	45.10	48.00	46.10
Last traded price	53.80	57.00	56.10

TWENTY (20) LARGEST SHAREHOLDERS AS AT Name	31st December 2018		31st March 2018	
	No of Shares Held	%	No of Shares Held	%
Lamurep Investments Limited	67,905,601	45.41%	67,343,470	49.34%
SBI Ven Holdings Pte Limited	27,046,773	18.08%	14,998,500	10.99%
Deepcar Limited	26,071,826	17.43%	25,856,000	18.94%
Sampath Bank/Dr. T. Senthilvel	9,884,801	6.61%	10,026,767	7.35%
Ceylon Property Development Limited	3,055,292	2.04%	3,030,000	2.22%
J.B. Cocoshell (Pvt) Limited	2,331,967	1.56%	2,312,663	1.69%
GF Capital Global Limited	1,691,154	1.13%	1,677,155	1.23%
Deutsche Bank AG-National Equity Fund	1,210,016	0.81%	1,200,000	0.88%
Hatton National Bank PLC as Trustee to Candor Opportunities fund	1,008,347	0.67%	800,000	0.59%
Mr. P.H.A.K. Fernando	655,935	0.44%	650,506	0.48%
Nuwara Eliya Property Developers (pvt) Ltd	585,862	0.39%	581,013	0.43%
Mr.V.Govindasamy	451,500	0.30%	447,763	0.33%
Pershing LLC S/A Aerbach Grauson & Co	328,225	0.22%	325,508	0.24%
E.W. Balasuriya & Co. (Pvt) Limited	301,800	0.20%	276,989	0.20%
Cocoshell Activated Carbon Company Limited	290,963	0.19%	288,555	0.21%
Deutsche Bank AG Singapore Branch	282,337	0.19%	280,000	0.21%
Mrs. N.C. Madanayake	282,337	0.19%	280,000	0.21%
Mr. U.G. Madanayake	282,337	0.19%	280,000	0.21%
Mr. R. Maheswaran	254,607	0.17%	252,500	0.18%
Miss A. Radhakrishnan	254,607	0.17%	252,500	0.18%
Sub Total	144,176,287	96.40%	131,159,889	96.09%
Others	5,377,816	3.60%	5,332,391	3.91%
Total	149,554,103	100.00%	136,492,280	100.00%

PUBLIC SHARE HOLDING

	Requirement by	As at	As at
	CSE	31st December 2018	31st March 2018
Option	4	4	4
Float adjusted market capitalization	2,500,000,000	2,653,655,784	3,685,418,498
The percentage of shares held by the public	10.00%	34.12%	48.13%
Number of shareholders representing public holding	500	1,831	1,612

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

	As at	As at
	31st December 2018	31st March 2018
Mr.V.Govindasamy - Group Managing Director	451,500	447,763
Mr.G.Sathasivam	3,055	3,030
Mr.S.G.Sathasivam	1,018	1,010
Mr.B.A.Hulangamuwa	58,004	57,524
Mr. A.Talwatte	1,018	1,010

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. S.G. Sathasivam
Mr. B.A. Hulangamuwa
Mr. H.D. Abeywickrama
Mr. A. Talwatte
Mr. Amal Cabraal
Mr. S Shishoo
Mr. Y Kitao (Appointed with effect from 09th August 2018)

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
Commercial Bank of Ceylon PLC

Credit Ratings

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