



SUNSHINE HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH 2020

SUNSHINE HOLDINGS PLC

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 20.8 billion for the year ended 31st March 2020 (FY19/20), down by LKR 1.8 billion or 8% YoY. The Group revenue which predominantly includes revenue from Healthcare, Consumer goods, and Agribusiness sectors, contributed 52.4%, 25.6%, and 18.0% respectively. Healthcare sector recorded significant YoY growth of 19.7% against last year, despite a dip in the Agri sector by 46.1%, due to divestment of Tea plantation business.

The gross profit margin for FY19/20 stood at 29.4%, an increase of 427 basis points against last year. The gross profit improved by LKR 435 million up 7.6% YoY compared to the previous year backed by the contribution from the Healthcare and Agribusiness sectors. The Group EBIT closed at LKR 2.9 billion with an increase of 31.1% YoY which includes the gain on divestment of Tea business during the period amounting to LKR 341m.

The Healthcare sector recorded revenue of LKR 11.1 billion in FY19/20, an increase of 19.7% YoY over last year while EBIT for the sector increased to LKR 859 million. The Healthcare sector Profit After Tax (PAT) increased due to strong performance in Medical Devices and Pharmaceutical divisions.

The Consumer Goods sector reported a 7% YoY contraction in revenue to LKR 5.4 billion. The PAT decreased by LKR 192 million (down 39.2%YoY) to LKR 297 million in comparison to the same period last year due to the revenue drop resulted by the sluggish consumer spending after the Ester Sunday incident.

The Agribusiness sector revenue had dropped by 46.1% during the period compared to last year due to divestment of Tea plantation business during the year. However, the Gross Profit margin increased to 32.6% from 17.3% due to the improved performance in the Palm oil segment.

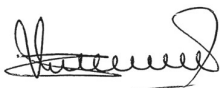
Energy sector revenue decreased to LKR 313 million from LKR 356 million due to lower rain falls in the catchment areas and plant maintenance activity. This has resulted in a loss after tax of LKR 8 million in FY19/20 compared to a profit after tax of LKR 63 million last year.

Group PAT amounted to LKR 1.8 billion in FY19/20 compared to LKR 1.1 billion reported during the same period last year. Profits attributable to equity shareholders (PATMI) increased by 102.4% YoY to LKR 1.1 billion for FY19/20.

As a group, we have been facing challenges in some of our core sectors and will continue to do so in the short to medium term due to the negative economic impact as a result of the COVID 19 epidemic. All possible measures have been taken to ensure business sustainability and continuity in the coming months.

Transaction relating to Estate Management Services (Pvt) Ltd (EMSPL), for which we got shareholder approval on 11th March 2020 was completed by 19th May 2020. The delay in transaction was due to the CSE being closed during the curfew period of the COVID 19 pandemic.

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
27th May 2020
Colombo

SUNSHINE HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited		
	Year ended 31st March 2020 LKR	Year ended 31st March 2019 LKR	Change %	Quarter ended 31st March 2020 LKR	Quarter ended 31st March 2019 LKR	Change %
Revenue	20,830,888,266	22,641,987,898	(8)	5,010,126,209	6,005,934,274	(17)
Cost of sales	(14,696,653,353)	(16,942,697,288)	(13)	(3,762,106,647)	(4,732,803,677)	(21)
Gross profit	6,134,234,913	5,699,290,610	8	1,248,019,562	1,273,130,597	(2)
Other income	452,594,645	322,242,226	40	179,238,410	22,651,500	691
Administration expenses	(2,016,956,500)	(2,069,243,200)	(3)	(535,840,954)	(633,223,726)	(15)
Selling & distribution expenses	(2,001,552,253)	(1,733,958,817)	15	(538,685,640)	(494,465,836)	9
Gain on disposal of subsidiary	340,726,887	-	-	-	-	-
Results from operating activities	2,909,047,692	2,218,330,819	31	352,731,378	168,092,535	110
Finance income	264,490,489	228,475,383	16	95,408,264	24,725,483	286
Finance cost	(608,747,322)	(560,068,282)	9	(165,992,173)	(143,752,926)	15
Net finance cost	(344,256,833)	(331,592,899)	4	(70,583,909)	(119,027,443)	(41)
Share of profit of equity accounted investees	(1,413,934)	(5,161,319)	-	(908,471)	(566,312)	-
Profit before tax	2,563,376,925	1,881,576,601	36	281,238,998	48,498,780	480
Income tax expense	(730,739,358)	(735,942,442)	(1)	(148,111,855)	(187,451,337)	(21)
Profit for the year	1,832,637,567	1,145,634,159	60	133,127,143	(138,952,557)	196
Other comprehensive income						
Equity investments at FVOCI – net change in fair value	(40,343,415)	28,108,968	-	(40,343,415)	28,108,968	-
Exchange gain/(Loss) on foreign operation translation	1,183,969	2,884,093	-	1,225,860	(1,386,159)	-
Defined benefit plan actuarial gain/(loss)	(7,926,899)	(291,058,626)	-	(7,926,899)	(291,058,626)	-
Tax on other comprehensive income	11,731,077	35,238,729	-	11,731,077	35,238,729	-
Total other comprehensive income for the year	(35,355,268)	(224,826,836)	-	(35,313,377)	(229,097,088)	-
Total comprehensive income for the year	1,797,282,299	920,807,323	95	97,813,766	(368,049,645)	127
Profit attributable to:						
Owners of the parent company	1,147,045,944	646,984,059	77	128,256,150	(50,418,077)	354
Non-controlling interest	685,591,623	498,650,100	37	4,870,993	(88,534,479)	106
Other comprehensive income attributable to:						
Owners of the parent company	(32,116,842)	(93,772,867)	-	(32,091,707)	(96,335,019)	-
Non-controlling interest	(3,238,426)	(131,053,969)	-	(3,221,670)	(132,762,070)	-
Total comprehensive income for the year	1,797,282,299	920,807,323	95	97,813,766	(368,049,645)	127
Basic earnings per share	7.67	4.43		0.86	(0.35)	

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

SUNSHINE HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited			Unaudited		
	Year ended 31st March 2020 LKR	Year ended 31st March 2019 LKR	Change %	Quarter ended 31st March 2020 LKR	Quarter ended 31st March 2019 LKR	Change %
Revenue	497,330,868	514,907,500	(3)	2,094,298	357,566,367	(99)
Cost of sales	-	-	n/m	-	-	n/m
Gross profit	497,330,868	514,907,500	(3)	2,094,298	357,566,367	(99)
Other income	314,317,165	273,005,752	15	71,747,612	66,887,007	n/m
Administration expenses	(427,259,581)	(396,210,061)	8	(107,374,534)	(107,718,890)	(0)
Impairment of investment in subsidiary/ Equity accounted investee	(7,648,541)	(87,766,423)		(7,648,541)	(27,766,423)	
Results from operating activities	376,739,911	303,936,768	24	(41,181,165)	288,968,061	(114)
Finance income	120,047,566	114,918,099	4	27,883,836	33,565,878	(17)
Finance cost	(183,975,056)	(178,218,809)	(3)	(61,317,056)	(44,899,808)	37
Net finance cost	(63,927,490)	(63,300,710)	1	(33,433,220)	(11,333,930)	195
Profit before tax	312,812,421	240,636,058	30	(74,614,385)	277,634,131	(127)
Income tax expense	7,725,317	19,250,174		713,842	19,250,174	
Profit for the year	320,537,738	259,886,232	23	(73,900,543)	296,884,305	(125)
Other comprehensive income						
Equity investments at FVOCI – net change	(40,343,415)	22,418,968	-	(40,343,415)	22,418,968	-
Defined benefit plan actuarial gain/(loss)	2,266,758	(2,351,050)		2,266,758	(2,351,050)	
Income tax on other comprehensive income	10,661,464	(5,619,017)		10,661,464	(5,619,017)	
Total other comprehensive income for the year	(27,415,193)	14,448,901		(27,415,193)	14,448,901	
Total comprehensive income for the year	293,122,545	274,335,133	7	(101,315,736)	311,333,206	(133)
Basic earnings per share	2.14	1.85		(0.49)	2.12	

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

SUNSHINE HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION - GROUP

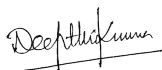
	Unaudited As at 31st March 2020 LKR	Audited As at 31st March 2019 LKR
ASSETS		
Non current assets		
Property, plant and equipment	4,719,959,469	5,800,454,817
Intangible assets	165,942,721	192,415,059
Right to use of Land	241,439,000	183,963,000
Biological assets	3,449,345,000	4,694,037,000
Investment property	709,499,144	327,205,000
Investment in associates	1,384,362	2,798,296
Other investments	1,070,904,297	976,129,267
Deferred tax assets	65,787,835	57,495,834
Total non-current assets	10,424,261,828	12,234,498,273
Current assets		
Biological assets-growing crops on bearer plants	41,797,000	45,883,000
Inventories	3,177,211,186	3,906,410,205
Derivative assets on SWAP agreement	234,792,226	203,742,135
Current tax assets	9,893,358	9,893,357
Trade & other receivables	4,295,571,105	3,748,583,413
Amounts due from related parties	78,704,645	27,998,528
Cash & cash equivalent	4,572,232,065	1,883,372,118
Total current assets	12,410,201,585	9,825,882,756
Total assets	22,834,463,413	22,060,381,029
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	357,607,494	386,181,165
Retained earnings	6,414,817,614	5,488,287,475
Equity attributable to owners of the company	8,414,140,355	7,516,183,887
Non-controlling interests	4,035,566,113	3,476,651,011
Total equity	12,449,706,468	10,992,834,898
Non-current liabilities		
Loans and borrowings	2,311,846,644	3,299,921,582
Employee benefits	559,458,926	1,499,417,004
Deferred income and capital grants	142,550,000	320,693,000
Deferred tax	533,907,412	512,234,939
Total non-current liabilities	3,547,762,982	5,632,266,525
Current liabilities		
Trade and other payables	2,450,696,950	3,238,148,496
Amounts due to related parties	27,513,242	25,190,849
Current tax liabilities	223,047,621	232,129,915
Loans and borrowings	2,971,899,695	1,113,040,848
Bank overdraft	1,163,836,455	826,769,498
Total current liabilities	6,836,993,963	5,435,279,606
Total equity and liabilities	22,834,463,413	22,060,381,029

Net asset value per share (Rs.) 56.26 50.26

Figures in brackets indicate deductions.

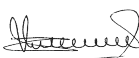
The above figures are not audited

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.



Group Managing Director
May 27, 2020
Colombo



Director

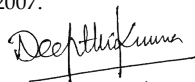
SUNSHINE HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 31st March 2020 LKR	Audited As at 31st March 2019 LKR
ASSETS		
Non-current assets		
Property, Plant and Equipment	45,352,383	16,333,639
Intangible assets	4,685	27,247
Investment in subsidiaries	3,388,401,971	3,313,401,971
Investment in associate	1,351,459	9,000,000
Other investments	727,179,297	647,625,267
Deferred tax assets	32,017,938	17,997,095
Total non-current assets	4,194,307,733	4,004,385,219
Current assets		
Derivative assets on SWAP agreement	234,792,226	203,742,135
Current tax assets	3,158,748	3,158,748
Trade & other receivables	95,768,884	62,655,417
Amounts due from related parties	240,777,370	225,727,276
Cash & cash equivalent	2,238,482,618	1,082,109,987
Total current assets	2,812,979,846	1,577,393,563
Total assets	7,007,287,579	5,581,778,782
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	351,106,481	380,153,740
Retained earnings	1,916,338,464	1,781,111,289
Total equity	3,909,160,192	3,802,980,276
Non-current liabilities		
Loans and borrowings	939,000,820	1,235,793,320
Employee benefits	96,712,325	87,068,695
Total non-current liabilities	1,035,713,145	1,322,862,015
Current liabilities		
Bank overdraft	52,500,020	-
Loans and borrowings	1,986,273,778	429,114,709
Trade and other payables	20,989,336	26,821,782
Amounts due to related parties	2,651,108	-
Total current liabilities	2,062,414,242	455,936,491
Total equity and liabilities	7,007,287,579	5,581,778,782
Net asset value per share (Rs.)	26.14	25.43

Figures in brackets indicate deductions.

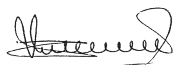
The above figures are not audited

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.



Group Managing Director
May 27, 2020
Colombo



Director

Atributable to owners of the company

STATEMENT OF CHANGES IN EQUITY - GROUP

In LKR	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	6,374,924,535	3,427,198,621	9,802,123,156
Total comprehensive income for the year									
Profit from operations for the year						646,984,059	646,984,059	498,650,100	1,145,634,159
Total other comprehensive income for the year		1,730,456	-		17,521,967	(113,025,290)	(93,772,867)	(131,053,969)	(224,826,836)
Total comprehensive income for the year		1,730,456			17,521,967	533,958,769	553,211,192	367,596,131	920,807,323
Reserve on re-arrangement in Hatton Plantations PLC			(23,965,012)			13,240,669	(10,724,343)	10,724,343	-
Issue of Shares-Scrip dividend	68,210,885					(68,210,885)		37,617,512	37,617,512
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)	(366,485,596)	(503,013,098)
Balance as at 31st March 2019	1,641,715,247	1,947,973	-	1,257,725	382,975,467	5,488,287,475	7,516,183,887	3,476,651,011	10,992,834,898
Total comprehensive income for the year									
Profit from operations for the year						1,147,045,944	1,147,045,944	685,591,623	1,832,637,567
Total other comprehensive income for the year		473,588			(29,047,259)	(3,543,171)	(32,116,842)	(3,238,426)	(35,355,268)
Total comprehensive income for the year	-	473,588	-	-	(29,047,259)	1,143,502,773	1,114,929,102	682,353,197	1,797,282,299
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)
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						52,972,349	52,972,349	286,329,116	339,301,465
Fair value adjustment of right to use assets						25,835,075	25,835,075	32,163,925	57,999,000
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 March 2020	1,641,715,247	2,421,561	-	1,257,725	353,928,208	6,414,817,614	8,414,140,355	4,035,566,113	12,449,706,468

STATEMENT OF CHANGES IN EQUITY - COMPANY

In LKR	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	2,929,872,640
Total comprehensive income for the year					
Profit for the year				259,886,232	259,886,232
Total other comprehensive income for the year		16,141,657	-	(1,692,756)	14,448,901
Total comprehensive income for the year	-	-	-	258,193,476	274,335,133
Share issues				-	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 March 2019	1,641,715,247	378,896,015	1,257,725	1,781,111,289	3,802,980,276
Total comprehensive income for the year					
Profit for the year				320,537,738	320,537,738
Total other comprehensive income for the year		(29,047,259)		1,632,066	(27,415,193)
Total comprehensive income for the year	-	(29,047,259)	-	322,169,804	293,122,545
Dividend paid to owners - 2018/19				(186,942,629)	(186,942,629)
Balance as at 31st March 2020	-	1,641,715,247	1,257,725	1,916,338,464	3,909,160,192

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

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - GROUP

	Unaudited Year ended 31st March 2020 LKR	Unaudited Year ended 31st March 2019 LKR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	2,563,376,925	1,881,576,601
Adjustments for;		
Interest income	(218,405,324)	(150,924,100)
Dividend income	-	(7,088,000)
Impairment/Write off of Assets Held for Sale	-	15,496,709
Profit on sale of property, plant & equipment	(44,059,002)	(78,376,481)
Write-off of Property, Plant & Equipment	-	25,320,163
Fair value gain/loss on Biological Assets	(10,526,000)	3,151,000
Provision/ reversal for other receivable	(8,107,946)	23,011,535
Write off of other receivables	-	4,169,680
Impairment losses and write downs	-	2,317,000
Fair value gain / (loss) on livestock	(12,634,000)	24,493,000
Interest expense	608,747,322	560,068,282
Biological assets- (gain)/loss from produce crop valuation	-	-
Depreciation & amortization	785,058,888	747,309,190
Provision / (reversal) for bad and doubtful debts	22,994,323	(22,673,239)
Provision/ (reversals) for inventories	7,231,966	4,073,494
Profit/(loss) of equity investee	1,413,934	5,161,319
Biological assets-growing crops on bearer plants	-	-
Impairment of biological assets	-	-
Fair value (gain)/ loss in quoted shares	-	-
Amortization of deferred income & capital grants	(50,555,000)	(56,823,000)
Amortisation of leasehold right to land	10,283,000	7,034,000
Profit on sale of consumable biological assets	(7,747,000)	(33,105,000)
Fair value gain/loss	(4,422,113)	11,017,276
Timber fair valuation gain	6,656,000	(9,473,000)
Profit on Disposal of Assets held for sale	-	(1,192,252)
Fair value gain on investment property	(116,267,064)	-
Loss/(Profit) on Disposal of bearer consumables	-	-
Provision gratuity excluding actuarial gain/(loss)	110,185,200	298,038,486
Gain on the disposal of a Subsidiary	(340,726,887)	-
Operating profit before working capital changes	3,302,497,222	3,252,582,663
(Increase)/ decrease in inventories	252,317,053	60,055,169
Increase in trade and other receivables	(894,578,911)	(620,802,769)
Decrease/ (increase) in amounts due from related parties	133,642,334	(13,047,973)
(Decrease)/ increase in trade and other payables	(439,863,490)	121,914,552
(Decrease)/ increase in amounts due to related parties	(144,545,426)	21,515,665
Cash generated from operations	2,209,468,782	2,822,217,307
Interest paid	(523,344,502)	(506,571,577)
Income tax paid	(506,422,256)	(462,423,561)
Gratuity paid	(58,074,587)	(152,320,973)
Net cash generated from operating activities	1,121,627,437	1,700,901,196

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	218,405,324	150,924,100
Dividend received	-	7,088,000
(Investments)/ disposal in other investments	(115,475,331)	6,409,881
Investments in gratuity fund	(31,674,000)	(23,456,000)
Additions to Bearer plants	(211,390,000)	(335,629,000)
Additions to Consumable biological assets	(438,000)	(28,764,000)
Investment in livestock	(20,284,000)	(147,511,000)
Acquisition of Non-controlling interest in Subsidiary	(190,972,000)	-
Disposal of Subsidiary - net of cash	1,286,196,546	-
Acquisition of property, plant & equipment	(420,804,390)	(857,805,894)
Acquisition of intangible assets	(13,632,499)	(68,676,718)
Acquisition of Investment property	(119,159,260)	-
Proceeds from sale of trees	8,020,000	50,167,000
Proceeds from disposal of property, plant & equipment	79,653,225	94,676,313
Proceeds from Assets held for sale	-	14,188,695
Net Cash generated from/ (used in) Investing activities	468,445,615	(1,138,388,623)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Issue of Shares	-	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)
Receipts of interest bearing borrowings	3,575,138,157	3,173,460,541
Repayment of interest bearing borrowings	(2,810,824,356)	(3,372,045,143)
Payment to lease creditor	(156,136,668)	(26,669,434)
Dividend paid	(186,942,629)	(136,527,501)
Payment to non controlling interest shareholders	-	(366,484,682)
Net cash generated from financing activities	760,535,969	44,651,298

Net increase in cash and cash equivalents	2,350,609,021	607,163,871
--	----------------------	--------------------

Cash and cash equivalents at the beginning of the year	1,056,602,620	446,554,656
Effect of exchange rate changes on cash and cash equivalents	1,183,969	2,884,093
Cash and cash equivalents at the end of the year	3,408,395,610	1,056,602,620

Cash and cash equivalents

Cash in hand & bank	4,572,232,065	1,883,372,118
Bank overdraft	(1,163,836,455)	(826,769,498)
	3,408,395,610	1,056,602,620

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Year ended 31st March 2020 LKR	Unaudited Year ended 31st March 2019 LKR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	312,812,421	240,636,058
Adjustments for;		
Interest income	(120,047,566)	(114,918,099)
Interest expense	183,975,056	178,218,809
Fair value gain in quoted shares and unit trust	(4,422,113)	11,017,276
Depreciation & amortization	17,965,559	5,999,124
Profit on sale of property, plant & equipment	(2,011,685)	-
Write-off / Provision for other receivable	-	4,169,680
Gratuity (payments) /receipts on staff transfer	-	-
Impairment of investment	7,648,541	87,766,423
Provision for gratuity	15,108,292	14,409,309
Operating profit before working capital changes	411,028,505	427,298,580
Increase in trade and other receivables	(33,113,470)	(7,418,656)
Increase in amounts due from related parties	(15,050,094)	(54,836,115)
Increase in trade and other payables	(1,466,508)	(999,786)
Increase in Amounts Due to Related Parties	2,651,108	-
Cash generated from/ (used in) operations	364,049,541	364,044,023
Interest paid	(163,945,575)	(143,835,444)
Income tax paid	-	-
Employee benefits paid	(3,197,904)	(8,090,760)
Net cash generated from / (used in) operating activities	196,906,062	212,117,819
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	120,047,566	114,918,099
Investments in subsidiaries	(75,000,000)	(383,267,473)
Investments in debentures	(106,419,178)	-
(Investments)/ disposal in other investments	(9,056,151)	6,409,881
Proceed from disposal of property, plant & equipment	8,501,000	-
Acquisition of property, plant & equipment	(15,245,259)	(18,288,951)
Net cash (used in)/ generated from investing activities	(77,172,022)	(280,228,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	-	775,000,005
Share issuing cost	-	(39,700,000)
Receipts of interest bearing borrowings	1,580,000,000	1,550,112,500
Repayment of interest bearing borrowings	(393,896,000)	(1,525,000,000)
Lease rentals paid	(15,022,800)	-
Dividend paid	(186,942,629)	(136,527,504)
Net Cash (used in)/ generated from Financing Activities	984,138,571	623,885,001
Net (decrease)/ increase in cash and cash equivalents	1,103,872,611	555,774,376
Cash and cash equivalents at the beginning of the year	1,082,109,987	526,335,611
Cash and cash equivalents at the end of the year	2,185,982,598	1,082,109,987
Cash and cash equivalents		
Cash in hand & bank	2,238,482,618	1,082,109,987
Bank overdraft	(52,500,020)	-
	2,185,982,598	1,082,109,987

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
SEGMENTAL ANALYSIS
FOR THE YEAR ENDED 31st MARCH

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019	LKR 2020	LKR 2019
REVENUE	497,330,868	514,907,500	11,150,105,066	9,314,768,314	3,839,078,000	7,121,756,000	5,448,416,504	5,859,499,638	312,762,696	355,771,519	-	-	34,822,761	19,034,815	(451,627,629)	(543,749,888)	20,830,888,266	22,641,987,898
RESULT																		
Profit from operating activities	376,739,911	303,936,768	858,889,548	531,208,370	1,115,138,334	981,050,000	417,304,953	683,449,277	92,759,152	205,359,319	122,332,765	708,398,387	216,520,460	(67,917,773)	(290,637,431)	(1,127,153,529)	2,909,047,692	2,218,330,819
Net finance cost	(63,927,490)	(63,300,710)	(107,916,270)	(29,480,025)	(180,757,096)	(176,856,000)	8,244,358	1,593,974	(59,390,801)	(43,158,408)	75,265,624	(321,905)	(15,775,158)	(20,069,825)	-	-	(344,256,833)	(331,592,899)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,413,934)	(5,161,319)	(1,413,934)	(5,161,319)
Income tax expense	7,725,318	19,250,174	(241,335,509)	(134,018,897)	(179,082,000)	(153,807,000)	(128,513,381)	(196,105,257)	(41,648,751)	(98,765,975)	(19,956,847)	-	(37,391,045)	(32,033,288)	(90,537,143)	(140,462,199)	(730,739,358)	(735,942,442)
Profit for the year	320,537,739	259,886,232	509,637,769	367,709,448	755,299,238	650,387,000	297,035,930	488,937,994	(8,280,400)	63,434,936	177,641,542	708,076,482	163,354,257	(120,020,886)	(382,588,508)	(1,272,777,047)	1,832,637,567	1,145,634,159
Other comprehensive income	(27,415,193)	14,448,901	(3,817,036)	(143,184)	(10,327,000)	(239,302,000)	7,378,774	(2,509,347)	(1,174,813)	29,794	254,437,964	1,251,287	-	-	(254,437,964)	1,397,713	(35,355,268)	(224,826,836)
Total comprehensive income	293,122,546	274,335,133	505,820,733	367,566,264	744,972,238	411,085,000	304,414,704	486,428,647	(9,455,213)	63,464,730	432,079,506	709,327,769	163,354,257	(120,020,886)	(637,026,472)	(1,271,379,334)	1,797,282,299	920,807,323
OTHER INFORMATION																		
Segment assets	7,027,287,578	5,581,778,777	6,117,921,695	5,753,161,356	6,987,543,000	10,125,111,312	1,700,388,897	1,647,896,824	2,236,507,706	1,945,018,981	9,029,686,263	8,582,062,217	1,009,192,172	627,074,245	(11,254,063,898)	(12,201,722,683)	22,854,463,413	22,060,381,029
Equity & reserves	3,929,160,195	3,802,980,278	2,602,745,674	2,610,110,283	4,598,153,000	5,486,162,312	1,265,006,067	1,049,341,370	1,344,336,408	1,025,371,943	9,008,438,933	8,576,359,427	731,681,623	397,327,365	(11,009,815,432)	(11,954,818,080)	12,469,706,468	10,992,834,898
Total liabilities	3,098,127,380	1,778,798,497	3,515,176,012	3,143,051,072	2,389,390,000	4,638,949,000	435,382,831	598,555,451	892,171,302	919,647,039	21,247,329	5,702,789	277,510,547	229,746,879	(244,248,456)	(246,904,596)	10,384,756,945	11,067,546,131
Depreciation and amortization	17,965,558	5,999,124	201,752,178	129,379,363	331,780,000	477,486,000	127,610,569	66,142,647	108,417,960	75,324,600	2,861,096	11,456	4,954,527	-	-	-	795,341,888	754,343,190
Capital expenditure	15,245,259	18,288,951	124,500,327	121,604,147	359,185,000	812,823,308	36,215,484	73,069,274	131,402,820	328,907,522	-	98,000	119,159,259	83,595,410	-	-	785,708,149	1,438,386,612

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 year ended 31st March 2020, 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 year ended 31st March 2020, were authorised for issue by the Board of Directors on 27 th May 2020.

4 Basis of preparation

4.1. Basis

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 year figures and phrases have been rearranged wherever necessary to conform to the current presentation.

4.2 COVID-19 Impact

On 11 March 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected. The Businesses may be negatively impacted due to the overall negative economic conditions caused by the pandemic. The financial reporting effects of the COVID-19 outbreak have been considered as adjusting events, however, no adjustments have been made in these financial statements due to no material impact on the business operations of the Group and Company.

The containing measures taken by Sri Lankan Government pertaining to COVID – 19 followed by lockdown and curfew caused temporary disruption to business operations and economic activities of the Group .

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 year 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 year in which they arise. All costs incurred in maintaining the assets are included in Profit or Loss for the year 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.

5.2.5 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 2020 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	538,871,578
Lease Liabilities	466,693,311

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 year

As a result of initially applying SLFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognized Rs. 478,968,325 of right-of-use assets and Rs. 469,453,626 of lease liabilities as at 31 st March 2020.

For those leases under SLFRS 16, the Group has recognized depreciation and interest costs instead of operating lease expense. During the year ended 31st March 2020, the Group recognized Rs. 137,614,253 of depreciation charges and Rs.31,469,147 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 March 31, 2020.

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 years have been amended, where relevant, for better presentation and to be comparable with those of the current year.

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 except for the following .

On March 13, 2020, Sunshine Holdings PLC (the "Company") and Pyramid Wilmar Plantations (Pvt) Ltd (PWPL) jointly incorporated a new Company named Sunshine Wilmar (Private) Limited (SWPL) with equal shareholding. On May 12, 2020; the Share capital of Rs. 1,521 Mn infused into SWPL by the Company.

On May 15, 2020, SWPL has acquired 74.24% stake of Watawala Plantations PLC (WATA) from Estate Management Services (Pvt) Ltd (EMSPL) for the purchase consideration of Rs. 3,019 Mn. Further, on May 19, 2020, the Company has acquired the remaining stake of 40% in EMSPL from PWPL for the purchase consideration of Rs. 2,903 Mn.

As a result of the above transactions Group's effective shareholding of the WATA has dropped to 37.12% from 44.54%. Further, effective shareholdings of Watawala Tea Ceylon Limited (consumer brands business) has increased from 60% to 100% through EMSPL.

In light of the COVID-19 outbreak being declared a pandemic by the World Health Organisation, the Group has been taking various precautionary measures to protect employees and workmen, their families, and the eco system in which they interact, while at the same time ensuring business continuity. As a step in this direction and taking into account the directives issued by the Government of Sri Lanka, the Company carried out operations in limited manner during the lockdown period.

The Group has been closely monitoring the impact of the development of COVID 19 on the Company's business operations. Despite the many challenges, Group has recommenced all operations which were temporarily interrupted on March 20, 2020 and have been operational at a reduced scale based on curfew timelines in certain zones. The Group is regularly monitoring the situation and operations are being increased upto full capacity level in a phased manner.

The Board of Directors has carried out a preliminary assessment of the next years business plans after incorporating the potential impact of COVID 19 outbreak, and is of the view that the COVID 19 outbreak may not have significant impact on the business continuity of the Group. The Board will continue to monitor the economic conditions and its impact on the business operations and take mitigation actions to minimize the potential impacts and business continuity .

SUNSHINE HOLDINGS PLC

NOTES TO THE ACCOUNTS

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

No. of shares as at	31st March 2020	31st March 2019
Ordinary shares	149,554,103	149,554,103

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 years, 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

Market price per share	Three months ended		Audited
	31st March 2020	31st March 2019	Year ended 31st March 2019
	Rs.	Rs.	Rs.
Highest price	48.00	52.90	60.00
Lowest price	36.00	42.00	42.00
Last traded price	37.90	47.00	47.00

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	31st March 2020		31st March 2019	
	No of Shares	%	No of Shares	%
	Held		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 GF Capital Global Limited	2,000,718	1.34%	1,900,718	1.27%
7 J.B. Cocoshell (Pvt) Limited	1,781,767	1.19%	2,331,967	1.56%
8 Rubber Investment Trust Ltd A/C No 01	1,300,000	0.87%	-	0.00%
9 Deutsche Bank AG - National Equity Fund	1,210,016	0.81%	1,210,016	0.81%
10 Mr. P.H.A.K. Fernando	600,106	0.40%	655,935	0.44%
11 Nuwara Eliya Property Developers (pvt) Ltd	585,862	0.39%	585,862	0.39%
12 Mr.V.Govindasamy	451,500	0.30%	451,500	0.30%
13 Hattton National Bank Plc A/C No.4 (HNB Retirement Pension Fund)	339,494	0.23%	-	0.00%
14 Mr. H.N.Esufally	334,737	0.22%	-	0.00%
15 Mr. M.A.H.Esufally	328,682	0.22%	-	0.00%
16 E.W. Balasuriya & Co. (Pvt) Limited	301,800	0.20%	301,800	0.20%
17 Deutsche Bank AG Singapore Branch	282,337	0.19%	282,337	0.19%
18 Mrs. N.C. Madanayake	282,337	0.19%	282,337	0.19%
19 Mr. U.G. Madanayake	282,337	0.19%	282,337	0.19%
20 Pershing LLC S/A Aerbach Grauson & Co	273,066	0.18%	328,225	0.22%
Sub Total	143,143,079	95.71%	141,866,354	94.86%
Others	6,411,024	4.29%	7,687,749	5.14%
Total	149,554,103	100.00%	149,554,103	100.00%

PUBLIC SHARE HOLDING	Requirement by CSE		Requirement by CSE	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2019	As at 31st March 2019
Option	5	5	5	5
Float adjusted market capitalization	Less than Rs.2,500,000,000/-	1,830,229,653	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	1,932	500	1,829

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

	As at 31st March 2020	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. D. A. Cabraal (Appointed Vice Chairman w.e.f. 13th February 2020)
Mr. S.G. Sathasivam
Mr. H. D. Abeywickrama
Mr. A. Talwatte
Mr. S. Shishoo
Mr. Y Kitao
Mr. Shiran Dias- Alternate Director
Ms. Shalini Ratwatte (appointed w.e.f.30th May 2019)
Mr. B.A. Hulangamuwa(resigned 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