



SUNSHINE HOLDINGS PLC

**INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED**

31ST DECEMBER 2019

SUNSHINE HOLDINGS PLC

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 15.8 billion for the nine months ended 31st December 2019 (9MFY19/20), down by LKR 815 million or 4.9% YoY compared to the same period last year. The Group revenue which predominantly includes revenue from Healthcare, Consumer goods and agribusiness sectors, contributed 50.3%, 25.9% and 19.1% respectively. Healthcare sectors recorded significant YoY growth at 20.5% against the same period last year, despite a dip in the Agri sector by 40.2%, due to divestment of Tea plantation business.

The gross profit margin for 9MFY19/20 was at 30.9% which is 428 basis points higher than same period last year. The gross profit improved by LKR 460 million up 10.4% YoY compared to the same period previous year backed by the contribution from the Healthcare sector. The Group EBIT closed at LKR 2.6 billion with an increase of 8.1% YoY which includes the gain on divestment of Tea business during the period.

The Healthcare sector recorded revenue of LKR 8.2 billion in 9MFY19/20, an increase of 20.5% YoY over the same period last year while EBIT for the sector increased to LKR 698 million. The Healthcare sector Profit After Tax (PAT) amounted to LKR 407 million, increased due to strong performance in Medical Devices and Pharmaceutical divisions.

The Consumer Goods sector reported a 2.9% YoY degrowth in revenue to LKR 4.2 billion. The PAT decreased by LKR 98 million (25.0% degrowth YoY) to LKR 294 million in compared to the same period last year, due to the overall sluggish in FMCG sector after Easter incident.

The Agri sector revenue had dropped by 40.2% during the period compared to the same period last year due to divestment of a majority stake held in Hatton plantation PLC. However, the Gross Profit margin increased to 35.5% from 22.7% due to the improved performance in the Palm oil segment.

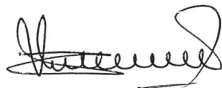
Energy sector revenue decreased to LKR 255 million from LKR 311 million due to lower rain falls in the catchment areas. This has resulted in a PAT of LKR 29 million compared to a PAT of LKR 165 million in the same period last year.

Group PAT amounted to LKR 1.7 billion in 9MFY19/20 compared to LKR 1.3 billion reported during the same period last year. Profits attributable to equity shareholders (PATMI) from operations of Sunshine Holdings PLC increased by 46.1% YoY to LKR 1.0 billion for 9MFY19/20.

Your Group continues to enhance shareholder value by pursuing strategic investments that fits our Group's long term interest.

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
13th February 2020
Colombo

SUNSHINE HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited			Audited
	Period ended	Period ended	Change %	Quarter ended	Quarter ended	Change %	Year ended
	31st December 2019 LKR	31st December 2018 LKR		31st December 2019 LKR	31st December 2018 LKR		31st March 2019 LKR
Revenue	15,820,762,057	16,636,053,624	(5)	5,281,869,287	5,767,686,002	(8)	22,641,987,898
Cost of sales	(10,934,546,706)	(12,209,893,611)	(10)	(3,637,969,905)	(4,170,978,798)	(13)	(16,942,697,288)
Gross profit	4,886,215,351	4,426,160,012	10	1,643,899,382	1,596,707,204	3	5,699,290,610
Other income	273,356,235	299,590,726	(9)	83,001,761	91,381,648	(9)	322,242,226
Administration expenses	(1,481,115,546)	(1,436,019,474)	3	(506,700,532)	(502,680,264)	1	(2,069,243,200)
Selling & distribution expenses	(1,462,866,613)	(1,239,492,981)	18	(509,894,105)	(416,129,020)	23	(1,733,958,817)
Gain on disposal of subsidiary	340,726,887	-		(1,985,139)	-		-
Results from operating activities	2,556,316,313	2,050,238,283	25	708,321,366	769,279,569	(8)	2,218,330,819
Finance income	169,082,225	203,749,900	(17)	45,909,279	93,195,589	(51)	228,475,382
Finance cost	(442,755,149)	(416,315,356)	6	(126,832,962)	(162,233,672)	(22)	(560,068,282)
Net finance cost	(273,672,924)	(212,565,456)	29	(80,923,683)	(69,038,084)	17	(331,592,900)
Share of profit of equity accounted investees	(505,463)	(4,595,007)		(192,908)	(1,398,472)		(5,161,318)
Profit before tax	2,282,137,926	1,833,077,819	24	627,204,775	698,843,013	(10)	1,881,576,601
Income tax expense	(582,627,503)	(548,491,105)	6	(157,665,449)	(198,014,717)	(20)	(735,942,442)
Profit for the period	1,699,510,423	1,284,586,714	32	469,539,326	500,828,297	(6)	1,145,634,159
Other comprehensive income							
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	28,108,968
Exchange gain/(Loss) on foreign operation translation	(41,891)	4,270,252		766,536	3,488,745		2,884,093
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	(291,058,626)
Tax on other comprehensive income	-	-	-	-	-	-	35,238,729
Total other comprehensive income for the period	(41,891)	4,270,252	-	766,536	3,488,745	-	(224,826,836)
Total comprehensive income for the period	1,699,468,532	1,288,856,966	32	470,305,862	504,317,042	(7)	920,807,323
Profit attributable to:							
Owners of the parent company	1,018,789,794	697,402,135	46	287,001,389	273,965,188	5	646,984,059
Non-controlling interest	680,720,630	587,184,579	16	182,537,937	226,863,109	(20)	498,650,100
Other comprehensive income attributable to:							
Owners of the parent company	(25,135)	2,562,151	-	459,922	2,093,247	-	(93,772,867)
Non-controlling interest	(16,756)	1,708,101	-	306,615	1,395,498	-	(131,053,970)
Total comprehensive income for the period	1,699,468,532	1,288,856,966	32	470,305,862	504,317,042	(7)	920,807,323
Basic earnings per share	6.81	4.87		1.92	1.91		4.43

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

SUNSHINE HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited			Unaudited			Audited
	Period ended 31st December 2019 LKR	Period ended 31st December 2018 LKR	Change %	Quarter ended 31st December 2019 LKR	Quarter ended 31st December 2018 LKR	Change %	Year ended 31st March 2019 LKR
Revenue	495,236,570	157,341,133	215	5,241,597	89,412,992	(94)	514,907,500
Cost of sales	-	-	n/m	-	-	n/m	-
Gross profit	495,236,570	157,341,133	215	5,241,597	89,412,992	(94)	514,907,500
Other income	242,569,553	206,118,745	n/m	89,099,367	76,801,256	n/m	273,005,752
Administration expenses	(319,885,047)	(288,491,171)	11	(113,477,744)	(100,795,956)	13	(396,210,061)
Impairment of investment in subsidiary	-	(60,000,000)		-	(20,000,000)		(87,766,423)
Results from operating activities	417,921,076	14,968,707	2,692	(19,136,780)	45,418,292	(142)	303,936,768
Finance income	92,163,730	81,352,221	13	26,168,195	32,125,538	(19)	114,918,099
Finance cost	(122,658,000)	(133,319,001)	8	(36,914,357)	(45,126,920)	18	(178,218,809)
Net finance cost	(30,494,270)	(51,966,781)	(41)	(10,746,162)	(13,001,382)	(17)	(63,300,710)
Profit before tax	387,426,806	(36,998,074)	(1,147)	(29,882,942)	32,416,910	(192)	240,636,058
Income tax expense	7,011,475	-		4,901,903	-		19,250,174
Profit for the period	394,438,281	(36,998,074)	(1,166)	(24,981,039)	32,416,910	(177)	259,886,232
Other comprehensive income							
Equity investments at FVOCI – net change	-	-	-	-	-	-	22,418,968
Defined benefit plan actuarial gain/(loss)	-	-		-	-		(2,351,050)
Income tax on other comprehensive income	-	-		-	-		(5,619,017)
Total other comprehensive income for the period	-	-		-	-		14,448,901
Total comprehensive income for the period	394,438,281	(36,998,074)	(1,166)	(24,981,039)	32,416,910	(177)	274,335,133
Basic earnings per share from continuing operations	2.64	(0.26)		(0.17)	0.23		1.78

Figures in brackets indicate deductions.
The above figures are not audited
n/m- not meaningful

SUNSHINE HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 31st December 2019 LKR	Audited As at 31st March 2019 LKR
ASSETS		
Non current assets		
Property, plant and equipment	4,733,149,637	5,800,454,817
Leasehold right to bare land	178,408,092	183,963,000
Biological assets	3,433,018,689	4,694,037,000
Investment property	469,455,080	327,205,000
Intangible assets	171,002,304	192,415,059
Investment in associates	2,292,834	2,798,296
Other investments	1,106,858,045	976,129,267
Deferred tax assets	56,221,896	57,495,833
Total non-current assets	10,150,406,577	12,234,498,271
Current assets		
Inventories	3,511,823,738	3,906,410,205
Biological assets-growing crops on bearer plants	41,467,000	45,883,000
Derivative assets on SWAP agreement	206,221,722	203,742,135
Current tax assets	12,934,773	9,893,358
Short term investment	521,645,159	-
Trade & other receivables	4,400,316,070	3,788,362,024
Amounts due from related parties	3,214,600	27,998,528
Cash & cash equivalent	2,489,775,254	1,843,593,507
Total current assets	11,187,398,315	9,825,882,757
Total assets	21,337,804,891	22,060,381,028
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	386,156,031	386,181,165
Retained earnings	6,264,269,560	5,488,287,477
Equity attributable to owners of the company	8,292,140,839	7,516,183,889
Non-controlling interests	4,001,752,864	3,476,651,011
Total equity	12,293,893,703	10,992,834,899
Non-current liabilities		
Loans and borrowings	2,435,699,265	3,299,921,582
Employee benefits	508,068,568	1,499,417,004
Deferred income and capital grants	155,188,707	320,693,000
Refundable Deposit	4,236,700	-
Deferred tax	486,840,145	512,234,939
Total non-current liabilities	3,590,033,385	5,632,266,525
Current liabilities		
Bank overdraft	896,900,544	826,769,498
Current tax liabilities	273,934,309	227,763,976
Loans and borrowings	1,434,609,690	1,113,040,848
Trade and other payables	2,821,115,171	3,242,514,434
Amounts due to related parties	27,318,088	25,190,848
Total current liabilities	5,453,877,804	5,435,279,604
Total equity and liabilities	21,337,804,891	22,060,381,028

Net asset value per share (Rs.)


55.45

50.26

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

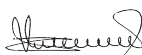
The Board of Directors is responsible for the preparation and presentation of these financial statements.



Chairman

13th February 2020

Colombo




Group Managing Director

SUNSHINE HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 31st December LKR	Audited As at 31st March 2019 LKR
ASSETS		
Non-current assets		
Property, Plant and Equipment	21,821,993	16,333,639
Intangible assets	10,295	27,247
Investment in subsidiaries	3,388,401,972	3,313,401,971
Investment in associate	9,000,000	9,000,000
Other investments	768,446,565	647,625,267
Deferred tax assets	20,642,632	17,997,095
Total non-current assets	4,208,323,456	4,004,385,218
Current assets		
Derivative assets on SWAP agreement	206,221,722	203,742,135
Current tax assets	3,158,748	3,158,748
Trade & other receivables	137,889,412	102,434,027
Amounts due from related parties	237,328,674	225,727,276
Cash & cash equivalent	788,126,313	1,042,331,375
Total current assets	1,372,724,869	1,577,393,561
Total assets	5,581,048,325	5,581,778,780
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	380,153,740	380,153,740
Retained earnings	1,988,606,942	1,781,111,290
Equity attributable to owners of the company	4,010,475,929	3,802,980,277
Non-controlling interests	-	-
Total equity	4,010,475,929	3,802,980,277
Non-current liabilities		
Loans and borrowings	979,006,230	1,235,793,320
Employee benefits	95,688,506	87,068,694
Total non-current liabilities	1,074,694,736	1,322,862,014
Current liabilities		
Bank overdraft	26,022,537	-
Current tax liabilities	-	-
Loans and borrowings	425,127,792	429,114,709
Trade and other payables	43,331,238	26,821,780
Amounts due to related parties	1,396,094	-
Total current liabilities	495,877,660	455,936,489
Total equity and liabilities	5,581,048,325	5,581,778,780
Net asset value per share (Rs.)	26.82	25.43

Figures in brackets indicate deductions.

The above figures are not audited

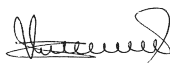


Group Chief Financial Officer

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



Chairman
13th February 2020
Colombo



Group Managing Director

STATEMENT OF CHANGES IN EQUITY - GROUP

Attributable to owners of the company

<i>In LKR</i>	Stated capital	Reserve on exchange gain or loss	Reserve on rearrangement	General reserve	Fair value gain or loss reserve on AFS	Retained earnings	Total	Non-controlling interest	Total equity
Balance as 01st April 2018	798,504,357	217,517	23,965,012	1,257,725	365,453,500	5,185,526,424	6,374,924,536	3,427,198,621	9,802,123,157
Total comprehensive income for the period									
Profit from operations for the nine months						697,402,135	697,402,135	587,184,579	1,284,586,714
Total other comprehensive income for the nine months		2,562,151				-	2,562,151	1,708,101	4,270,252
Total comprehensive income for the nine months		2,562,151				697,402,135	699,964,286	588,892,680	1,288,856,966
Issue of Shares-Scrip dividend	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 paid to owners for 2017/18						(136,527,502)	(136,527,502)	(76,346,122)	(212,873,623)
Total contributions by and distributions to owners of the company	843,210,890					(244,438,387)	598,772,503	(76,346,122)	522,426,382
Balance as at 31st December 2018	1,641,715,247	2,779,668	23,965,012	1,257,725	365,453,500	5,638,490,173	7,673,661,325	3,939,745,179	11,613,406,504
Total Comprehensive Income for the balance period									
Profit from operations for the three months						(50,418,076)	(50,418,076)	(88,534,479)	(138,952,554)
Total other comprehensive income for the three months		(831,695)			17,521,967	(113,025,290)	(96,335,018)	(132,762,071)	(229,097,089)
Total comprehensive income for the three months		(831,695)			17,521,967	(163,443,365)	(146,753,093)	(221,296,549)	(368,049,643)
Dividend paid 2017/18								(290,139,474)	(290,139,474)
Issue of shares - scrip dividend								37,617,512	37,617,512
Reserve on re-arrangement in Hatton Plantations PLC			(23,965,012)			13,240,669	(10,724,343)	10,724,343	(0)
			(23,965,012)			13,240,669	(10,724,343)	(241,797,619)	(252,521,962)
Balance as at 31st March 2019	1,641,715,247	1,947,973	-	1,257,725	382,975,467	5,488,287,477	7,516,183,889	3,476,651,011	10,992,834,899
Total comprehensive income for the period									
Profit from operations for the nine months						1,018,789,794	1,018,789,794	680,720,630	1,699,510,423
Total other comprehensive income for the nine months		(25,135)				-	(25,135)	(16,756)	(41,891)
Total comprehensive income for the nine months		(25,135)				1,018,789,794	1,018,764,659	680,703,873	1,699,468,532
Adjustment on Disposal of Hatton Plantations PLC								(365,855,341)	(365,855,341)
Effect of loss of control in Waltrim Hydro Power (Pvt) Ltd						(2,589,742)	(2,589,742)	10,822,742	8,233,000
Investment in NCI - Watawala Dairy Ltd						(103,641,337)	(103,641,337)	(76,448,663)	(180,090,000)
Effect of Loss of control - Sunshine Energy (Pvt) Ltd						237,446,912	237,446,912	101,854,553	339,301,465
Issue of shares - Scrip dividend - Watawala Plantations PLC								13,356,019	13,356,019
Acquisition of NCI - Waltrim Hydro Power (Pvt) Ltd						(2,606,350)	(2,606,350)	(8,275,650)	(10,882,000)
Impact on loss of effective shareholding in Sunshine Energy Group						(184,474,563)	(184,474,563)	184,474,563	-
Scrip Dividend to NCI								(15,530,243)	(15,530,243)
Dividend paid for 2018/19						(186,942,629)	(186,942,629)	-	(186,942,629)
Balance as at 31st December 2019	1,641,715,247	1,922,838	-	1,257,725	382,975,467	6,264,269,561	8,292,140,838	4,001,752,865	12,293,893,703

STATEMENT OF CHANGES IN EQUITY - COMPANY

<i>In LKR</i>	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings	Total
Balance as at 01st April 2018	798,504,357	362,754,358	1,257,725	1,767,356,200	2,929,872,641
Total comprehensive income for the period					
Profit 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 issues		775,000,005			775,000,005
Share issuing cost				(39,700,000)	(39,700,000)
Scrip dividend		68,210,885		(68,210,885)	-
Dividend paid to owners for 2017/18				(136,527,502)	(136,527,502)
Balance as at 31st December 2018	1,641,715,247	362,754,358	1,257,725	1,485,919,740	3,491,647,070
Total comprehensive income for the balance period					
Profit for the three months				296,884,306	296,884,306
Total other comprehensive income for the three months		16,141,657		(1,692,756)	14,448,901
Total comprehensive income for the three months		16,141,657		295,191,550	311,333,207
Balance as at 31st March 2019	1,641,715,247	378,896,015	1,257,725	1,781,111,290	3,802,980,277
Total comprehensive income for the period					
Profit for the nine months				394,438,281	394,438,281
Total other comprehensive income for the nine months				-	-
Total comprehensive income for the nine months				394,438,281	394,438,281
Dividend paid to owners - 2018/19				(186,942,629)	(186,942,629)
Balance as at 31st December 2019	-	1,641,715,247	378,896,015	1,257,725	1,988,606,941

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

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - GROUP	Unaudited	Unaudited	Audited
	Period ended	Period ended	Year ended
	31st December 2019	31st December 2018	31st March 2019
	LKR	LKR	LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	2,282,137,926	1,833,077,819	1,881,576,601
Adjustments for;			
Interest income	(155,625,407)	(203,749,900)	(150,924,100)
Dividend income	(52,903,375)	(1,185,152.17)	(7,088,000)
Impairment/Write off of Assets Held for Sale	-	-	40,816,871
Profit on sale of property, plant & equipment	(34,418,071)	(69,174,804)	(78,376,481)
Write-off of Property, Plant & Equipment	-	-	-
Write off of other receivables	-	-	4,169,680
Provision for other receivable	-	1,306,000	51,669,147
Fair value gain/loss on Biological Assets	4,909,989	-	-
Biological assets- (gain)/loss from produce crop valuation	-	-	3,151,000
Interest expense	442,755,149	416,315,356	560,068,282
Depreciation & amortization	551,855,482	514,386,439	747,309,189
Profit/(loss) of equity investee	505,462	4,595,007	5,161,319
Biological assets-growing crops on bearer plants	(10,196,000)	(16,371,032)	-
Impairment of biological assets	5,576,764	-	2,317,000
Fair value (gain)/ loss in quoted shares	(13,107,245)	3,757,066	11,017,276
Provision / (reversal) for bad and doubtful debts	(3,665,379)	(31,773,349)	(22,673,239)
Amortization of deferred income & capital grants	(37,916,293)	(42,061,620)	(56,823,000)
Amortisation of leasehold right to land	3,187,138	5,156,438	7,034,000
Profit on sale of rubber trees	-	-	(33,105,000)
Fair value gain / (loss) on livestock	(12,321,147)	-	24,493,000
Timber fair valuation gain	-	-	(9,473,000)
Profit on Disposal of Assets held for sale	-	-	(1,192,252)
Provision for inventories	(2,087,159)	-	4,073,494
Loss/(Profit) on Disposal of bearer consumables	(7,951,000)	(22,972,633)	-
Provision gratuity excluding actuarial gain/(loss)	59,581,966	92,196,171	298,038,485
Gain on the disposal of a Subsidiary	(340,726,887)	-	-
Loss / (Profit) on sale of investments	(993,801)	-	-
Operating profit before working capital changes	2,678,598,113	2,483,501,808	3,281,240,271
(Increase)/ decrease in inventories	(72,976,374)	27,369,258	60,055,169
Increase in trade and other receivables	(789,524,575)	(841,364,576)	(689,238,992)
Decrease/ (increase) in amounts due from related parties	28,046,959	(145,937)	(13,047,972)
(Decrease)/ increase in trade and other payables	(73,810,264)	(119,076,334)	121,914,552
(Decrease)/ increase in amounts due to related parties	(607,872,759)	5,753,277	21,515,665
Cash generated from operations	1,162,461,101	1,556,037,496	2,782,438,694
Interest paid	(394,321,394)	(416,315,356)	(506,571,576)
Income tax paid	(506,270,106)	(388,840,561)	(462,423,561)
Gratuity paid	(50,819,116)	(126,929,913)	(152,320,973)
Net cash generated from operating activities	211,050,485	623,951,665	1,661,122,584

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	155,625,407	203,749,900	150,924,100
Dividend received	52,903,375	1,185,152	7,088,000
(Investments)/ disposal in other investments	(106,720,252)	(13,992,970)	6,409,881
Investments in gratuity fund	(26,360,041)		(23,456,000)
(Investments)/ Disposal in Short term Investments	(521,645,159)	-	-
Deposit received	4,236,700	-	-
Additions to Bearer plants	(157,283,040)	(245,720,711)	(335,629,000)
Additions to Consumable biological assets	(438,000)	-	(28,764,000)
Investment in livestock	(15,004,623)	(156,970,743)	(147,511,000)
Acquisition of Non-controlling interest in Subsidiary	(180,090,000)	-	-
Disposal of Subsidiary - net of cash	1,286,196,546	-	-
Acquisition of property, plant & equipment	(293,856,237)	(521,224,261)	(857,805,894)
Acquisition of intangible assets	(9,638,084)	(47,117,978)	(68,676,718)
Proceeds from disposal of biological assets	8,223,500	28,341,512	50,167,000
Proceeds from disposal of property, plant & equipment	62,105,014	127,250,699	94,676,314
Proceeds from Sale of Livestock	3,269,790		-
Proceeds from Assets held for sale	-	-	14,188,695
Net Cash generated from/ (used in) Investing activities	261,524,895	(624,499,400)	(1,138,388,621)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Issue of Shares	-	775,000,005	775,000,005
Proceeds from share issued by subsidiary to NCI	374,972,690	-	37,617,512
Share issuing cost	(35,671,225)	(39,700,000)	(39,700,000)
Receipts of interest bearing borrowings	2,196,834,747	2,355,866,448	3,173,460,541
Repayment of interest bearing borrowings	(2,146,129,876)	(2,580,084,449)	(3,372,045,143)
Lease rentals paid	(88,664,497)	(8,415,320)	(26,669,434)
Dividend paid	(186,942,629)	(136,527,501)	(136,527,501)
Payment to non controlling interest shareholders	(10,882,000)	(76,346,122)	(366,484,682)
Net cash generated from financing activities	103,517,210	289,793,062	44,651,298

Net increase in cash and cash equivalents

Net increase in cash and cash equivalents	576,092,590	289,245,328	567,385,260
Cash and cash equivalents at the beginning of the period/ year	1,016,824,009	446,554,656	446,554,656
Effect of exchange rate changes on cash and cash equivalents	(41,891)	4,270,252	2,884,093
Cash and cash equivalents at the end of the period/ year	1,592,874,709	740,070,236	1,016,824,009

Cash and cash equivalents

Cash in hand & bank	2,489,775,253	1,960,523,419	1,843,593,507
Bank overdraft	(896,900,544)	(1,220,453,183)	(826,769,498)
	1,592,874,709	740,070,236	1,016,824,009

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Period ended 31st December 2019 LKR	Unaudited Period ended 31st December 2018 LKR	Audited Year ended 31st March 2019 LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	387,426,806	(36,998,074)	240,636,058
Adjustments for;			
Interest income	(92,163,730)	(81,352,221)	(114,918,099)
Interest expense	122,658,000	133,319,001	178,218,809
Fair value gain in quoted shares and unit trust	(13,107,245)	3,757,066	11,017,276
Depreciation & amortization	14,068,879	4,547,263	5,999,124
Profit on sale of property, plant & equipment	(2,011,685)	-	-
Provision for other receivable	-	-	4,169,680
Impairment of investment	-	60,000,000	87,766,423
Provision for gratuity	11,817,715	9,900,000	14,409,308
Operating profit before working capital changes	428,688,740	93,173,037	427,298,579
Increase in trade and other receivables	(35,455,390)	(58,739,214)	(47,197,268)
Increase in amounts due from related parties	(11,601,398)	(155,788,783)	(54,836,115)
Increase in trade and other payables	14,667,002	55,453,595	3,366,152
Increase in Amounts Due to Related Parties	1,396,094	1,439,685	-
Cash generated from/ (used in) operations	397,695,047	(64,461,680)	328,631,348
Interest paid	(121,925,945)	(133,319,001)	(143,835,444)
Income tax paid	-	-	(4,365,938)
Employee benefits paid	(3,197,904)	(8,090,760)	(8,090,760)
Net cash generated from / (used in) operating activities	272,571,199	(205,871,442)	172,339,206
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	92,163,730	81,352,221	114,918,099
Investments in subsidiaries	(75,000,000)	-	(383,267,473)
Investments in debentures	(100,000,000)	-	-
(Investments)/ disposal in other investments	(7,714,052)	4,736,845	6,409,881
Proceed from disposal of property, plant & equipment	8,501,000	-	-
Acquisition of property, plant & equipment	(11,814,247)	(18,127,261)	(18,288,951)
Net cash (used in)/ generated from investing activities	(93,863,569)	67,961,805	(280,228,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares	-	775,000,005	775,000,005
Share issuing cost	-	(39,700,000)	(39,700,000)
Receipts of interest bearing borrowings	-	1,425,112,500	1,550,112,500
Repayment of interest bearing borrowings	(260,725,500)	(1,400,000,000)	(1,525,000,000)
Lease rentals paid	(11,267,100)	-	-
Dividend paid	(186,942,629)	(136,527,502)	(136,527,501)
Net Cash (used in)/ generated from Financing Activities	(458,935,229)	623,885,003	623,885,005
Net (decrease)/ increase in cash and cash equivalents	(280,227,599)	485,975,367	515,995,768
Cash and cash equivalents at the beginning of the period/ year	1,042,331,375	526,335,611	526,335,607
Cash and cash equivalents at the end of the period/ year	762,103,776	1,012,310,978	1,042,331,375
Cash and cash equivalents			
Cash in hand & bank	788,126,313	1,012,310,978	1,042,331,375
Bank overdraft	(26,022,537)	-	-
	762,103,776	1,012,310,978	1,042,331,375

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
SEGMENTAL ANALYSIS
FOR THE NINE MONTHS ENDED 30TH DECEMBER

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018	LKR 2019	LKR 2018
REVENUE	495,236,570	157,341,133	8,177,433,550	6,786,655,051	3,099,601,047	5,179,028,689	4,209,395,504	4,335,151,187	254,787,724	311,293,437	-	-	25,647,056	13,374,865	(441,339,394)	(146,790,737)	15,820,762,057	16,636,053,624
RESULT																		
Profit from operating activities	417,921,076	14,968,707	697,903,444	331,296,228	1,018,419,030	1,041,651,146	422,852,585	564,536,617	84,667,151	198,009,437	121,828,975	308,837,103	11,906,134	(7,460,823)	(219,182,081)	(401,600,132)	2,556,316,313	2,050,238,283
Net finance cost	(30,494,270)	(51,966,781)	(93,951,027)	(4,806,056)	(142,057,315)	(118,392,153)	3,511,312	7,403,037	(48,378,356)	(27,304,941)	49,049,550	(1,968,029)	(11,352,818)	(15,530,534)	-	-	(273,672,924)	(212,565,456)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(505,463)	(4,595,007)	(505,463)	(4,595,007)
Income tax expense	7,011,475	-	(197,289,236)	(108,254,057)	(160,939,055)	(189,500,000)	(132,782,528)	(180,320,962)	(6,829,922)	(5,717,030)	-	(1,519,046)	(1,261,095)	-	(90,537,142)	(63,180,011)	(582,627,503)	(548,491,105)
Profit for the year	394,438,281	(36,998,074)	406,663,181	218,236,115	715,422,660	733,758,992	293,581,370	391,618,692	29,458,872	164,987,467	170,878,524	305,350,028	(707,779)	(22,991,357)	(310,224,685)	(469,375,150)	1,699,510,423	1,284,586,714
Other comprehensive income	-	-	-	-	-	-	(41,891)	4,270,252	-	-	337,288,010	-	-	-	(337,288,010)	-	(41,891)	4,270,252
Total comprehensive income	394,438,281	(36,998,074)	406,663,181	218,236,115	715,422,660	733,758,992	293,539,479	395,888,944	29,458,872	164,987,467	508,166,535	305,350,028	(707,779)	(22,991,357)	(647,512,696)	(469,375,150)	1,699,468,532	1,288,856,966
OTHER INFORMATION																		
Segment assets	5,581,048,325	5,343,848,229	6,344,898,807	5,570,394,879	6,758,932,481	10,640,209,387	1,773,884,655	1,725,992,933	2,235,761,638	1,931,512,775	9,109,000,885	8,677,246,255	791,792,624	468,741,545	(11,257,514,523)	(11,971,694,485)	21,337,804,892	22,386,251,517
Equity & reserves	4,010,475,929	3,491,647,071	2,503,588,121	2,545,780,121	4,510,569,339	6,210,762,629	1,254,130,841	1,127,426,677	1,383,250,492	984,918,971	9,084,525,962	8,623,662,796	567,619,586	229,356,898	(11,020,266,568)	(11,600,148,658)	12,293,893,703	11,613,406,505
Total liabilities	1,570,572,396	1,852,201,158	3,841,310,688	3,024,614,756	2,248,363,142	4,429,446,758	519,753,814	598,566,256	852,511,144	946,593,804	24,474,922	53,583,459	224,173,036	239,384,647	(237,247,954)	(371,545,828)	9,043,911,189	10,772,845,011
Depreciation and amortization	14,068,879	4,547,264	140,923,328	94,867,410	239,403,382	312,413,282	68,541,901	50,894,557	83,048,637	51,660,526	2,117,020	3,400	3,752,336	-	-	-	551,855,482	514,386,439
Capital expenditure	11,814,247	18,127,260	44,294,341	62,728,624	264,475,698	642,042,639	30,198,732	47,432,984	31,083,965	200,604,185	-	98,000	94,353,000	-	-	-	476,219,984	971,033,693

Figures in brackets indicate deductions.

The above figures are not audited

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 period ended 31st December 2019, 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 and its subsidiary, Sunshine Energy (Pvt) Limited and its subsidiaries, Estate Management Services (Pvt) Limited, Watawala Plantations PLC and its subsidiaries, Hatton Plantations PLC (up to 27th May 2019) 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 2019, were authorised for issue by the Board of Directors on 13 th February 2020.

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 2018/19. 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.

SUNSHINE HOLDINGS PLC

NOTES TO THE ACCOUNTS

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

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.

5.2.5 Leases

The Group has applied SLFRS 16 using the modified retrospective approach, under which the right-of-use assets and lease liabilities were recognized as at 1 April 2019. Accordingly, the cumulative information presented as at 31 March 2019 has not been restated.

Impact on Financial Statements

Impact on transition

On transition to SLFRS 16, the Group recognized additional right-of-use assets and additional lease liabilities. The impact on transition is summarized below.

	1 April 2019
	Rs.
Right-of-use assets presented in Property, Plant and Equipment and Leasehold right to bare land	388,579,717
Lease Liabilities	365,794,809

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019.

Impact for the period

As a result of initially applying SLFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognized Rs. 206,289,164 of right-of-use assets and Rs. 420,461,107 of lease liabilities as at 31 st December 2019.

For those leases under SLFRS 16, the Group has recognized depreciation and interest costs instead of operating lease expense. During the nine months period ended 31st December 2019, the Group recognized Rs. 78,406,323 of depreciation charges and Rs.16,308,195 of interest costs from these leases.

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.

Estate Management Services (Pvt) Ltd, a subsidiary of the company, has disposed 51% of ordinary shares in issue in Hatton Plantations PLC at Rs 8.30 per share on 28th May 2019. The remaining interest of 24.65% initially transferred to Assets Held for Sale as there is a contractual obligation with the buyer to sell the balance stake. Out of the remaining stake, 12.37% sold on July 27, 2019 by accepting partly on the mandatory offer made by the buyer and the balance stake of 12.28% sold on December 26, 2019. Accordingly, the Group has fully disposed shares held in Hatton Plantations PLC as of December 31, 2019.

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.

SUNSHINE HOLDINGS PLC

NOTES TO THE ACCOUNTS

5.7 Revenue

Nature of timing of satisfaction of performance obligations, including significant payment terms and Revenue recognition under SLFRS 15 (applicable from 1 April 2018)

SLFRS 15 - Revenue from contracts with customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises revenue when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time.

a) Investments

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. This is now under the scope of SLFRS 9.

b) Plantation

Customers obtain the control of the produce after the customer acknowledgement at the dispatch point. Revenue is recognized point in time, at the time of dispatch after the customer acknowledgement.

c) FMCG

Customers obtain control of the goods sold when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control is at a point in time.

d) Healthcare

Customers obtain control of the goods sold when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control is at a point in time.

e) Energy

This includes income from generating electricity units and transferred to Ceylon Electricity Board of Sri Lanka. Revenue is recognized point in time as the electricity units are transferred to Ceylon Electricity Board of Sri Lanka.

f) Rent income

This includes rental income earned from renting out investment property owned by the Subsidiary. Revenue is recognized over time as the rent income is recognized on a straight line basis over the term of the agreement.

6 Utilisation 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 2019	31st March 2019	31st December 2018
Ordinary shares	149,554,103	149,554,103	136,492,280

10 Dividend

	Year ended 31st March		
	2019	2018	2017
Dividend paid (Rs)	186,942,629	136,492,280	168,926,233
No of ordinary shares	149,554,103	136,492,280	135,140,986
Dividend per share (cash)	1.25	1.00	1.25
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 2019.

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.

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

SHAREHOLDER INFORMATION

Audited

Market price per share	Three months ended	Three months ended	Year ended
	31st December 2019	31st December 2018	31st March 2019
	Rs.	Rs.	Rs.
Highest price	50.00	55.00	60.00
Lowest price	42.00	45.10	42.00
Last traded price	47.00	53.80	47.00

TWENTY (20) LARGEST SHAREHOLDERS AS AT	31st December 2019		31st March 2019	
	Name	No of Shares Held	%	No of Shares Held
1 Lamurep Investments Limited	70,705,601	47.28%	67,905,601	45.41%
2 SBI Ven Holdings Pte Limited	27,046,773	18.08%	27,046,773	18.08%
3 Deepcar Limited	26,071,826	17.43%	26,071,826	17.43%
4 Sampath Bank/Dr. T. Senthilvel	5,908,828	3.95%	9,173,828	6.13%
5 Ceylon Property Development Limited	3,055,292	2.04%	3,055,292	2.04%
6 J.B. Cocoshell (Pvt) Limited	2,081,767	1.39%	2,331,967	1.56%
7 GF Capital Global Limited	2,000,718	1.34%	1,900,718	1.27%
8 Deutsche Bank AG - National Equity Fund	1,210,016	0.81%	1,210,016	0.81%
9 Hatton National Bank PLC- Candor Opportunities Func	1,008,347	0.67%	1,008,347	0.67%
10 Seylan Bank Plc/Dr.Thirugnanasambandar Senthilvel	722,981	0.48%	711,383	0.48%
11 Mr. P.H.A.K. Fernando	600,106	0.40%	655,935	0.44%
12 Nuwara Eliya Property Developers (pvt) Ltd	585,862	0.39%	585,862	0.39%
13 Mr.V.Govindasamy	451,500	0.30%	451,500	0.30%
14 Mr. H.N.Esufally	334,737	0.22%	-	0.00%
15 Mr. M.A.H.Esufally	328,682	0.22%	-	0.00%
16 Pershing LLC S/A Aerbach Grauson & Co	328,225	0.22%	328,225	0.22%
17 E.W. Balasuriya & Co. (Pvt) Limited	301,800	0.20%	301,800	0.20%
18 Deutsche Bank AG Singapore Branch	282,337	0.19%	282,337	0.19%
19 Mrs. N.C. Madanayake	282,337	0.19%	282,337	0.19%
20 Mr. U.G. Madanayake	282,337	0.19%	282,337	0.19%
Sub Total	143,590,072	96.01%	143,586,084	96.01%
Others	5,964,031	3.99%	5,968,019	3.99%
Total	149,554,103	100.00%	149,554,103	100.00%

PUBLIC SHARE HOLDING	Requirement by CSE	As at 31st December	Requirement by	As at 31st March
		2019	CSE	2019
Option	5	5	5	5
Float adjusted market capitalization	Less than Rs.2,500,000,000/-	2,269,677,933	Less than Rs.2,500,000,000/-	2,398,309,417
The percentage of shares held by the public	20%	32.29%	20%	34.12%
Number of shareholders representing public holding	500	1,927	500	1,829

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

	As at 31st December 2019	As at 31st March 2019
Mr.V.Govindasamy - Group Managing Director	451,500	451,500
Mr.G.Sathasivam	3,055	3,055
Mr.S.G.Sathasivam	1,018	1,018
Mr. A.D.B.Talwatte	1,018	1,018

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(resigned w.e.f. 30th May 2019)
Mr. S.G. Sathasivam
Mr. H. D. Abeywickrama
Mr. A. Talwatte
Mr. D. A. Cabraal
Mr. S. Shishoo
Mr. Y Kitao
Mr. Shiran Dias- Alternate Director
Ms. Shalini Ratwatte (appointed w.e.f.30th May 2019)

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 PLC
MCB Bank Limited
Standard Chartered Bank Ltd.
Seylan Bank PLC
Nations Trust Bank PLC

Credit Ratings

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