



SUNSHINE HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED

30TH JUNE 2020

SUNSHINE HOLDINGS PLC

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 4.8 billion for the period ended 30th June 2020 (FY20/21), down by LKR 421 million or 8.1% YoY. The Group revenue which predominantly includes revenue from Healthcare, Consumer goods, and Agribusiness sectors, contributed 51.8%, 22.2%, and 19.5% respectively. Healthcare sector recorded YoY growth of 4.9% against last year, despite a dip in the Agri sector by 30.1%, due to divestment of Tea plantation business in 2019.

The gross profit margin for FY20/21 stood at 33.8%, an increase of 630 basis points against last year. The gross profit improved by LKR 187 million up 13.1% YoY compared to the previous year backed by the contribution from the Healthcare and Agribusiness sectors. The Group EBIT closed at LKR 860 million, a decrease of 53.2% YoY. Last year Group had a one-off gain from the divestment of the Tea plantation business.

The Healthcare sector recorded revenue of LKR 2.6 billion in Q1 of FY20/21, an increase of 4.9% YoY over last year while EBIT for the sector was LKR 281 million. The Healthcare sector Profit After Tax (PAT) increased by 21.5% YoY due to strong performance in Medical Devices and Pharmaceutical divisions.

The Consumer Goods sector reported a 15.3% YoY contraction in revenue to LKR 1.1 billion. The PAT increased by LKR 12.6 million (up 21.8%YoY) to LKR 70.4 million in comparison to the same period last year due to the significant reduction in selling and distribution expenses during the lockdown period.

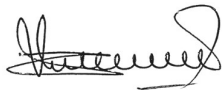
The Agribusiness sector revenue had dropped by 30.1% during the period compared to last year due to divestment of Tea plantation business during the last year. However, the Gross Profit margin increased to 53.3% from 25.3% due to the improved performance in the Palm oil segment and divestment of the low margin Tea plantation business.

Energy sector revenue increased to LKR 76 million from LKR 25 million due to higher rain fall in the catchment areas and increase in capacity. This has resulted in a profit after tax of LKR 4.4 million in Q1 of FY20/21 compared to a loss after tax of LKR 43 million last year.

Group PAT amounted to LKR 553 million in Q1 of FY20/21 compared to LKR 572 million reported during the same period last year. Profits attributable to equity shareholders (PATMI) decreased by 3.9% YoY to LKR 320 million for Q1 of FY20/21.

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 due to the COVID-19 pandemic. All possible measures have been taken to ensure business sustainability and continuity in the coming months.

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
06th August 2020
Colombo

SUNSHINE HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Audited
	Quarter ended 30th June 2020 LKR	Quarter ended 30th June 2019 LKR	Change %	Year ended 31st March 2020 LKR
Revenue	4,786,252,275	5,207,787,999	(8)	20,830,888,266
Cost of sales	(3,166,541,214)	(3,775,613,279)	(16)	(14,696,653,353)
Gross profit	1,619,711,061	1,432,174,720	13	6,134,234,913
Other income	51,548,391	84,547,483	(39)	452,594,645
Administration expenses	(461,207,582)	(496,821,235)	(7)	(2,016,956,500)
Selling & distribution expenses	(350,388,545)	(451,524,216)	(22)	(2,001,552,253)
Gain on disposal of subsidiary	-	342,712,025		340,726,887
Results from operating activities	859,663,325	911,088,777	(6)	2,909,047,692
Finance income	78,475,919	51,190,075	53	264,490,489
Finance cost	(174,853,002)	(162,716,057)	7	(608,747,322)
Net finance cost	(96,377,083)	(111,525,982)	(14)	(344,256,833)
Share of profit of equity accounted investees	(254,605)	(136,505)		(1,413,934)
Profit before tax	763,031,637	799,426,290	(5)	2,563,376,925
Income tax expense	(210,422,914)	(226,805,368)	(7)	(730,739,358)
Profit for the period	552,608,723	572,620,922	(3)	1,832,637,567
Other comprehensive income				
Equity investments at FVOCI – net change in fair value	-	-	-	(40,343,415)
Exchange gain/(Loss) on foreign operation translation	(1,686,204)	-		1,183,969
Defined benefit plan actuarial gain/(loss)	-	-	-	(7,926,899)
Tax on other comprehensive income	-	-	-	11,731,077
Total other comprehensive income for the period	(1,686,204)	-	-	(35,355,268)
Total comprehensive income for the period	550,922,519	572,620,922	(4)	1,797,282,299
Profit attributable to:				
Owners of the parent company	321,016,241	332,976,675	(4)	1,147,045,944
Non-controlling interest	231,592,483	239,644,247	(3)	685,591,623
Other comprehensive income attributable to:				
Owners of the parent company	(980,579)	-	-	(32,116,843)
Non-controlling interest	(705,626)	-	-	(3,238,425)
Total comprehensive income for the period	550,922,519	572,620,922	(4)	1,797,282,299
Basic earnings per share	2.15	2.23		7.67

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

SUNSHINE HOLDINGS PLC
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited			Audited
	Quarter ended 30th June 2020 LKR	Quarter ended 30th June 2019 LKR	Change %	Year ended 31st March 2020 LKR
Revenue	242,561,689	442,949,396.00	(45)	497,330,868
Cost of sales	-	-	n/m	-
Gross profit	242,561,689	442,949,396.00	(45)	497,330,868
Other income	54,516,078	62,867,984.00	n/m	314,317,165
Administration expenses	(74,365,842)	(94,564,512.00)	(21)	(427,259,581)
Impairment of investment in subsidiary	-	-		(7,648,541)
Results from operating activities	222,711,925	411,252,868.00	(46)	376,739,911
Finance income	32,763,330	37,396,428.00	(12)	120,047,566
Finance cost	(102,476,349)	(44,986,349.00)	(128)	(183,975,056)
Net finance cost	(69,713,019)	(7,589,921.00)	818	(63,927,490)
Profit before tax	152,998,906	403,662,947.00	(62)	312,812,421
Income tax expense	-	-		7,725,317
Profit for the period	152,998,906	403,662,947.00	(62)	320,537,738
Other comprehensive income				
Equity investments at FVOCI – net change		-	-	(40,343,415)
Defined benefit plan actuarial gain/(loss)				2,266,758
Income tax on other comprehensive income				10,661,464
Total other comprehensive income for the period	-	-		(27,415,193)
Total comprehensive income for the period	152,998,906	403,662,947	(62)	293,122,545
Basic earnings per share from continuing operations	1.02	2.70		2.14

Figures in brackets indicate deductions.

The above figures are not audited

n/m- not meaningful

SUNSHINE HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION - GROUP

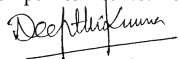
	Unaudited As at 30th June 2020 LKR	Audited As at 31st March 2020 LKR
ASSETS		
Non current assets		
Property, plant and equipment	4,672,527,657	4,719,959,469
Intangible assets	157,681,346	165,942,721
Leasehold right to bare land	239,019,000	241,439,000
Biological assets	3,451,357,000	3,449,345,000
Investment property	709,499,144	709,499,144
Equity-accounted investee	1,129,758	1,384,362
Other investments	1,063,390,060	1,070,904,297
Deferred tax assets	67,018,020	65,787,835
Total non-current assets	10,361,621,985	10,424,261,828
Current assets		
Biological assets-growing crops on bearer plants	41,797,000	41,797,000
Inventories	3,612,619,004	3,177,211,186
Derivative assets on SWAP agreement	189,926,080	234,792,226
Current tax assets	13,257,785	9,893,358
Trade & other receivables	3,833,458,037	4,295,571,106
Amounts due from related parties	9,855,438	78,704,645
Cash & cash equivalent	3,351,724,435	4,572,232,065
Total current assets	11,052,637,779	12,410,201,586
Total assets	21,414,259,764	22,834,463,414
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	356,626,915	357,607,494
Retained earnings	6,514,295,436	6,414,817,615
Equity attributable to owners of the company	8,512,637,598	8,414,140,356
Non-controlling interests	2,836,397,010	4,035,566,113
Total equity	11,349,034,608	12,449,706,469
Non-current liabilities		
Loans and borrowings	2,125,228,726	2,311,846,644
Employee benefits	568,384,261	559,458,926
Deferred income and capital grants	129,912,000	142,550,000
Deferred tax	545,668,398	533,907,412
Total non-current liabilities	3,369,193,385	3,547,762,982
Current liabilities		
Trade and other payables	3,707,404,361	2,450,696,950
Amounts due to related parties	15,429,352	27,513,242
Current tax liabilities	320,881,856	223,047,621
Loans and borrowings	2,088,675,087	2,971,899,695
Bank overdraft	563,641,115	1,163,836,455
Total current liabilities	6,696,031,771	6,836,993,963
Total equity and liabilities	21,414,259,764	22,834,463,414

Net asset value per share (Rs.) 56.92 56.26

Figures in brackets indicate deductions.

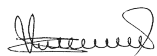
The above figures are not audited

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
August 6, 2020
Colombo



Director

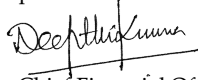
SUNSHINE HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 30th June 2020 LKR	Audited As at 31st March 2020 LKR
ASSETS		
Non-current assets		
Property, Plant and Equipment	40,667,446	45,352,383
Intangible assets	-	4,685
Investment in subsidiaries	7,812,216,005	3,388,401,971
Equity-accounted investee	1,351,459	1,351,459
Other investments	721,444,060	727,179,297
Deferred tax assets	32,017,939	32,017,938
Total non-current assets	8,607,696,909	4,194,307,733
Current assets		
Derivative assets on SWAP agreement	189,926,080	234,792,226
Current tax assets	3,158,748	3,158,748
Trade & other receivables	114,187,160	95,768,884
Amounts due from related parties	275,121,628	240,777,370
Cash & cash equivalent	723,088,320	2,238,482,618
Total current assets	1,305,481,936	2,812,979,846
Total assets	9,913,178,845	7,007,287,579
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	351,106,481	351,106,481
Retained earnings	1,957,171,794	1,916,338,465
Equity attributable to owners of the company	3,949,993,522	3,909,160,193
Non-controlling interests	-	-
Total equity	3,949,993,522	3,909,160,193
Non-current liabilities		
Loans and borrowings	773,957,592	939,000,820
Employee benefits	101,307,669	96,712,325
Total non-current liabilities	875,265,261	1,035,713,145
Current liabilities		
Trade and other payables	139,303,789	20,989,335
Amounts due to related parties	3,529,141,096	2,651,108
Loans and borrowings	1,419,475,177	1,986,273,778
Bank overdraft	-	52,500,020
Total current liabilities	5,087,920,062	2,062,414,241
Total equity and liabilities	9,913,178,845	7,007,287,579
Net asset value per share (Rs.)	26.41	26.14

Figures in brackets indicate deductions.

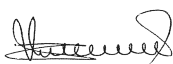
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Group Chief Financial Officer

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Group Managing Director
August 6, 2020
Colombo



Director

SUNSHINE HOLDINGS PLC
FOR THE THREE MONTHS ENDED 30TH JUNE 2020

Attributable 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 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	10,992,834,900
Total comprehensive income for the period									
Profit from continuing operations for the three months						332,976,675	332,976,675	239,644,247	572,620,922
Total comprehensive income for the three months		-			-	332,976,675	332,976,675	239,644,247	572,620,922
Adjustment on Disposal of Hatton Plantations PLC		-		-		-	-	(365,855,341)	(365,855,341)
Effective loss of control in Waltrim Hydro Power Plant						(2,589,742)	(2,589,742)	10,822,742	8,233,000
Investment in NCI - Watawala Dairy						(103,641,337)	(103,641,337)	(76,448,663)	(180,090,000)
Total contributions by and distributions to owners of the company	-	-		-	-	(106,231,079)	(106,231,079)	(431,481,262)	(537,712,341)
Balance as at 30th June 2019	1,641,715,247	1,947,973	-	1,257,725	382,975,467	5,715,033,073	7,742,929,485	3,284,813,996	11,027,743,481
Total Comprehensive Income for the balance period									
Profit from continuing operations for the nine months					-	814,069,269	814,069,269	445,947,376	1,260,016,645
Total other comprehensive income for the nine months		473,588	-	-	(29,047,259)	(3,543,172)	(32,116,843)	(3,238,425)	(35,355,268)
Total comprehensive income for the nine months		473,588	-	-	(29,047,259)	810,526,097	781,952,426	442,708,951	1,224,661,377
Fair value adjustment of right to use assets						25,835,075	25,835,075	32,163,925	57,999,000
Issue of shares to NCI - Watawala Plantations PLC								13,356,018	13,356,018
Scrip Dividend to NCI - Watawala Plantations PLC								(15,530,243)	(15,530,243)
Acquisition of NCI - Waltrim Hydro Power Plant						(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
Dividend paid to owners for 2018/19						(186,942,629)	(186,942,629)	-	(186,942,629)
	-	-	-	-	-	(110,741,555)	(110,741,555)	308,043,166	197,301,611
Balance as at 31st March 2020	1,641,715,247	2,421,561	-	1,257,725	353,928,208	6,414,817,615	8,414,140,356	4,035,566,113	12,449,706,469
Total comprehensive income for the period									
Profit from continuing operations for the three months						321,016,241	321,016,241	231,592,483	552,608,724
Total other comprehensive income for the three months		(980,579)				-	(980,579)	(705,626)	(1,686,205)
Total comprehensive income for the three months	-	(980,579)	-	-	-	321,016,241	320,035,662	230,886,857	550,922,519
Issue of shares to NCI of Sunshine Wilmar (Pvt) Ltd						-	-	1,520,750,002	1,520,750,002
Impact on loss of effective shareholding in Watawala Plantations PLC Group						(352,071,099)	(352,071,099)	352,071,099	-
Acquisition of Non controlling interest in Estate Management Services (Pvt) Ltd						(279,318,336)	(279,318,336)	(2,623,745,696)	(2,903,064,032)
Impact on gain of effective shareholding in Watawala Tea Ceylon Limited Group						522,016,592	522,016,592	(522,016,592)	-
Dividend paid to owners for 2019/20						(112,165,577)	(112,165,577)	(157,114,773)	(269,280,350)
	-	-	-	-	-	(221,538,420)	(221,538,420)	(1,430,055,960)	(1,651,594,380)
Balance as at 30th June 2020	1,641,715,247	1,440,982	-	1,257,725	353,928,208	6,514,295,436	8,512,637,598	2,836,397,010	11,349,034,608

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
FOR THE THREE MONTHS ENDED 30TH JUNE 2020

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 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 three months				403,662,947	403,662,947
Total comprehensive income for the three months	-			403,662,947	403,662,947
Balance as at 30th June 2019	1,641,715,247	378,896,015	1,257,725	2,184,774,237	4,206,643,224
Total comprehensive income for the balance period					
Profit for the nine months				(83,125,209)	(83,125,209)
Total other comprehensive income for the nine months		(29,047,259)		1,632,066	(27,415,193)
Total comprehensive income for the nine months	-	(29,047,259)	-	(81,493,143)	(110,540,402)
					-
Dividend paid to owners for 2018/19		-	-	(186,942,629)	(186,942,629)
Total	-	-	-	(186,942,629)	(186,942,629)
Balance as at 31st March 2020	1,641,715,247	349,848,756	1,257,725	1,916,338,465	3,909,160,193
Total comprehensive income for the period					
Profit for the three months				152,998,906	152,998,906
Total other comprehensive income for the three months				-	-
Total comprehensive income for the three months				152,998,906	152,998,906
Dividend paid to owners - 2019/20				(112,165,577)	(112,165,577)
Balance as at 30th June 2020	1,641,715,247	349,848,756	1,257,725	1,957,171,794	3,949,993,522

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - GROUP

	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	30th June 2020	30th June 2019	31st March 2020
	LKR	LKR	LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	763,031,637	799,426,290	2,563,376,925
Adjustments for;			
Interest income	(78,475,919)	(51,190,075)	(218,405,324)
Dividend income	-	-	-
Impairment/Write off of Assets Held for Sale	-	-	-
Profit on sale of property, plant & equipment	(9,092,000)	(9,470,100)	(44,059,002)
Write-off of Intangible Assets	-	3,090,316	-
Write off of other receivables	-	-	-
Provision for other receivable	-	-	(8,107,946)
Biological assets- (gain)/loss from produce crop valuation	-	-	(10,526,000)
Interest expense	174,853,002	162,716,057	608,747,322
Depreciation & amortization	182,218,376	171,865,302	785,058,888
Profit/(loss) of equity investee	254,605	136,505	1,413,934
Opening stock adjustment	-	-	-
Fair value adjustment in loan	-	-	-
Fair value (gain)/ loss on investment property	-	-	(116,267,064)
Loss on discontinued operations	-	-	-
Biological assets-growing crops on bearer plants	-	-	-
Impairment of biological assets	-	-	-
Fair value gain in quoted shares	6,801,824	-	(4,422,113)
Provision/(Reversal) and write off for Bad and Doubtful Debts	(1,624,978)	-	22,994,323
Amortization of deferred income & capital grants	(12,638,000)	(12,639,025)	(50,555,000)
Amortisation of leasehold right to land	-	-	10,283,000
Profit on sale of rubber trees	-	-	(7,747,000)
Fair value gain / (loss) on livestock	-	-	(12,634,000)
Timber fair valuation gain	-	163,000	6,656,000
Profit on Disposal of Assets held for sale	-	-	-
Provision/ (reversals) and Write-off for inventories	(6,214,920)	-	7,231,966
Loss/(Profit) on Disposal of bearer consumables	-	-	-
Provision gratuity excluding actuarial gain/(loss)	16,214,467	28,310,073	110,473,610
Gain on disposal of subsidiary	-	(342,712,025)	(340,726,887)
Operating profit before working capital changes	1,035,328,094	749,696,318	3,302,785,632
(Increase)/decrease in inventories	(429,192,898)	286,890,048	252,317,053
(Increase)/Decrease in trade and other receivables	463,738,046	(295,229,021)	(894,578,911)
(Increase)/decrease in amounts due from related parties	69,659,946	26,661,738	133,353,924
Increase/(Decrease) in trade and other payables	987,837,697	(424,815,071)	(439,863,490)
Increase/(decrease) in amounts due to related parties	(12,083,890)	(18,321,614)	(144,545,426)
Cash generated from/ (used in) operations	2,115,286,995	324,882,398	2,209,468,782
Interest paid	(135,641,903)	(162,716,057)	(487,833,502)
Income tax paid	(105,422,306)	(114,863,828)	(506,422,256)
Gratuity paid	(8,099,871)	(32,499,951)	(58,074,587)
Net cash / (used in) operating activities	1,866,122,915	14,802,562	1,157,138,437

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	87,637,483	51,190,075	218,405,324
Dividend income	-	-	-
(Investments)/ disposal in other investments	(10,228,152)	(9,910,606)	(115,475,331)
(Investment)/ disposal of Subsidiary	-	-	-
Investment in Subsidiary	-	-	-
Investments in gratuity fund	1,779,000	(7,043,000)	(31,674,000)
Additions to Bearer plants	(27,261,000)	(40,316,328)	(211,390,000)
Additions to Consumable biological assets	-	(438,000)	(438,000)
Investment in livestock	(13,470,000)	(2,886,500)	(20,284,000)
Acquisition of property, plant & equipment	(71,534,440)	(78,166,876)	(420,804,390)
Acquisition of intangible assets	-	-	(13,632,499)
Proceeds from disposal of biological assets	-	67,000	8,020,000
Proceeds from disposal of property, plant & equipment	28,079,985	31,288,721	79,653,225
Acquisition of Non controlling interest in Subsidiaries	(2,903,064,032)	(180,090,000)	(190,972,000)
Disposal of Subsidiary (net of cash)	-	804,006,430	1,286,196,546
Proceeds from Sale of Livestock	650,000	1,403,000	-
Acquisition of Investment Property	-	(78,299,061)	(119,159,260)
Net Cash used in Investing activities	(2,907,411,156)	490,804,855	468,445,615

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Issue of Shares	-	-	-
Share issuing cost	-	-	(35,671,225)
Proceeds from share issued by subsidiary to NCI	1,520,750,002	-	374,972,690
Receipts of interest bearing borrowings	3,604,029,031	917,453,504	3,575,138,157
Repayment of interest bearing borrowings	(4,662,549,530)	(629,343,130)	(2,810,824,356)
Payment of lease liabilities	(39,567,348)	(5,406,068)	(191,647,668)
Dividend paid	-	-	(186,942,629)
Payment to non controlling interest shareholders	-	-	-
Net cash from / (used in) financing activities	422,662,155	282,704,306	725,024,969

Net increase/(decrease) in cash and cash equivalents	(618,626,086)	788,311,723	2,350,609,021
Cash and cash equivalents at the beginning of the period	3,408,395,610	1,016,824,009	1,056,602,620
Effect of exchange rate changes on cash and cash equivalents	(1,686,204)	(559,667)	1,183,969
Cash and cash equivalents at the end of the period	2,788,083,320	1,804,576,065	3,408,395,610

Cash and cash equivalents

Cash in hand & bank	3,351,724,435	2,732,272,169	4,572,232,065
Bank overdraft	(563,641,115)	(927,696,104)	(1,163,836,455)
	2,788,083,320	1,804,576,065	3,408,395,610

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Quarter ended 30th June 2020 LKR	Unaudited Quarter ended 30th June 2019 LKR	Audited Year ended 31st March 2020 LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	152,998,906	403,662,947	312,812,421
Adjustments for;			
Interest income	(32,763,330)	(37,396,428)	(120,047,566)
Interest expense	102,476,349	44,986,349	183,975,056
Fair value gain/ loss in quoted shares and unit trust	6,801,824	4,032,549	(4,422,113)
Depreciation & amortization	4,730,620	1,242,147	17,965,559
Profit on sale of property, plant & equipment	-	(2,011,685)	(2,011,685)
Write off of property, plant and equipment	-	-	-
Provision for other receivable	-	-	-
Gratuity (payments) /receipts on staff transfer	-	-	-
Impairment of investment	-	-	7,648,541
Provision for gratuity	4,595,345	4,017,715	15,108,292
Operating profit before working capital changes	238,839,714	418,533,594	411,028,505
(Increase)/decrease in trade and other receivables	(18,418,280)	(83,647,399)	(33,113,470)
(Increase)/decrease in amounts due from related parties	(34,344,260)	(119,446,553)	(15,050,094)
Increase/(decrease) in trade and other payables	6,148,885	85,759,017	(1,466,508)
Increase/(Decrease) in Amounts Due to Related Parties	3,526,489,988	1,439,685	2,651,108
Cash generated from/ (used in) operations	3,718,716,047	302,638,344	364,049,541
Interest paid	(73,785,678)	(44,986,349)	(163,945,575)
Employee benefits paid	-	-	(3,197,904)
Net cash / (used in) operating activities	3,644,930,369	257,651,995	196,906,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	30,020,864	37,396,428	120,047,566
Investments in subsidiaries	(4,423,814,034)	-	(75,000,000)
Investments in associates	-	-	-
(Investments)/ disposal in other investments	1,675,877	(5,710,155)	(115,475,329)
Acquisition of intangible assets	-	-	-
Proceed from disposal of property, plant & equipment	-	8,501,000	8,501,000
Acquisition of property, plant & equipment	(41,000)	(7,199,400)	(15,245,259)
Net cash used in investing activities	(4,392,158,293)	32,987,873	(77,172,022)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issue of Shares			
Share issuing cost			
Receipts of interest bearing borrowings	3,004,000,000	-	1,580,000,000
Repayment of interest bearing borrowings	(3,715,610,198)	-	(393,896,000)
Payment of lease liabilities	(4,056,156)	-	(15,022,800)
Dividend paid	-	-	(186,942,629)
Net Cash from / (used in) Financing Activities	(715,666,354)	-	984,138,571
Net increase/(decrease) in cash and cash equivalents	(1,462,894,278)	290,639,868	1,103,872,611
Cash and cash equivalents at the beginning of the period	2,185,982,598	1,042,331,375	1,082,109,987
Cash and cash equivalents at the end of the period	723,088,320	1,332,971,243	2,185,982,598
Cash and cash equivalents			
Cash in hand & bank	723,088,320	1,361,858,899	2,238,482,618
Bank overdraft	-	(28,887,656)	(52,500,020)
	723,088,320	1,332,971,243	2,185,982,598

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
SEGMENTAL ANALYSIS
FOR THE THREE MONTHS ENDED 30TH JUNE

	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	242,561,689	442,949,396	2,592,981,206	2,471,243,063	973,610,000	1,392,220,000	1,109,924,893	1,310,817,312	75,925,334	25,583,071	-	-	7,203,165	8,523,225	(215,954,012)	(443,548,068)	4,786,252,275	5,207,787,999
RESULT																		
Profit from operating activities	656,422,691	411,252,869	281,386,294	229,841,201	496,523,000	313,931,205	86,219,311	84,911,454	19,530,525	(21,585,457)	248,265,620	60,955,867	5,334,328	6,734,011	(934,018,444)	(174,952,375)	859,663,325	911,088,775
Net finance cost	(69,442,668)	(7,589,921)	(47,472,642)	(30,946,042)	(29,961,000)	(58,584,096)	1,958,824	(320,113)	(12,075,182)	(19,847,453)	65,023,931	8,881,902	(4,408,346)	(3,120,259)	-	-	(96,377,083)	(111,525,982)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(254,605)	(136,505)	(254,605)	(136,505)
Income tax expense	(63,393,558)	-	(63,256,873)	(58,391,991)	(60,272,000)	(56,484,000)	(17,739,498)	(26,771,591)	(2,974,841)	(886,837)	-	-	(2,786,144)	-	-	(84,270,949)	(210,422,914)	(226,805,368)
Profit for the year	523,586,465	403,662,948	170,656,779	140,503,168	406,290,000	198,863,109	70,438,637	57,819,750	4,480,502	(42,319,747)	313,289,551	69,837,769	(1,860,162)	3,613,752	(934,273,049)	(259,359,829)	552,608,723	572,620,920
Other comprehensive income	-	-	-	-	-	-	(1,686,204)	-	-	-	(1,825,873,902)	339,273,149	-	-	1,825,873,902	(339,273,149)	(1,686,204)	-
Total comprehensive income	523,586,465	403,662,948	170,656,779	140,503,168	406,290,000	198,863,109	68,752,433	57,819,750	4,480,502	(42,319,747)	(1,512,584,351)	409,110,918	(1,860,162)	3,613,752	891,600,853	(598,632,978)	550,922,519	572,620,920
OTHER INFORMATION																		
Segment assets	13,388,659,968	6,108,661,374	6,593,717,505	5,516,079,941	7,302,305,000	6,698,779,000	1,468,552,895	1,555,666,687	2,240,024,614	1,875,103,830	7,303,154,479	8,989,705,593	1,002,753,012	786,071,727	(17,884,907,709)	(11,248,677,917)	21,414,259,764	20,281,390,235
Equity & reserves	7,362,081,084	4,206,643,226	2,773,402,453	2,237,442,160	4,394,505,000	4,002,485,000	1,085,258,483	1,017,851,446	1,348,816,911	983,689,492	7,282,144,570	8,985,470,347	729,821,464	571,941,119	(13,626,995,357)	(10,977,779,310)	11,349,034,608	11,027,743,480
Total liabilities	6,026,578,881	1,902,018,148	3,820,315,045	3,278,637,775	2,907,800,000	2,696,294,000	383,294,409	537,815,241	891,207,702	891,414,338	21,009,909	4,235,247	272,931,547	214,130,608	(4,257,912,337)	(270,898,602)	10,065,225,156	9,253,646,755
Depreciation	4,730,620	1,242,146	45,564,420	32,156,885	79,682,000	96,892,478	24,320,777	14,738,857	27,912,415	26,826,792	8,144	-	-	-	-	-	182,218,376	171,865,302
Capital expenditure	41,000	7,199,400	19,664,580	7,800,917	69,674,043	83,693,554	3,862,184	11,830,832	19,023,633	126,000	-	-	-	10,719,001	-	-	112,265,440	121,369,704

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 and generation of power.

2 Interim consolidated financial statements

The Interim Financial Statements for the year ended 30th June 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, Watawala Tea Ceylon Limited and Sunshine Wilmar (Pvt) Ltd.

3 Approval of financial statements

The Interim Financial Statements of the Group and the Company for the three months ended 30th June 2020, were authorised for issue by the Board of Directors on 06th August 2020.

4 Basis of preparation

- 4.1. 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.

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 & equipment

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.

SUNSHINE HOLDINGS PLC

NOTES TO THE ACCOUNTS

5.2.4 Biological assets

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

Bearer biological assets

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

Consumable biological assets

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

Livestock

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

5.3 Investment properties

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

5.4 Investments in subsidiaries

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

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.

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%	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	30th June 2020	31st March 2020	30th June 2019
Ordinary shares	149,554,103	149,554,103	149,554,103

SUNSHINE HOLDINGS PLC

NOTES TO THE ACCOUNTS

10 Dividend

Year ended 31st March

	2020	2019	2018
Dividend paid (Rs)	112,165,577	186,942,629	136,492,280
No of ordinary shares	149,554,103	149,554,103	136,492,280
Dividend per share (cash)	0.75	1.25	1.00
Dividend per share (scrip)	-	-	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 2020.

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

Market price per share	Three months ended	Three months ended	Audited
	30th June 2020	30th June 2019	Year ended 31st March 2020
	Rs.	Rs.	Rs.
Highest price	50.00	49.90	52.00
Lowest price	36.10	38.00	36.00
Last traded price	47.60	41.00	37.90

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	30th June 2020		31st March 2020	
	No of Shares Held	%	No of Shares Held	%
1 Lamurep Investments Limited	70,705,601	47.28%	70,705,601	47.28%
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 Ceylon Property Development Limited	3,055,292	2.04%	3,055,292	2.04%
5 J.B. Cocoshell (Pvt) Limited	2,031,767	1.36%	1,781,767	1.19%
6 GF Capital Global Limited	2,000,718	1.34%	2,000,718	1.34%
7 Rubber Investment Trust Ltd A/C No 01	1,300,000	0.87%	1,300,000	0.87%
8 Union Assurance PLC-Universal Life Fund	1,229,912	0.82%	-	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%	600,106	0.40%
11 Union Assurance Plc-Traditional Life Participating Fund	592,448	0.40%	-	0.00%
12 Nuwara Eliya Property Developers (pvt) Ltd	585,862	0.39%	585,862	0.39%
13 Union Assurance Plc/Account No. 05 (Unit-linked Life Insurance Fund-Equity Fund)	544,754	0.36%	-	0.00%
14 Mr. M.A.H.Esufally	517,748	0.35%	328,682	0.22%
15 Mr.V.Govindasamy	451,500	0.30%	451,500	0.30%
16 Hatton National Bank PLC - Candor Growth Fund	383,028	0.26%	-	0.00%
17 East India Holding (Pvt) Ltd	364,163	0.24%	-	0.00%
18 Deutsche Bank AG as Trustee To Capital Alliance Quantitative Equity Fund	355,000	0.24%	-	0.00%
19 Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	339,494	0.23%	339,494	0.23%
20 Mr. H.N.Esufally	334,737	0.22%	334,737	0.22%
Sub Total	139,720,745	93.42%	135,812,374	90.81%
Others	9,833,358	6.58%	13,741,729	9.19%
Total	149,554,103	100.00%	149,554,103	100.00%

PUBLIC SHARE HOLDING				
	Requirement by CSE	As at 30th June 2020	Requirement by CSE	As at 31st March 2020
Option	5	5	5	5
Float adjusted market capitalization	Less than Rs.2,500,000,000/-	2,298,652,545	Less than Rs.2,500,000,000/-	1,830,229,653
The percentage of shares held by the public	20%	32.29%	20%	32.29%
Number of shareholders representing public holding	500	2,002	500	1,932

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

	As at 30th June 2020	As at 31st March 2020
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.Talwate	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)

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