



SUNSHINE HOLDINGS PLC

INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

30TH SEPTEMBER 2020

SUNSHINE HOLDINGS PLC

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 11 billion for the period ended 30th September 2020 (1H FY20/21), up by LKR 416 million or 3.9% YoY. The Group revenue which predominantly includes revenue from Healthcare, Consumer goods, and Agribusiness sectors, contributed 52.9%, 25.3%, and 19.4% respectively. Healthcare sector recorded YoY growth of 10.0% against last year, while the Agri sector revenue was up by 17.3%. Consumer goods sector recorded an 0.4% dip in revenue largely due to the negative price growth.

Gross profit margin for 1H FY20/21 stood at 34.2%, an increase of 347 basis points against same period last year. The gross profit improved by LKR 508 million up 15.7% YoY compared to the previous year backed by the contribution from the Agribusiness, Healthcare and Energy sectors. The Group EBIT closed at LKR 1,967 million, an increase of 23.7% YoY.

Healthcare sector recorded revenue of LKR 5.8 billion at the close of 1H FY20/21, an increase of 10.0% YoY over same period last year, while EBIT for the sector was LKR 646 million. The Healthcare sector Profit After Tax (PAT) improved due to strong performances in Pharmaceutical and Medical Devices divisions.

Consumer Goods sector reported an 0.4% YoY contraction in revenue to close at LKR 2.8 billion. Selling and Distribution expenses decreased by Rs. 56 million largely due to the reduction in advertising and promotion expenses considering the Covid-19 lockdown. The PAT of the Consumer Goods sector decreased by LKR 70 million (down 35.4%YoY) to LKR 128 million in comparison to the same period last year.

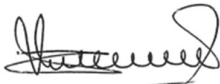
Agribusiness sector revenue decreased by 8.6% during 1H FY20/21 compared to same period last year, which includes two months performance of the divested tea segment, which resulted the above decrease. The Gross Profit margin increased to 55% from 35% due to the improved performance in the Palm oil and Dairy sub-segments and the divestment of Tea sub- segment. PAT of the Agri sector closed at Rs. 918 for 1H FY20/21, up by Rs. 376 million compared to the same period last year.

Energy sector revenue increased to LKR 209 million in 1H FY20/21 from LKR 100 million due to higher rain fall in the catchment areas and plants operating at capacity. This has resulted in a profit after tax of LKR 56 million in 1HFY20/21 compared to a loss after tax of LKR 37 million during the same period last year.

Group PAT amounted to LKR 1,285 million in 1HFY20/21 compared to LKR 1,232 million reported during the same period last year. Profits attributable to equity shareholders (PATMI) is LKR 709 million for 1HFY20/21.

During 2QFY21 the Groups Consumer sector acquired 100% shareholding of Daintee Limited to further expand its presence, beyond tea, in the local consumer goods sector. Daintee is a market leader in sweets and toffee category in Sri Lanka with 40% market share. 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 and subsequent lockdowns. 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
13th November 2020
Colombo

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited			Audited
	Period ended 30th September 2020 LKR	Period ended 30th September 2019 LKR	Change %	Quarter ended 30th September 2020 LKR	Quarter ended 30th September 2019 LKR	Change %	Year ended 31st March 2020 LKR
Revenue	10,950,683,038	10,534,615,672	4	6,164,430,763	5,326,827,673	16	20,830,888,266
Cost of sales	(7,204,708,424)	(7,296,577,075)	(1)	(4,038,167,210)	(3,520,963,796)	15	(14,696,653,353)
Gross profit	3,745,974,614	3,238,038,597	16	2,126,263,553	1,805,863,877	18	6,134,234,913
Other income	153,483,869	190,354,795	(19)	101,935,478	105,807,312	(4)	452,594,645
Administration expenses	(1,026,484,188)	(967,635,488)	6	(565,276,606)	(470,814,253)	20	(2,016,956,500)
Selling & distribution expenses	(906,269,310)	(952,972,508)	(5)	(555,880,765)	(501,448,292)	11	(2,001,552,253)
Gain on disposal of subsidiary	-	342,712,025		-	-		340,726,887
Results from operating activities	1,966,704,985	1,850,497,421	6	1,107,041,660	939,408,644	18	2,909,047,692
Finance income	144,654,292	123,173,021	17	66,178,373	71,982,946	(8)	264,490,489
Finance cost	(279,412,833)	(315,922,367)	(12)	(104,559,831)	(153,206,310)	(32)	(608,747,322)
Net finance cost	(134,758,541)	(192,749,346)	(30)	(38,381,458)	(81,223,364)	(53)	(344,256,833)
Share of profit of equity accounted investees	(440,185)	(312,555)		(185,580)	(176,050)		(1,413,934)
Profit before tax	1,831,506,259	1,657,435,520	11	1,068,474,622	858,009,230	25	2,563,376,925
Income tax expense	(546,122,156)	(424,962,998)	29	(335,699,242)	(198,157,630)	69	(730,739,358)
Profit for the period	1,285,384,103	1,232,472,522	4	732,775,380	659,851,600	11	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	(874,817)	(808,427)		811,387	(808,427)		1,183,969
Defined benefit plan actuarial gain/(loss)	7,148,972	-	-	7,148,972	-	-	(7,926,899)
Tax on other comprehensive income	(2,001,712)	-	-	(2,001,712)	-	-	11,731,077
Total other comprehensive income for the period	4,272,443	(808,427)	-	5,958,647	(808,427)	-	(35,355,268)
Total comprehensive income for the period	1,289,656,546	1,231,664,095	5	738,734,027	659,043,173	12	1,797,282,299
Profit attributable to:							
Owners of the parent company	704,307,257	736,058,853	(4)	383,291,016	403,082,178	(5)	1,147,045,944
Non-controlling interest	581,076,846	496,413,670	17	349,484,363	256,769,423	36	685,591,623
Other comprehensive income attributable to:							
Owners of the parent company	4,978,070	(485,057)	-	5,958,649	(485,057)	-	(32,116,843)
Non-controlling interest	(705,627)	(323,371)	-	(1)	(323,371)	-	(3,238,425)
Total comprehensive income for the period	1,289,656,546	1,231,664,095	5	738,734,027	659,043,173	12	1,797,282,299
Basic earnings per share	4.71	4.92		2.56	2.70		7.67

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

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited			Unaudited			Audited
	Period ended 30th September 2020 LKR	Period ended 30th September LKR	Change %	Quarter ended 30th September 2020 LKR	Quarter ended 30th September 2019 LKR	Change %	Year ended 31st March 2020 LKR
Revenue	448,679,902	489,994,973	(8)	206,118,213	47,045,577	338	497,330,868
Cost of sales	-	-	n/m	-	-	n/m	-
Gross profit	448,679,902	489,994,973	(8)	206,118,213	47,045,577	338	497,330,868
Other income	130,505,595	153,470,187	n/m	75,989,517	90,602,203	n/m	314,317,165
Administration expenses	(183,069,128)	(206,407,303)	(11)	(108,703,286)	(111,842,791)	(3)	(427,259,581)
Impairment of investment in subsidiary	-	-		-	-		(7,648,541)
Results from operating activities	396,116,369	437,057,857	(9)	173,404,444	25,804,989	572	376,739,911
Finance income	51,718,915	65,995,535	(22)	18,955,585	28,599,107	(34)	120,047,566
Finance cost	(215,558,806)	(85,743,643)	(151)	(113,082,457)	(40,757,294)	(177)	(183,975,056)
Net finance cost	(163,839,891)	(19,748,108)	730	(94,126,872)	(12,158,187)	674	(63,927,490)
Profit before tax	232,276,478	417,309,749	(44)	79,277,572	13,646,802	481	312,812,421
Income tax expense	(803,794)	2,109,572		(803,794)	2,109,572		7,725,317
Profit for the period	231,472,684	419,419,321	(45)	78,473,778	15,756,374	398	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	231,472,684	419,419,321	(45)	78,473,778	15,756,374	398	293,122,545
Basic earnings per share from continuing operations	1.55	2.80		0.52	0.11		2.14

Figures in brackets indicate deductions.
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n/m- not meaningful

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 30th September 2020 LKR	Audited As at 31st March 2020 LKR
ASSETS		
Non current assets		
Property, plant and equipment	5,324,210,866	4,719,959,469
Intangible assets	148,734,503	165,942,721
Leasehold right to bare land	241,855,000	241,439,000
Biological assets	3,457,302,000	3,449,345,000
Investment property	780,499,144	709,499,144
Equity-accounted investee	944,178	1,384,362
Other investments	1,076,424,392	1,070,904,297
Deferred tax assets	66,652,612	65,787,835
Goodwill on acquisition	300,285,565	-
Total non-current assets	11,396,908,260	10,424,261,828
Current assets		
Biological assets-growing crops on bearer plants	35,448,000	41,797,000
Inventories	4,679,336,530	3,177,211,186
Derivative assets on SWAP agreement	165,442,180	234,792,226
Current tax assets	9,809,783	9,893,358
Trade & other receivables	4,195,206,347	4,295,571,106
Amounts due from related parties	34,325,902	78,704,645
Cash & cash equivalent	3,713,866,120	4,572,232,065
Total current assets	12,833,434,862	12,410,201,586
Total assets	24,230,343,122	22,834,463,414
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	362,585,564	357,607,494
Retained earnings	6,869,325,201	6,414,817,615
Equity attributable to owners of the company	8,873,626,012	8,414,140,356
Non-controlling interests	3,016,642,623	4,035,566,113
Total equity	11,890,268,635	12,449,706,469
Non-current liabilities		
Loans and borrowings	3,605,551,740	2,311,846,644
Employee benefits	608,543,719	559,458,926
Deferred income and capital grants	117,273,000	142,550,000
Deferred tax	707,948,109	533,907,412
Other financial liability	73,423,898	-
Total non-current liabilities	5,112,740,466	3,547,762,982
Current liabilities		
Trade and other payables	3,633,788,640	2,450,696,950
Amounts due to related parties	10,176,155	27,513,242
Current tax liabilities	422,880,610	223,047,621
Loans and borrowings	2,583,414,639	2,971,899,695
Bank overdraft	577,073,977	1,163,836,455
Total current liabilities	7,227,334,021	6,836,993,963
Total equity and liabilities	24,230,343,122	22,834,463,414

Net asset value per share (Rs.)

59.33

56.26

Figures in brackets indicate deductions.

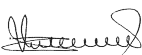
The above figures are not audited

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

November 13, 2020

Colombo



Director

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 30th September 2020 LKR	Audited As at 31st March 2020 LKR
ASSETS		
Non-current assets		
Property, Plant and Equipment	40,234,420	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	696,513,392	727,179,297
Deferred tax assets	34,214,144	32,017,938
Total non-current assets	8,584,529,420	4,194,307,733
Current assets		
Derivative assets on SWAP agreement	165,442,180	234,792,226
Current tax assets	3,158,748	3,158,748
Trade & other receivables	168,850,566	95,768,884
Amounts due from related parties	247,845,035	240,777,370
Cash & cash equivalent	832,764,233	2,238,482,618
Total current assets	1,418,060,762	2,812,979,846
Total assets	10,002,590,182	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	2,035,645,572	1,916,338,465
Equity attributable to owners of the company	4,028,467,300	3,909,160,193
Non-controlling interests	-	-
Total equity	4,028,467,300	3,909,160,193
Non-current liabilities		
Loans and borrowings	667,768,117	939,000,820
Employee benefits	104,307,669	96,712,325
Total non-current liabilities	772,075,786	1,035,713,145
Current liabilities		
Trade and other payables	89,863,144	20,989,335
Amounts due to related parties	3,595,060,959	2,651,108
Loans and borrowings	1,517,122,993	1,986,273,778
Bank overdraft	-	52,500,020
Total current liabilities	5,202,047,096	2,062,414,241
Total equity and liabilities	10,002,590,182	7,007,287,579
Net asset value per share (Rs.)	26.94	26.14

Figures in brackets indicate deductions.

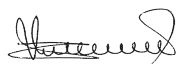
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Group Chief Financial Officer

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



Group Managing Director
November 13, 2020
Colombo



Director

SUNSHINE HOLDINGS PLC
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

SUNSHINE HOLDINGS PLC
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

Attributable to owners of the company

CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

<i>In LKR</i>	Stated capital	Reserve on exchange gain or loss	Reserve on rearrangement	General reserve	Fair value gain or loss reserve on AFS	Retained earnings	Total	Non-controlling interest	Total equity
Balance as 01st April 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 six months						736,058,853	736,058,853	496,413,670	1,232,472,523
Total other comprehensive income for the six months		(485,056)				-	(485,056)	(323,370)	(808,426)
Total comprehensive income for the six months		(485,056)			-	736,058,853	735,573,797	496,090,300	1,231,664,097
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)
Impact on loss of effective shareholding in Sunshine Energy Group						237,446,912	237,446,912	101,854,553	339,301,465
Issue of shares - Scrip dividend - Watawala Planations PLC						-	-	13,356,019	13,356,019
Impact on loss of effective shareholding in Sunshine Energy Group						(184,474,563)	(184,474,563)	184,474,563	-
Acquisition of NCI - Waltrim Hydro Power (Pvt) Ltd						(2,606,350)	(2,606,350)	(8,275,650)	(10,882,000)
Scrip Dividend to NCI							-	(15,530,243)	(15,530,243)
Dividend paid to owners for 2017/18						(186,942,629)	(186,942,629)	-	(186,942,629)
Total contributions by and distributions to owners of the company	-	-	-	-	-	(242,807,709)	(242,807,709)	(155,602,020)	(398,409,729)
Balance as at 30th September 2019	1,641,715,247	1,462,917	-	1,257,725	382,975,467	5,981,538,621	8,008,949,977	3,817,139,291	11,826,089,268
Total Comprehensive Income for the balance period									
Profit from continuing operations for the six months					-	410,987,091	410,987,091	189,177,953	600,165,044
Total other comprehensive income for the six months		958,644	-	-	(29,047,259)	(3,543,172)	(31,631,787)	(2,915,055)	(34,546,842)
Total comprehensive income for the six months		958,644.00	-	-	(29,047,259.00)	407,443,919.00	379,355,304.00	186,262,898.00	565,618,202.00
Fair value adjutment of right to use assets						25,835,075	25,835,075	32,163,924	57,998,999
	-	-	-	-	-	25,835,075.00	25,835,075.00	32,163,924.00	57,998,999.00
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 six months						704,307,257	704,307,257	581,076,846	1,285,384,103
Total other comprehensive income for the six months		4,978,070				-	4,978,070	(705,627)	4,272,443
Total comprehensive income for the six months	-	4,978,070	-	-	-	704,307,257	709,285,327	580,371,219	1,289,656,546
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 Planations PLC Group						(352,071,099)	(352,071,099)	352,071,099	-
Acquisition of Non controlling interest in Estate Management Services (Pvt) Ltd						(307,579,587)	(307,579,587)	(2,595,484,445)	(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)	(354,614,773)	(466,780,350)
	-	-	-	-	-	(249,799,671)	(249,799,671)	(1,599,294,709)	(1,849,094,380)
Balance as at 30th September 2020	1,641,715,247	7,399,631	-	1,257,725	353,928,208	6,869,325,201	8,873,626,012	3,016,642,623	11,890,268,635

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

CONDENSED STATEMENT OF CHANGES IN EQUITY - COMPANY

<i>In LKR</i>	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings	Total
Balance as at 01st April 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 six months				419,419,321	419,419,321
Total comprehensive income for the six months	-			419,419,321	419,419,321
Balance as at 30th September 2019	1,641,715,247	378,896,015	1,257,725	2,200,530,611	4,222,399,598
Total comprehensive income for the balance period					
Profit for the six months				(98,881,583)	(98,881,583)
Total other comprehensive income for the six months		(29,047,259)		1,632,066	(27,415,193)
Total comprehensive income for the six months	-	(29,047,259)	-	(97,249,517)	(126,296,776)
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 six months				231,472,684	231,472,684
Total other comprehensive income for the six months				-	-
Total comprehensive income for the six months				231,472,684	231,472,684
Dividend paid to owners - 2019/20				(112,165,577)	(112,165,577)
Balance as at 30th September 2020	1,641,715,247	349,848,756	1,257,725	2,035,645,572	4,028,467,300

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS - GROUP

	Unaudited Period ended 30th September 2020 LKR	Unaudited Period ended 30th September 2019 LKR	Audited Year ended 31st March 2020 LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	1,831,506,259	1,657,435,520	2,563,376,925
Adjustments for;			
Interest income	(143,885,971)	(104,636,281)	(218,405,324)
Profit on sale of property, plant & equipment	(22,855,000)	(29,404,658)	(44,059,002)
Interest expense	279,412,833	315,922,367	608,747,322
Depreciation of Property, Plant and Equipment	308,691,503	277,066,619	785,058,888
Amortization of Lesehold land right	4,951,000	4,487,788	10,283,000
Depreciation of mature planations	76,877,000	79,968,175	
Amortization of Intangible Assets	17,208,217	18,415,284	
Profit/(loss) of equity investee	440,184	312,555	1,413,934
Fair value gain/loss on Consumer Biological Assets	-	4,908,989	
Biological assets- (gain)/loss from produce crop valuation	6,349,000	(10,195,630)	(10,526,000)
Fair value gain in quoted shares	4,847,587	(4,832,526)	(4,422,113)
Provision/(Reversal) and write off for Bad and Doubtful Debts	17,434,618	(3,645,831)	22,994,323
Provision/ (reversals) and Write-off for inventories	18,133,625	294,178	7,231,966
Amortization of deferred income & capital grants	(25,277,000)	(25,277,748)	(50,555,000)
Profit on sale of consumable biological assets	-	(7,951,000)	(7,747,000)
Fair value gain / (loss) on livestock	(2,582,000)	-	(12,634,000)
Provision gratuity excluding actuarial gain/(loss)	49,239,095	44,969,187	110,473,610
Gain on disposal of subsidiary	63,000	(342,712,025)	(340,726,887)
Profit on sale of Investments	(5,902,294)	(993,801)	-
Rent Concession	(11,792,048)	-	-
Impairment of biological assets	8,000,000	-	-
Write-off of Intangible Assets	900,000	-	-
Provision for other receivable	-	-	(8,107,946)
Fair value (gain)/ loss on investment property	-	-	(116,267,064)
Timber fair valuation gain	-	-	6,656,000
Operating profit before working capital changes	2,411,759,608	1,874,131,162	3,302,785,632
(Increase)/decrease in inventories	(1,291,708,437)	333,573,163	252,317,053
(Increase)/Decrease in trade and other receivables	199,566,874	(390,544,147)	(894,578,911)
(Increase)/decrease in amounts due from related parties	59,838,945	28,034,321	133,353,924
Increase/(Decrease) in trade and other payables	1,043,883,001	(510,109,692)	(439,863,490)
Increase/(decrease) in amounts due to related parties	(17,337,088)	(628,392,810)	(144,545,426)
Cash generated from/ (used in) operations	2,406,002,903	706,691,997	2,209,468,782
Interest paid	(218,814,700)	(305,015,327)	(487,833,502)
Income tax paid	(352,017,326)	(418,633,546)	(506,422,256)
Gratuity paid	(24,729,354)	(39,776,369)	(58,074,587)
Net cash / (used in) operating activities	1,810,441,523	(56,733,245)	1,157,138,437
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	143,885,971	104,636,281	218,405,324
(Investments)/ disposal in other investments	31,720,611	(100,349,050)	(115,475,331)
Investments in gratuity fund	(36,186,000)	(18,147,598)	(31,674,000)
(Investments)/ Disposal in Short term Investments	487,239,754	(506,444,388)	-
Acquisition of Non controlling interest in Subsidiaries	(2,903,064,032)	(180,090,000)	(190,972,000)
Disposal of Subsidiary (net of cash)	1,268,000	1,046,934,524	1,286,196,546
Additions to Bearer plants	(60,140,000)	(101,094,790)	(211,390,000)
Investment in livestock	(32,452,000)	(19,310,877)	(20,284,000)
Additions to Consumable biological assets	-	(438,000)	(438,000)
Acquisition of property, plant & equipment	(102,444,564)	(243,471,738)	(420,804,390)
Proceeds from disposal of biological assets	-	8,223,500	8,020,000
Proceeds from Sale of Livestock	2,340,000	2,651,358	-
Proceeds from disposal of property, plant & equipment	51,725,164	199,336,876	79,653,225
Acquisition of intangible assets	-	-	(13,632,499)
Acquisition of Investment Property	-	(142,250,080)	(119,159,260)
Acquisition of Subsidiary (net of cash)	(1,544,022,015)	-	-
Net Cash used in Investing activities	(3,960,129,111)	50,186,018	468,445,615

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS - GROUP

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from share issued by subsidiary to NCI	1,520,750,002	374,972,690	374,972,690
Share issuing cost	-	(35,671,225)	(35,671,225)
Receipts of interest bearing borrowings	6,191,428,382	1,881,233,561	3,575,138,157
Repayment of interest bearing borrowings	(5,276,784,196)	(1,807,565,245)	(2,810,824,356)
Payment of lease liabilities	(89,654,899)	(68,945,012)	(191,647,668)
Dividend paid	(466,780,351)	(186,942,629)	(186,942,629)
Payment to non controlling interest shareholders	-	(10,882,000)	-
Net cash from / (used in) financing activities	1,878,958,938	146,200,140	725,024,969
Net increase/(decrease) in cash and cash equivalents	(270,728,650)	139,652,913	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	(874,817)	(808,427)	1,183,969
Cash and cash equivalents at the end of the period	3,136,792,143	1,155,668,495	3,408,395,610
Cash and cash equivalents			
Cash in hand & bank	3,713,866,120	2,299,875,702	4,572,232,065
Bank overdraft	(577,073,977)	(1,144,207,207)	(1,163,836,455)
	3,136,792,143	1,155,668,495	3,408,395,610

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Period ended 30th September 2020 LKR	Unaudited Period ended 30th September 2019 LKR	Audited Year ended 31st March 2020 LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	232,276,478	417,309,749	312,812,421
Adjustments for;			
Interest income	(51,718,915)	(65,995,535)	(120,047,566)
Interest expense	215,558,806	85,743,643	183,975,056
Fair value gain/ loss in quoted shares and unit trust	5,812,360	(4,832,526)	(4,422,113)
Depreciation and amortization	10,661,928	8,929,753	17,965,559
Profit on sale of property, plant & equipment	-	(2,011,685)	(2,011,685)
Impairment of investment	-	-	7,648,541
Rent concession	(1,079,325)	-	-
Provision for gratuity	7,595,345	7,917,715	15,108,292
Operating profit before working capital changes	419,106,677	447,061,114	411,028,505
Increase in trade and other receivables	(73,081,685)	(46,509,218)	(33,113,470)
Increase in amounts due from related parties	(7,067,665)	(6,490,971)	(15,050,094)
Increase/(decrease) in trade and other payables	67,306,910	43,915,564	(1,466,508)
Increase in Amounts Due to Related Parties	3,592,409,852	1,439,685	2,651,108
Cash generated from/ (used in) operations	3,998,674,089	439,416,174	364,049,541
Interest paid	(187,797,191)	(85,197,428)	(163,945,575)
Income tax paid	(1,433,096)	-	-
Employee benefits paid	-	(324,000)	(3,197,904)
Net cash generated from operating activities	3,809,443,802	353,894,746	196,906,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	57,203,846	65,995,534	120,047,566
Investments in debentures	-	(100,000,000)	-
Investments in subsidiaries	(4,423,814,034)	(75,000,001)	(75,000,000)
(Investments)/ disposal in other investments	19,368,612	(1,342,850)	(115,475,329)
Proceed from disposal of property, plant & equipment	-	8,501,000	8,501,000
Acquisition of property, plant & equipment	(919,041)	(7,616,334)	(15,245,259)
Net cash used in investing activities	(4,348,160,617)	(109,462,651)	(77,172,022)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts of interest bearing borrowings	3,104,000,000	-	1,580,000,000
Repayment of interest bearing borrowings	(3,798,780,698)	(177,555,000)	(393,896,000)
Payment of lease liabilities	(7,555,275)	(7,511,400)	(15,022,800)
Dividend paid	(112,165,577)	(186,942,629)	(186,942,629)
Net (used in)/ generated from Financing Activities	(814,501,550)	(372,009,029)	984,138,571
Net (decrease)/ increase in cash and cash equivalents	(1,353,218,365)	(127,576,934)	1,103,872,611
Cash and cash equivalents at the beginning of the period/ year	2,185,982,598	1,042,331,375	1,082,109,987
Cash and cash equivalents at the end of the period/ year	832,764,233	914,754,441	2,185,982,598
Cash and cash equivalents			
Cash in hand & bank	832,764,233	971,236,247	2,238,482,618
Bank overdraft	-	(56,481,806)	(52,500,020)
	832,764,233	914,754,441	2,185,982,598

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
SEGMENTAL ANALYSIS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER

	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	448,679,902	489,994,973	5,795,468,201	5,266,820,957	2,125,428,000	2,324,221,000	2,771,944,414	2,782,441,927	208,753,853	99,703,616	-	-	16,424,609	17,050,593	(416,015,941)	(445,617,394)	10,950,683,038	10,534,615,672
RESULT																		
Profit from operating activities	828,900,772	437,057,856	646,028,615	452,017,489	1,102,307,000	768,183,205	211,837,197	286,319,969	82,141,537	(1,770,569)	243,080,415	112,738,403	11,345,706	9,395,770	(1,158,936,257)	(213,444,702)	1,966,704,985	1,850,497,421
Net finance cost	(163,399,341)	(19,748,108)	(42,390,735)	(55,002,628)	(56,460,000)	(103,923,096)	9,997,166	2,473,020	(22,957,117)	(37,334,579)	148,987,667	28,072,259	(8,536,181)	(7,286,214)	-	-	(134,758,541)	(192,749,346)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(440,185)	(312,555)	(440,185)	(312,555)
Income tax expense	(64,197,352)	2,109,572	(180,200,702)	(124,396,241)	(128,347,000)	(122,940,000)	(93,608,229)	(90,209,923)	(3,376,453)	2,271,831	(77,736,378)	-	1,343,958	(1,261,095)	-	(90,537,142)	(546,122,156)	(424,962,998)
Profit for the year	601,304,079	419,419,320	423,437,178	272,618,620	917,500,000	541,320,109	128,226,134	198,583,066	55,807,967	(36,833,317)	314,331,704	140,810,662	4,153,483	848,461	(1,159,376,442)	(304,294,399)	1,285,384,103	1,232,472,522
Other comprehensive income	-	-	-	-	-	-	4,272,443	(808,427)	-	-	(1,825,873,902)	339,273,149	-	-	1,825,873,902	(339,273,149)	4,272,443	(808,427)
Total comprehensive income	601,304,079	419,419,320	423,437,178	272,618,620	917,500,000	541,320,109	132,498,577	197,774,639	55,807,967	(36,833,317)	(1,511,542,198)	480,083,811	4,153,483	848,461	666,497,460	(643,567,548)	1,289,656,546	1,231,664,095

OTHER INFORMATION

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020	30th September 2020	31st March 2020
Segment assets	13,068,202,011	7,007,287,574	7,187,438,039	6,117,921,695	7,180,236,000	6,987,543,000	3,709,208,771	1,700,388,897	2,206,551,113	2,236,507,707	7,348,931,574	9,029,686,263	1,002,373,525	1,009,192,172	(17,472,597,911)	(11,254,063,894)	24,230,343,122	22,834,463,414
Equity & reserves	7,044,798,698	3,909,160,193	3,026,182,852	2,602,745,674	4,905,718,000	4,598,153,000	1,149,004,628	1,265,006,067	1,400,144,375	1,344,336,408	7,283,186,724	9,008,438,934	735,835,111	731,681,625	(13,654,601,753)	(11,009,815,432)	11,890,268,635	12,449,706,469
Total liabilities	6,023,403,310	3,098,127,380	4,161,255,189	3,515,176,024	2,274,518,000	2,389,390,000	2,560,204,139	435,382,831	806,406,737	892,171,302	65,744,852	21,247,329	266,538,413	277,510,546	(3,817,996,153)	(244,248,467)	12,340,074,487	10,384,756,945
	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
Depreciation	11,165,876	8,929,753	102,170,661	95,408,248	161,052,000	171,913,680	74,629,764	44,671,880	56,276,239	55,127,477	16,378	1,350,103	-	-	2,416,802	2,536,725	407,727,720	379,937,866
Capital expenditure	919,041	7,616,334	28,151,895	18,164,323	128,461,000	198,140,252	6,188,273	19,324,593	31,316,355	26,716,902	-	-	-	236,603,080	-	-	195,036,564	506,565,485

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 condensed financial statements

The Interim Condensed Financial Statements for the year ended 30th September 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 its subsidiaries and Sunshine Wilmar (Pvt) Ltd.

3. Approval of financial statements

The Interim Condensed Financial Statements of the Group and the Company for the six months ended 30th September 2020, were authorised for issue by the Board of Directors on 13 November 2020.

4. Basis of preparation

- 4.1.** The Interim Condensed 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 2019/20. Further, these Financial Statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard - LKAS 34 on “Interim Financial Reporting”.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group’s annual Consolidated Financial Statements as at 31 March 2020.

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

The accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 March 2020.

5.1. Standards Issued but not yet Effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2020 and early application is permitted; however the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

5.2. 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.

5.3. Use of judgements and estimates

In preparing these interim condensed financial statements, management has made judgements and estimates that affected the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

5.4. Property, Plant & equipment

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.

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.

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.

5.4.a Impairment

The Board of Directors has assessed the potential impairment loss of the property, plant and equipment as at 30 September 2020. Based on the assessment, no impairment provision is required to be made in the financial statements as at the reporting date.

5.5. 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.

5.6. 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.

5.7 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

6. 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.

6.1 Disaggregation of Revenue from Contracts with Customers

The disaggregation of revenue has been provided under segmental analysis

7. 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. The Company has management control over SWPL and its subsidiary Watawala Plantations PLC ("WATA"). Accordingly, SWPL and WATA are consolidated in these financial statements.

On May 15, 2020, SWPL has acquired 74.24% stake of 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.

7.1. Acquisition of a Subsidiary

On August 31, 2020, Watawala Tea Ceylon Limited, a Subsidiary of the Company, acquired 100% of the issued share capital of Daintee Limited, obtaining control of Daintee Limited. Daintee Limited is engaged in the manufacturing of confectionery products and qualifies as a business as defined in SLFRS 3. Daintee limited was acquired to enable Sunshine Group to expand its operations in FMCG sector.

The aggregate effects of acquisition of subsidiary is as follows:

	Rs.
Total Assets (Note 7.1.a)	1,755,830,179
Total liabilities (Note 7.1.a)	(360,058,444)
Amount of the subsidiary's net assets (100%)	1,395,771,735
Fair value of the Purchase consideration (Note 7.1.b)	1,696,057,300
Goodwill arises on acquisition (Note 7.1.c)	300,285,565

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

7.1.a Identifiable net assets

The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out below.

	Rs.
Assets	
Property, plant and equipment	770,688,771
Intangible assets	900,000
Investment properties	71,000,000
Inventories at the date of acquisition	228,550,532
Trade and other receivables	118,839,735
Short term investments	487,239,754
Cash and cash equivalents	78,611,387
Total assets	1,755,830,179
Liabilities	
Retirement benefit obligations	28,942,268
Deferred tax liability	176,985,940
Trade and other payables	154,130,236
Total liabilities	360,058,444
Total identifiable net assets acquired	1,395,771,735

7.1.b Fair value of the Purchase consideration satisfied by:

	Rs.
Purchase Consideration paid in cash	1,622,633,402
Contingent consideration	73,423,898
Fair value of total consideration	1,696,057,300

7.1.c. Goodwill

	Rs.
Goodwill on acquisition is recognised as a result of the acquisitions as follows.	
Fair value of the total consideration (Note 5.4.1.3)	1,696,057,300
Identifiable Net Assets	(1,395,771,735)
Goodwill arises on acquisition	300,285,565

7.1.d. Net cash used in acquisition

	Rs.
Fair value of the consideration paid	1,622,633,402
cash and cash equivalents acquired	(78,611,387)
	1,544,022,015

7.2. Disposal of a Subsidiary

On September 30, 2020, Watawala Plantations PLC, a subsidiary of the Company, has disposed its subsidiary Watawala Tea Australia Pty. Ltd.

The effects of disposal of subsidiary is as follows:

	Rs.
Trade and other receivables	2,203,000
Trade and other payables	(872,000)
Net assets disposed	1,331,000
Loss on disposal	(63,000)
Total consideration	1,268,000
Satisfied by:	
Cash and cash equivalents	1,268,000
Net cash inflow arising on disposal:	
Consideration received in cash and cash equivalents	1,268,000

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

8. Valuation of Financial Assets and Liabilities

8.1. Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 September 2020	Classification	Carrying amount	GROUP				Carrying amount	COMPANY			
			Fair value					Fair value			
			Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial Assets measured at Fair value											
Investment in Unquoted Shares	Fair value through OCI	537,522,640	-	-	537,522,640	537,522,640	537,522,640	-	-	537,522,640	537,522,640
Investment in Quoted Shares	Fair value through P&L	58,056,506	58,056,506	-	-	58,056,506	58,056,506	58,056,506	-	-	58,056,506
Investment in Unit Trust	Fair value through P&L	-	-	-	-	-	-	-	-	-	-
Derivative instruments	Fair value through P&L	165,442,180	-	165,442,180	-	165,442,180	165,442,180	-	165,442,180	-	165,442,180
Investment Fund	Fair value through P&L	379,911,000	-	379,911,000	-	379,911,000	-	-	-	-	-
		1,140,932,325	58,056,506	545,353,180	537,522,640	1,140,932,325	761,021,325	58,056,506	165,442,180	537,522,640	761,021,325
Financial Assets not measured at Fair value											
Trade and other receivables **	Amortized cost	3,930,183,636	-	-	3,930,183,636	3,930,183,636	163,148,918	-	-	163,148,918	163,148,918
Investment in Debentures	Amortized cost	100,934,247	-	-	100,934,247	100,934,247	100,934,247	-	-	100,934,247	100,934,247
Amounts due from related parties	Amortized cost	34,325,902	-	-	34,325,902	34,325,902	247,845,035	-	-	247,845,035	247,845,035
Cash & cash equivalents **	Amortized cost	3,713,866,120	3,713,866,120	-	-	3,713,866,120	832,764,233	832,764,233	-	-	832,764,233
		7,779,309,905	3,713,866,120	-	4,065,443,784	7,779,309,905	1,344,692,433	832,764,233	-	511,928,200	1,344,692,433
Financial Liabilities not measured at Fair value											
Loans and borrowings ***	Other financial liabilities	6,188,966,379	-	-	6,188,966,379	6,188,966,379	2,184,891,110	-	2,184,891,110	-	2,184,891,110
Bank overdraft **	Other financial liabilities	577,073,977	577,073,977	-	-	577,073,977	-	-	-	-	-
Trade and other payables **	Other financial liabilities	2,844,697,945	-	-	2,844,697,945	2,844,697,945	8,230,238	-	8,230,238	-	8,230,238
Amounts due to related parties **	Other financial liabilities	10,176,154	-	-	10,176,154	10,176,154	3,595,060,959	-	3,595,060,959	-	3,595,060,959
		9,620,914,455	577,073,977	-	9,043,840,478	9,620,914,455	5,788,182,307	-	5,788,182,307	-	5,788,182,307

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

31 March 2020	Classification	Carrying amount	GROUP				COMPANY				
			Fair value				Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial Assets measured at Fair value											
Investment in Unquoted Shares	Fair value through OCI	537,522,639	-	-	537,522,639	537,522,639	537,522,639	-	-	537,522,639	537,522,639
Investment in Quoted Shares	Fair value through P&L	75,890,853	75,890,853	-	-	75,890,853	75,890,853	75,890,853	-	-	75,890,853
Investment in Unit Trust	Fair value through P&L	7,346,627	7,346,627	-	-	7,346,627	7,346,627	7,346,627	-	-	7,346,627
Derivative instruments	Fair value through P&L	234,792,226	-	234,792,226	-	234,792,226	203,742,135	-	203,742,135	-	203,742,135
Investment Fund	Fair value through P&L	343,725,000	-	343,725,000	-	343,725,000	-	-	-	-	-
		1,199,277,345	83,237,480	578,517,226	537,522,639	1,199,277,345	824,502,254	83,237,480	203,742,135	537,522,639	824,502,254
Financial Assets not measured at Fair value											
Trade and other receivables **	Amortized cost	3,727,303,446	-	-	3,727,303,446	3,727,303,446	33,214,124	-	-	33,214,124	33,214,124
Investment in Debentures	Amortized cost	106,419,178	-	-	106,419,178	106,419,178	106,419,178	-	-	106,419,178	106,419,178
Amounts due from related parties	Amortized cost	78,704,645	-	-	78,704,645	78,704,645	240,777,370	-	-	240,777,370	240,777,370
Cash & cash equivalents **	Amortized cost	4,572,232,065	4,572,232,065	-	-	4,572,232,065	2,238,482,618	2,238,482,618	-	-	2,238,482,618
		8,484,659,334	4,572,232,065	-	3,912,427,269	8,484,659,334	2,618,893,290	2,238,482,618	-	380,410,672	2,618,893,290
Financial Liabilities not measured at Fair value											
Loans and borrowings ***	Other financial liabilities	5,283,746,339	-	-	5,283,746,339	5,283,746,339	2,925,274,598	-	2,925,274,598	-	2,925,274,598
Bank overdraft **	Other financial liabilities	1,163,836,455	1,163,836,455	-	-	1,163,836,455	52,500,020	-	52,500,020	-	52,500,020
Trade and other payables **	Other financial liabilities	1,779,294,948	-	-	1,779,294,948	1,779,294,948	-	-	-	-	-
Amounts due to related parties **	Other financial liabilities	27,513,242	-	-	27,513,242	27,513,242	2,651,108	-	2,651,108	-	2,651,108
		8,254,390,984	1,163,836,455	-	7,090,554,529	8,254,390,984	2,980,425,726	-	2,980,425,726	-	2,980,425,726

** Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value. This includes trade receivables, cash and cash equivalents, trade payable, other payables, amounts due to and due from related parties and bank overdraft. The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values due to their short term nature.

*** Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

8.2. Measurement of Fair Values

Financial Assets and Liabilities measured or disclosed at Fair Value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement. An analysis of the fair value measurement of financial and non-financial assets and liabilities are provided below:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

When available, the Group measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing

- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using;

(a) quoted prices in active markets for similar instruments,

(b) quoted prices for identical or similar instruments in markets that are considered to be less active, or

(c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.

- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

8.2.a Valuation techniques and significant unobservable inputs

The following valuation techniques used in measuring Level 2 and Level 3 fair values at 30 September 2020 and 31 March 2020 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

• *Unquoted equity instruments - Discounted cash flows*

The valuation model considers the present value of expected net cash flows from those investments discounted using a risk adjusted discount rate. The expected cash flows are derived based on the budgeted cash flow forecasts of those investments determined by considering the sensible probability of the forecast EBITDA.

• *Interest rate swaps/Cross currency swaps- Swap models*

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

Those assumptions for assets categorised as Level 3 has been described under respective notes to the financial Statements as at 31 March 2020.

During the reporting period ended 30 September 2020 and 31 March 2020, there were no transfers between Level 1 and Level 2 fair value measurements

8.2.b Level 3 fair values

Reconciliation of level 3 fair values

There were no movement in the level 3 fair values from 31 March 2020 to 30 Sep 2020.

During the reporting period ended 30 September 2020 and 31 March 2020, there were no transfers out of level 3.

8.3. Concentration on Credit Risk

The Group's concentration on Credit Risk as at 30 September 2020 remain the same as at 31 March 2020.

Impairment loss on trade receivables and contract assets arising from contras with customers as at 30 September 2020 amounted to Rs.74 Mn (31 March 2020 - Rs.57 Mn).

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

9. 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 (e.g. 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

10. 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.

11. Events after the reporting date

The Company is currently in the process obtaining the legal clearance from the registrar of Companies for the amalgamation of Estate Management Services (Pvt) Ltd (the "EMSPL"), a fully owned subsidiary with the Company. Accordingly, the Books of the EMSPL is expected to amalgamate with the Company before November 30, 2020.

Except for the above, no circumstance has arisen since the reporting date which would require adjustment to or disclosure in the financial statements.

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

No. of shares as at	30th September 2020	31st March 2020	30th September 2019
Ordinary shares	149,554,103	149,554,103	149,554,103

13. 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

14. 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.

15. 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.

16. The interim Financial Statements are not audited.

SUNSHINE HOLDINGS PLC
NOTES TO THE ACCOUNTS

SHAREHOLDER INFORMATION

Market price per share	Six months ended	Six months ended	Audited
	30th September	30th September	Year ended 31st March 2020
	Rs.	Rs.	Rs.
Highest price	60.00	52.00	52.00
Lowest price	36.10	38.60	36.00
Last traded price	57.10	45.00	37.90

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	30th September 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	1,400,718	0.94%	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 Deutsche Bank AG - National Equity Fund	1,210,016	0.81%	1,210,016	0.81%
9 Union Assurance PLC-Universal Life Fund	992,524	0.66%	-	0.00%
11 Ceylon Investment PLC A/C # 02	550,000	0.37%	-	0.00%
10 Mr. P.H.A.K. Fernando	539,106	0.36%	600,106	0.40%
12 Mr. M.A.H.Esufally	541,795	0.36%	328,682	0.22%
13 Mr. P.H.A.K.Fernando	539,106	0.36%	-	0.00%
14 Deutsche Bank AG as Trustee To Capital Alliance Quantitative Equity Fund	502,000	0.34%	-	0.00%
15 Union Assurance Plc/Account No. 05 (Unit-linked Life Insurance Fund-Equity Fund)	483,090	0.32%	-	0.00%
16 Union Assurance Plc-Traditional Life Participating Fund	478,588	0.32%	-	0.00%
17 Mr.V.Govindasamy	451,500	0.30%	451,500	0.30%
18 Hatton National Bank PLC - Candor Growth Fund	433,028	0.29%	-	0.00%
19 Hatton National Bank PLC A/C No.4 (HNB Retirement Pension Fund)	353,595	0.24%	339,494	0.23%
20 Ceylon Guardian Investment Trust Plc A/C # 02	345,743	0.23%	-	0.00%
21 East India Holding (Pvt) Ltd	319,506	0.21%	-	0.00%
Sub Total	139,351,574	93.18%	134,891,775	90.20%
Others	10,202,529	6.82%	14,662,328	9.80%
Total	149,554,103	100.00%	149,554,103	100.00%

PUBLIC SHARE HOLDING				
	Requirement by CSE	As at 30th September 2020	Requirement by CSE	As at 31st March 2020
Option	4	5	5	5
Float adjusted market capitalization	Above Rs.2,500,000,000/-	2,757,417,234	Less than Rs.2,500,000,000/-	1,830,229,653
The percentage of shares held by the public	10%	32.29%	20%	32.29%
Number of shareholders representing public holding	500	2,023	500	1,932

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

	As at 30th September 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.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)
Ms. Aruni Goonetilleke (appointed w.e.f. 20th August 2020)

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