



Q3FY20\_21

# SUNSHINE HOLDINGS PLC

## GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 17.4 billion for the period ended 31st December 2020 (FY 20/21), up by LKR 1.6 billion (10% YoY). The Group revenue which predominantly includes revenue from Healthcare, Consumer goods, and Agribusiness sectors, contributed 52.2%, 28.4%, and 17.1% respectively. Healthcare sector recorded YoY growth of 11.0% against last year, while the Agri sector revenue was up by 14.8%. Consumer goods sector recorded a 17.3% increase in revenue mainly due to the performance of Daintee Limited in the last four months.

Gross profit margin for FY 20/21 stood at 33.3%, an increase of 247 basis points against last year. The gross profit improved by LKR 918 million up 18.8% YoY compared to the previous year backed by the contribution from the Healthcare and Agribusiness sectors. The Group EBIT closed at LKR 2,906 million, an increase of 13.7% YoY.

Healthcare sector recorded revenue of LKR 9.1 billion at the close of Q3 FY 20/21, an increase of 11.0% YoY over last year while EBIT for the sector was LKR 924 million. The Healthcare sector Profit After Tax (PAT) was at LKR 593 million due to strong performances in Pharmaceutical and Medical Devices divisions.

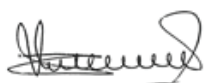
Consumer Goods sector reported a 17.3% YoY increase in revenue to close at LKR 4.9 billion. Selling and Distribution and Administration expenses increased by LKR 65 million and LKR 51 million, respectively. This was due to the absorption of Selling and Distribution and Administration expenses of Daintee Limited into the Consumer goods sector. The PAT of the sector increased by LKR 9 million (3.3% YoY) to LKR 303 million in comparison to the same period last year.

Agribusiness sector revenue increased by 14.8% during the period compared to last year. The Gross Profit increased to LKR 1,586 million from LKR 1,133 million due to the improved performance in both Palm oil and Dairy segments. PAT of the Agri sector closed at LKR 1,264 million for the period ended 31 December 2020, up by LKR 486 million compared to the same period last year.

Energy sector revenue increased to LKR 348 million from LKR 255 million due to higher rain fall in the catchment areas in 1H FY21. This has resulted in a profit after tax of LKR 108 million at Q3 of FY20/21 compared to a profit after tax of LKR 29 million reported last year.

Group PAT amounted to LKR 1,888 million in Q3 of FY20/21 compared to LKR 1,699 million reported during the same period last year. Profits attributable to equity shareholders (PATMI) increased by 7.5% YoY to LKR 1,097 million at the close of Q3 of FY 20/21.

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  
3rd February 2021  
Colombo

SUNSHINE HOLDINGS PLC  
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited			Audited
	Period ended	Period ended	Change %	Quarter ended	Quarter ended	Change %	Year ended
	31st December 2020 LKR	31st December 2019 LKR		31st December 2020 LKR	31st December 2019 LKR		31st March 2020 LKR
Revenue	17,399,559,555	15,814,346,010	10	6,448,876,517	5,279,730,338	22	20,830,888,266
Cost of sales	(11,602,165,641)	(10,935,267,570)	6	(4,397,457,217)	(3,638,690,495)	21	(14,696,653,353)
Gross profit	5,797,393,914	4,879,078,440	19	2,051,419,300	1,641,039,843	25	6,134,234,913
Other income	252,857,679	273,356,253	(7)	99,373,810	83,001,458	20	452,594,645
Administration expenses	(1,568,429,214)	(1,474,012,476)	6	(541,945,026)	(506,376,988)	7	(2,016,956,500)
Selling & distribution expenses	(1,575,795,747)	(1,462,866,613)	8	(669,526,437)	(509,894,105)	31	(2,001,552,253)
Gain on disposal of subsidiary	-	340,726,887		-	(1,985,138)		340,726,887
Results from operating activities	2,906,026,632	2,556,282,491	14	939,321,647	705,785,070	33	2,909,047,692
Finance income	188,492,037	169,082,368	11	43,837,745	45,909,347	(5)	264,490,489
Finance cost	(389,683,175)	(442,755,349)	(12)	(110,270,342)	(126,832,982)	(13)	(608,747,322)
Net finance cost	(201,191,138)	(273,672,981)	(26)	(66,432,597)	(80,923,635)	(18)	(344,256,833)
Share of profit of equity accounted investees	(298,147)	(505,463)		142,038	(192,908)		(1,413,934)
Profit before tax	2,704,537,347	2,282,104,047	19	873,031,088	624,668,527	40	2,563,376,925
Income tax expense	(816,702,908)	(582,628,448)	40	(270,580,752)	(157,665,450)	72	(730,739,358)
Profit for the period	1,887,834,439	1,699,475,599	11	602,450,336	467,003,077	29	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	135,187	(41,891)		1,010,004	766,536		1,183,969
Defined benefit plan actuarial gain/(loss)	7,148,972	-	-	-	-	-	(7,926,899)
Tax on other comprehensive income	(2,001,712)	-	-	-	-	-	11,731,077
Total other comprehensive income for the period	5,282,447	(41,891)	-	1,010,004	766,536	-	(35,355,268)
Total comprehensive income for the period	1,893,116,886	1,699,433,708	11	603,460,340	467,769,613	29	1,797,282,299
Profit attributable to:							
Owners of the parent company	1,091,356,824	1,020,423,794	7	387,049,567	284,364,941	36	1,147,045,944
Non-controlling interest	796,477,615	679,051,805	17	215,400,769	182,638,135	18	685,591,623
Other comprehensive income attributable to:							
Owners of the parent company	5,988,073	(25,135)	-	1,010,003	459,922	-	(32,116,843)
Non-controlling interest	(705,626)	(16,756)	-	1	306,615	-	(3,238,425)
Total comprehensive income for the period	1,893,116,886	1,699,433,708	11	603,460,340	467,769,613	29	1,797,282,299
Basic earnings per share	7.30	6.82		2.59	1.90		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	Period ended	Change %	Quarter ended	Quarter ended	Change %	Year ended
	31st December 2020 LKR	31st December 2019 LKR		31st December 2020 LKR	31st December 2019 LKR		31st March 2020 LKR
Revenue	636,200,418	495,236,570	28	187,520,516	5,241,597	3,478	497,330,868
Cost of sales	-	-	n/m	-	-	n/m	-
Gross profit	636,200,418	495,236,570	28	187,520,516	5,241,597	3,478	497,330,868
Other income	229,324,012	242,569,553	n/m	98,818,417	89,099,366	n/m	314,317,165
Administration expenses	(311,282,772)	(319,885,047)	(3)	(128,213,644)	(113,477,744)	13	(427,259,581)
Impairment of investment in subsidiary	-	-		-	-		(7,648,541)
Results from operating activities	554,241,658	417,921,076	33	158,125,289	(19,136,781)	(926)	376,739,911
Finance income	67,409,898	92,163,730	(27)	15,690,983	26,168,195	(40)	120,047,566
Finance cost	(313,413,766)	(122,658,000)	(156)	(97,854,960)	(36,914,357)	(165)	(183,975,056)
Net finance cost	(246,003,868)	(30,494,270)	707	(82,163,977)	(10,746,162)	665	(63,927,490)
Profit before tax	308,237,790	387,426,806	(20)	75,961,312	(29,882,943)	(354)	312,812,421
Income tax expense	(8,375,218)	7,011,475		(7,571,424)	4,901,903		7,725,317
Profit for the period	299,862,572	394,438,281	(24)	68,389,888	(24,981,040)	(374)	320,537,738
Other comprehensive income in fair value	-	-	-	-	-	-	(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	299,862,572	394,438,281	(24)	68,389,888	(24,981,040)	(374)	293,122,545
Basic earnings per share from continuing operations	2.01	2.64		0.46	(0.17)		2.14

Figures in brackets indicate deductions.

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n/m- not meaningful

SUNSHINE HOLDINGS PLC  
CONDENSED STATEMENT OF FINANCIAL POSITION - GROUP

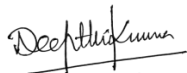
	Unaudited As at 31st December 2020 LKR	Audited As at 31st March 2020 LKR
<b>ASSETS</b>		
Non current assets		
Property, plant and equipment	5,293,604,257	4,719,959,469
Intangible assets	141,353,659	165,942,721
Leasehold right to bare land	239,432,000	241,439,000
Biological assets	3,470,179,000	3,449,345,000
Investment property	780,499,144	709,499,144
Equity-accounted investee	1,086,216	1,384,362
Other investments	984,483,233	1,070,904,297
Deferred tax assets	61,258,487	65,787,835
Goodwill on acquisition	300,285,565	-
<b>Total non-current assets</b>	<b>11,272,181,561</b>	<b>10,424,261,828</b>
Current assets		
Biological assets-growing crops on bearer plants	35,448,000	41,797,000
Inventories	4,906,499,141	3,177,211,186
Derivative assets on SWAP agreement	158,516,200	234,792,226
Current tax assets	57,065,189	9,893,358
Trade & other receivables	4,010,767,887	4,295,571,106
Short term investment	264,506,690	-
Amounts due from related parties	22,801,802	78,704,645
Cash & cash equivalent	2,960,613,181	4,572,232,065
<b>Total current assets</b>	<b>12,416,218,090</b>	<b>12,410,201,586</b>
<b>Total assets</b>	<b>23,688,399,651</b>	<b>22,834,463,414</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	363,595,567	357,607,494
Retained earnings	7,256,374,768	6,414,817,615
Equity attributable to owners of the company	9,261,685,582	8,414,140,356
Non-controlling interests	2,893,228,627	4,035,566,113
<b>Total equity</b>	<b>12,154,914,209</b>	<b>12,449,706,469</b>
Non-current liabilities		
Loans and borrowings	2,923,083,870	2,311,846,644
Employee benefits	617,016,803	559,458,926
Deferred income and capital grants	104,634,000	142,550,000
Deferred tax	726,213,016	533,907,412
Other financial liability	73,423,898	-
<b>Total non-current liabilities</b>	<b>4,444,371,587</b>	<b>3,547,762,982</b>
Current liabilities		
Trade and other payables	3,473,261,383	2,450,696,950
Amounts due to related parties	9,894,553	27,513,242
Current tax liabilities	508,439,793	223,047,621
Loans and borrowings	2,642,747,485	2,971,899,695
Bank overdraft	454,770,641	1,163,836,455
<b>Total current liabilities</b>	<b>7,089,113,855</b>	<b>6,836,993,963</b>
<b>Total equity and liabilities</b>	<b>23,688,399,651</b>	<b>22,834,463,414</b>

Net asset value per share (Rs.) 61.93 56.26

Figures in brackets indicate deductions.

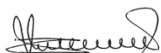
The above figures are not audited

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  
February 3, 2021  
Colombo



Director

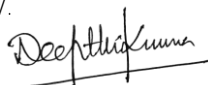
SUNSHINE HOLDINGS PLC  
CONDENSED STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 31st December 2020 LKR	Audited As at 31st March 2020 LKR
ASSETS		
Non-current assets		
Property, Plant and Equipment	35,674,947	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	685,101,233	727,179,297
Deferred tax assets	34,959,602	32,017,938
Total non-current assets	8,569,303,246	4,194,307,733
Current assets		
Derivative assets on SWAP agreement	158,516,200	234,792,226
Current tax assets	47,085,808	3,158,748
Trade & other receivables	77,882,045	95,768,884
Amounts due from related parties	261,314,893	240,777,370
Cash & cash equivalent	776,663,116	2,238,482,618
Total current assets	1,321,462,062	2,812,979,846
Total assets	9,890,765,308	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	2,104,035,460	1,916,338,465
Equity attributable to owners of the company	4,096,857,188	3,909,160,193
Non-controlling interests	-	-
Total equity	4,096,857,188	3,909,160,193
Non-current liabilities		
Loans and borrowings	561,291,687	939,000,820
Employee benefits	106,301,339	96,712,325
Total non-current liabilities	667,593,026	1,035,713,145
Current liabilities		
Trade and other payables	47,477,577	20,989,335
Loan from a related party	3,651,809,097	-
Amount due to related parties	-	2,651,108
Current tax liabilities	1,566,904	-
Loans and borrowings	1,425,461,516	1,986,273,778
Bank overdraft	-	52,500,020
Total current liabilities	5,126,315,094	2,062,414,241
Total equity and liabilities	9,890,765,308	7,007,287,579
Net asset value per share (Rs.)	27.39	26.14

Figures in brackets indicate deductions.

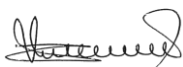
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Group Chief Financial Officer

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



Group Managing Director  
February 3, 2021  
Colombo



Director



SUNSHINE HOLDINGS PLC  
FOR THE NINE MONTHS ENDED 31ST DECEMBER 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						1,020,423,794	1,020,423,794	679,051,805	1,699,475,599
Total other comprehensive income for the six months		(25,135)				-	(25,135)	(16,756)	(41,891)
Total comprehensive income for the six months		(25,135)			-	1,020,423,794	1,020,398,659	679,035,049	1,699,433,708
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 31st December 2019	1,641,715,247	1,922,838	-	1,257,725	382,975,467	6,265,903,562	8,293,774,839	4,000,084,040	12,293,858,879
Total Comprehensive Income for the balance period									
Profit from continuing operations for the three months						126,622,150	126,622,150	6,539,818	133,161,968
Total other comprehensive income for the three months		498,723	-	-	(29,047,259)	(3,543,172)	(32,091,708)	(3,221,669)	(35,313,377)
Total comprehensive income for the three months		498,723	-	-	(29,047,259)	123,078,978	94,530,442	3,318,149	97,848,591
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 nine months						1,091,356,824	1,091,356,824	796,477,615	1,887,834,439
Total other comprehensive income for the nine months		5,988,073				-	5,988,073	(705,626)	5,282,447
Total comprehensive income for the nine months	-	5,988,073	-	-	-	1,091,356,824	1,097,344,897	795,771,989	1,893,116,886
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)	(693,429,539)	(805,595,116)
	-	-	-	-	-	(249,799,671)	(249,799,671)	(1,938,109,475)	(2,187,909,146)
Balance as at 31st December 2020	1,641,715,247	8,409,634	-	1,257,725	353,928,208	7,256,374,768	9,261,685,582	2,893,228,627	12,154,914,209

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

SUNSHINE HOLDINGS PLC  
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2020

CONDENSED 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 nine months				394,438,281	394,438,281
Total comprehensive income for the nine months	-			394,438,281	394,438,281
Dividend paid to owners for 2017/18				(186,942,629)	(186,942,629)
Balance as at 31st December 2019	1,641,715,247	378,896,015	1,257,725	1,988,606,942	4,010,475,929
Total comprehensive income for the balance period					
Profit for the three months				(73,900,543)	(73,900,543)
Total other comprehensive income for the three months		(29,047,259)		1,632,066	(27,415,193)
Total comprehensive income for the three months	-	(29,047,259)	-	(72,268,477)	(101,315,736)
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 nine months				299,862,572	299,862,572
Total other comprehensive income for the nine months				-	-
Total comprehensive income for the nine months				299,862,572	299,862,572
Dividend paid to owners - 2019/20				(112,165,577)	(112,165,577)
Balance as at 31st December 2020	1,641,715,247	349,848,756	1,257,725	2,104,035,460	4,096,857,188

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



SUNSHINE HOLDINGS PLC  
**CONDENSED STATEMENT OF CASH FLOWS - GROUP**

	Unaudited Period ended 31st December 2020 LKR	Unaudited Period ended 31st December 2019 LKR	Audited Year ended 31st March 2020 LKR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax	2,704,537,347	2,282,104,047	2,563,376,925
Adjustments for:			
Interest income	(170,946,929)	(155,661,171)	(218,405,324)
Profit on sale of property, plant & equipment	(27,895,620)	(34,422,876)	(44,059,002)
Fair value gain on Short term investments	(1,110,696)	-	
Interest expense	389,683,175	442,755,349	608,747,322
Depreciation of Property, Plant and Equipment	439,850,234	407,206,881	785,058,888
Amortization of Lesehold land right	7,374,000	3,187,138	10,283,000
Depreciation of mature planations	115,250,000	116,688,078	
Amortization of Intangible Assets	25,839,061	27,960,523	
Profit/(loss) of equity investee	298,147	505,463	1,413,934
Fair value gain/loss on Consumer Biological Assets	-	4,909,989	
Biological assets- (gain)/loss from produce crop valuation	6,349,000	(10,196,000)	(10,526,000)
Fair value gain in quoted shares	2,228,921	(13,107,245)	(4,422,113)
Provision/(Reversal) and write off for Bad and Doubtful Debts	63,119,890	(3,665,379)	22,994,323
Provision/ (reversals) and Write-off for inventories	29,655,020	(2,087,159)	7,231,966
Amortization of deferred income & capital grants	(37,916,000)	(37,916,293)	(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)	(12,321,147)	(12,634,000)
Provision gratuity excluding actuarial gain/(loss)	73,243,525	59,581,966	110,473,610
Gain on disposal of subsidiary	63,000	(340,726,887)	(340,726,887)
Profit on sale of Investments	(7,805,836)	(993,801)	-
Rent Concession	(16,366,404)	-	-
Impairment of biological assets	8,000,000	5,576,764	-
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
<b>Operating profit before working capital changes</b>	<b>3,601,767,835</b>	<b>2,731,427,240</b>	<b>3,302,785,632</b>
(Increase)/decrease in inventories	(1,530,392,443)	(72,976,374)	252,317,053
(Increase)/Decrease in trade and other receivables	338,320,063	(789,524,575)	(894,578,911)
(Increase)/decrease in amounts due from related parties	57,444,371	28,046,959	133,353,924
Increase/(Decrease) in trade and other payables	892,436,165	(73,771,778)	(439,863,490)
Increase/(decrease) in amounts due to related parties	(17,618,689)	(607,872,759)	(144,545,426)
<b>Cash generated from/ (used in) operations</b>	<b>3,341,957,302</b>	<b>1,215,328,713</b>	<b>2,209,468,782</b>
Interest paid	(333,774,989)	(394,321,394)	(487,833,502)
Income tax paid	(560,635,268)	(506,270,106)	(506,422,256)
Gratuity paid	(38,520,472)	(50,819,116)	(58,074,587)
<b>Net cash / (used in) operating activities</b>	<b>2,409,026,573</b>	<b>263,918,097</b>	<b>1,157,138,437</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	174,623,641	155,661,171	218,405,324
(Investments)/ disposal in other investments	43,978,265	(106,720,252)	(115,475,331)
Investments in gratuity fund	44,343,000	(26,360,041)	(31,674,000)
(Investments)/ Disposal in Short term Investments	223,843,760	(521,645,159)	-
Deposit received	-	4,236,700	
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	1,286,196,546	1,286,196,546
Additions to Bearer plants	(100,281,000)	(157,283,040)	(211,390,000)
Investment in livestock	(44,729,000)	(15,004,623)	(20,284,000)
Additions to Consumable biological assets	-	(438,000)	(438,000)
Acquisition of property, plant & equipment	(196,868,178)	(293,856,237)	(420,804,390)
Proceeds from disposal of biological assets	-	8,223,500	8,020,000
Proceeds from Sale of Livestock	3,508,000	3,269,790	-
Proceeds from disposal of property, plant & equipment	62,815,720	62,105,014	79,653,225
Acquisition of intangible assets	(1,250,000)	(9,638,084)	(13,632,499)
Acquisition of Investment Property	-	-	(119,159,260)
Acquisition of Subsidiary (net of cash)	(1,544,022,015)	-	-
<b>Net Cash used in Investing activities</b>	<b>(4,235,833,839)</b>	<b>208,657,285</b>	<b>468,445,615</b>

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	8,427,555,418	2,196,834,747	3,575,138,157
Repayment of interest bearing borrowings	(8,111,708,132)	(2,146,129,876)	(2,810,824,356)
Payment of lease liabilities	(106,883,163)	(88,664,497)	(191,647,668)
Dividend paid	(805,595,116)	(186,942,629)	(186,942,629)
Payment to non controlling interest shareholders	-	(10,882,000)	-
Net cash from / (used in) financing activities	924,119,009	103,517,210	725,024,969
Net increase/(decrease) in cash and cash equivalents	(902,688,257)	576,092,592	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	135,187	(41,891)	1,183,969
Cash and cash equivalents at the end of the period	2,505,842,540	1,592,874,710	3,408,395,610
Cash and cash equivalents			
Cash in hand & bank	2,960,613,181	2,489,775,254	4,572,232,065
Bank overdraft	(454,770,641)	(896,900,544)	(1,163,836,455)
	2,505,842,540	1,592,874,710	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 31st December 2020 LKR	Unaudited Period ended 31st December 2019 LKR	Audited Year ended 31st March 2020 LKR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax	308,237,790	387,426,806	312,812,421
Adjustments for:			
Interest income	(67,409,898)	(92,163,730)	(120,047,566)
Interest expense	313,413,766	122,658,000	183,975,056
Fair value gain/ loss in quoted shares and unit trust	2,228,921	(13,107,245)	(4,422,113)
Depreciation and amortization	16,037,136	14,068,879	17,965,559
Profit on sale of property, plant & equipment	-	(2,011,685)	(2,011,685)
Impairment of investment	-	-	7,648,541
Write-off of tax receivables	(2,212,006)	-	-
Rent concession	(1,079,325)	-	-
Provision for gratuity	9,589,015	11,817,715	15,108,292
Operating profit before working capital changes	578,805,399	428,688,740	411,028,505
Increase in trade and other receivables	(32,145,099)	(35,455,390)	(33,113,470)
Increase in amounts due from related parties	(20,537,523)	(11,601,398)	(15,050,094)
Increase/(decrease) in trade and other payables	26,488,245	14,667,003	(1,466,508)
Increase in Amounts Due to Related Parties	3,649,157,989	1,396,094	2,651,108
Cash generated from/ (used in) operations	4,201,769,011	397,695,049	364,049,541
Interest paid	(289,376,278)	(121,925,945)	(163,945,575)
Income tax paid	(1,433,096)	-	-
Employee benefits paid	-	(3,197,904)	(3,197,904)
Net cash generated from operating activities	3,910,959,637	272,571,200	196,906,062
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	70,152,364	92,163,730	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	37,106,676	(7,714,052)	(115,475,329)
Proceed from disposal of property, plant & equipment	-	8,501,000	8,501,000
Acquisition of property, plant & equipment	(1,734,775)	(11,814,247)	(15,245,259)
Net cash used in investing activities	(4,318,289,769)	(93,863,570)	(77,172,022)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts of interest bearing borrowings	3,104,000,000	-	1,580,000,000
Repayment of interest bearing borrowings	(3,981,951,198)	(260,725,500)	(393,896,000)
Payment of lease liabilities	(11,872,575)	(11,267,100)	(15,022,800)
Dividend paid	(112,165,577)	(186,942,629)	(186,942,629)
Net (used in)/ generated from Financing Activities	(1,001,989,350)	(458,935,229)	984,138,571
Net (decrease)/ increase in cash and cash equivalents	(1,409,319,482)	(280,227,599)	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	776,663,116	762,103,776	2,185,982,598
Cash and cash equivalents			
Cash in hand & bank	776,663,116	788,126,313	2,238,482,618
Bank overdraft	-	(26,022,537)	(52,500,020)
	776,663,116	762,103,776	2,185,982,598

Figures in brackets indicate deductions.

The above figures are not audited

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

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	LKR 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	1,541,822,676	495,236,570	9,080,488,728	8,177,433,550	2,971,533,000	3,099,602,000	4,937,489,451	4,209,395,504	348,056,292	254,787,724	-	-	25,917,802	25,647,056	(1,505,748,394)	(447,756,394)	17,399,559,555	15,814,346,010
RESULT																		
Profit from operating activities	1,439,461,698	417,921,076	924,632,476	697,903,444	1,496,661,000	1,018,385,205	4,195,611,009	422,852,585	159,011,221	84,667,151	243,055,133	121,828,975	18,307,006	11,906,136	(1,794,662,911)	(219,182,081)	2,906,026,632	2,556,282,491
Net finance cost	(244,709,067)	(30,494,270)	(42,410,693)	(93,951,027)	(64,195,000)	(142,057,096)	(21,743,830)	3,511,312	(33,195,375)	(48,378,357)	217,734,717	49,049,550	(12,671,890)	(11,353,093)	-	-	(201,191,138)	(273,672,981)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(298,147)	(505,463)	(298,147)	(505,463)
Income tax expense	(135,162,334)	7,011,475	(289,559,512)	(197,289,236)	(169,379,000)	(160,940,000)	(94,649,739)	(132,782,528)	(18,241,361)	(6,829,922)	(111,054,922)	-	1,343,960	(1,261,095)	-	(90,537,142)	(816,702,908)	(582,628,448)
Profit for the year	1,059,590,297	394,438,281	592,662,271	406,663,181	1,263,087,000	715,388,109	3,031,671,440	293,581,369	107,574,485	29,458,872	349,734,928	170,878,525	6,979,076	(708,052)	(1,794,961,058)	(310,224,686)	1,887,834,439	1,699,475,599
Other comprehensive income	-	-	-	-	-	-	5,282,447	(41,891)	-	-	(1,825,873,902)	337,288,010	-	-	1,825,873,902	(337,288,010)	5,282,447	(41,891)
Total comprehensive income	1,059,590,297	394,438,281	592,662,271	406,663,181	1,263,087,000	715,388,109	3,084,449,887	293,539,478	107,574,485	29,458,872	(1,476,138,974)	508,166,535	6,979,076	(708,052)	30,912,844	(647,512,696)	1,893,116,886	1,699,433,708
OTHER INFORMATION																		
	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020	LKR 31ST December 2020	LKR 31st March 2020
Segment assets	13,030,267,263	7,007,287,574	7,061,293,182	6,117,921,695	6,790,436,000	6,987,543,000	3,667,809,865	1,700,388,897	2,270,482,681	2,236,507,707	7,405,994,509	9,029,686,263	1,006,553,232	1,009,192,172	(17,544,437,081)	(11,254,063,894)	23,688,399,651	22,834,463,414
Equity & reserves	7,139,684,916	3,909,160,193	3,195,407,944	2,602,745,674	4,641,379,000	4,598,153,000	1,324,955,938	1,265,006,067	1,451,910,887	1,344,336,408	7,318,589,946	9,008,438,934	738,660,701	731,681,625	(13,655,675,123)	(11,009,815,432)	12,154,914,209	12,449,706,469
Total liabilities	5,890,582,345	3,098,127,380	3,865,885,220	3,515,176,024	2,149,057,000	2,389,390,000	2,342,853,921	435,382,831	818,571,794	892,171,302	87,404,564	21,247,329	267,892,529	277,510,546	(3,888,761,931)	(244,248,467)	11,533,485,442	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	16,793,057	14,068,879	131,757,971	140,923,328	240,470,000	242,590,520	111,417,580	68,541,901	84,216,760	83,048,637	24,612	2,117,020	-	3,752,335	3,633,315	-	588,313,295	555,042,620
Capital expenditure	1,734,775	11,814,247	31,420,088	44,294,341	216,891,000	264,475,699	16,926,466	30,198,733	76,155,849	31,083,964	-	-	-	94,353,000	-	-	343,128,178	476,219,984

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 period ended 31st December 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 nine months ended 31st December 2020, were authorised for issue by the Board of Directors on 03rd February 2021.

#### 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.

**SUNSHINE HOLDINGS PLC**  
**NOTES TO THE ACCOUNTS**

**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 these estimates.

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.

**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 31 December 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.
<b>Assets</b>	
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
<b>Total assets</b>	<b>1,755,830,179</b>
<b>Liabilities</b>	
Retirement benefit obligations	28,942,268
Deferred tax liability	176,985,940
Trade and other payables	154,130,236
<b>Total liabilities</b>	<b>360,058,444</b>
<b>Total identifiable net assets acquired</b>	<b>1,395,771,735</b>

**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
<b>Fair value of total consideration</b>	<b>1,696,057,300</b>

**7.1.c. Goodwill**

Goodwill on acquisition is recognised as a result of the acquisitions as follows.

	Rs.
Fair value of the total consideration (Note 5.4.1.3)	1,696,057,300
Identifiable Net Assets	(1,395,771,735)
<b>Goodwill arises on acquisition</b>	<b>300,285,565</b>

**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)
	<b>1,544,022,015</b>

**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)
<b>Net assets disposed</b>	<b>1,331,000</b>
Loss on disposal	(63,000)
<b>Total consideration</b>	<b>1,268,000</b>
<b>Satisfied by:</b>	
Cash and cash equivalents	1,268,000
<b>Net cash inflow arising on disposal:</b>	
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.

31 December 2020	GROUP						COMPANY					
	Classification	Carrying amount	Fair value				Carrying amount	Fair value				Total
			Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
<b>Financial Assets measured at Fair value</b>												
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	43,901,881	43,901,881	-	-	43,901,881	43,901,881	43,901,881	-	-	43,901,881	
Investment in Unit Trust	Fair value through P&L	-	-	-	-	-	-	-	-	-	-	
Derivative Instruments	Fair value through P&L	158,516,200	-	158,516,200	-	158,516,200	158,516,200	-	158,516,200	-	158,516,200	
Investment Fund	Fair value through P&L	299,382,000	-	299,382,000	-	299,382,000	-	-	-	-	-	
		<b>1,039,322,721</b>	<b>43,901,881</b>	<b>457,898,200</b>	<b>537,522,640</b>	<b>1,039,322,721</b>	<b>739,940,721</b>	<b>43,901,881</b>	<b>158,516,200</b>	<b>537,522,640</b>	<b>739,940,721</b>	
<b>Financial Assets not measured at Fair value</b>												
Trade and other receivables **	Amortized cost	3,785,577,009	-	-	3,785,577,009	3,785,577,009	163,148,918	-	-	163,148,918	163,148,918	
Investment in Debentures	Amortized cost	103,676,712	-	-	103,676,712	103,676,712	103,676,712	-	-	103,676,712	103,676,712	
Amounts due from related parties **	Amortized cost	22,801,802	-	-	22,801,802	22,801,802	247,845,035	-	-	247,845,035	247,845,035	
Cash & cash equivalents **	Amortized cost	2,960,613,181	2,960,613,181	-	-	2,960,613,181	832,764,233	832,764,233	-	-	832,764,233	
		<b>6,872,668,704</b>	<b>2,960,613,181</b>	<b>-</b>	<b>3,912,055,523</b>	<b>6,872,668,704</b>	<b>1,347,434,899</b>	<b>832,764,233</b>	<b>-</b>	<b>514,670,665</b>	<b>1,347,434,899</b>	
<b>Financial Liabilities not measured at Fair value</b>												
Loans and borrowings ***	Other financial liabilities	5,565,831,356	-	-	5,565,831,356	5,565,831,356	2,184,891,110	-	2,184,891,110	-	2,184,891,110	
Bank overdraft **	Other financial liabilities	454,770,641	454,770,641	-	-	454,770,641	-	-	-	-	-	
Trade and other payables **	Other financial liabilities	2,521,310,498	-	-	2,521,310,498	2,521,310,498	8,230,238	-	8,230,238	-	8,230,238	
Amounts due to related parties **	Other financial liabilities	9,894,553	-	-	9,894,553	9,894,553	3,595,060,959	-	3,595,060,959	-	3,595,060,959	
		<b>8,561,807,048</b>	<b>454,770,641</b>	<b>-</b>	<b>8,097,036,407</b>	<b>8,561,807,048</b>	<b>5,788,182,307</b>	<b>-</b>	<b>5,788,182,307</b>	<b>-</b>	<b>5,788,182,307</b>	

31 March 2020	GROUP						COMPANY					
	Classification	Carrying amount	Fair value				Carrying amount	Fair value				Total
			Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
<b>Financial Assets measured at Fair value</b>												
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	-	-	-	-	-	
		<b>1,199,277,345</b>	<b>83,237,480</b>	<b>578,517,226</b>	<b>537,522,639</b>	<b>1,199,277,345</b>	<b>824,502,254</b>	<b>83,237,480</b>	<b>203,742,135</b>	<b>537,522,639</b>	<b>824,502,254</b>	
<b>Financial Assets not measured at Fair value</b>												
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	
		<b>8,484,669,334</b>	<b>4,572,232,065</b>	<b>-</b>	<b>3,912,427,269</b>	<b>8,484,669,334</b>	<b>2,618,893,290</b>	<b>2,238,482,618</b>	<b>-</b>	<b>380,410,672</b>	<b>2,618,893,290</b>	
<b>Financial Liabilities not measured at Fair value</b>												
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	
		<b>8,254,390,984</b>	<b>1,163,836,455</b>	<b>-</b>	<b>7,090,554,529</b>	<b>8,254,390,984</b>	<b>2,980,425,726</b>	<b>-</b>	<b>2,980,425,726</b>	<b>-</b>	<b>2,980,425,726</b>	

\*\* 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 basis.

- **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 31 December 2020.

During the reporting period ended 31 December 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 31 December 2020 remain the same as at 31 March 2020.

Impairment loss on trade receivables and contract assets arising from contras with customers as at 31st December 2020 amounted to Rs.120 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

Sunshine Healthcare Lanka Limited ("SHL"), which is a 100% fully owned subsidiary of the Company, has agreed with Akbar Brothers (Private) Limited ("ABL"), which owns 99.99% of the ordinary voting shares of Akbar Pharmaceutical (Private) Limited ("ABPL"), to purchase the entirety of the ordinary voting shares held by ABL in ABPL. The consideration for this purchase would be satisfied by the issuance of ordinary voting shares in SHL to ABL, which will constitute 25% of its share capital. Further, the Company has also agreed with the ABL to sell a 3% of the ordinary voting shares held by the Company in SHL for a cash consideration of Rs 278.4 million. As a result of the above transactions, the shareholding of SHL held by the Company will be reduced from 100% to 72%.

The Company has completed the process of 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. The Amalgamation Certificate has been obtained on February 2, 2021 and accordingly, the Books of the EMSPL will be amalgamated with the Company Books in future.

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	31st December 2020	31st March 2020	31st December 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	Nine months ended 31st December 2020 Rs.	Nine months ended 31st December 2019 Rs.	Audited Year ended 31st March 2020 Rs.
Highest price	87.80	50.00	52.00
Lowest price	50.00	42.00	36.00
Last traded price	82.60	47.00	37.90

TWENTY (20) LARGEST SHAREHOLDERS AS AT  
Name

	31st December 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	1,521,980	1.02%	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	1,150,000	0.77%	1,300,000	0.87%
8 Deutsche Bank AG - National Equity Fund	1,210,016	0.81%	1,210,016	0.81%
9 Mr.V.Govindasamy	1,026,500	0.69%	451,500	0.30%
10 Ceylon Investment PLC A/C # 02	550,000	0.37%	-	0.00%
11 Deutsche Bank AG as Trustee To Capital Alliance Quantitative Equity Fund	502,000	0.34%	-	0.00%
12 Union Assurance PLC-Universal Life Fund	500,088	0.33%	-	0.00%
13 Mr. M.A.H.Esufally	479,745	0.32%	328,682	0.22%
14 Union Assurance Plc-Traditional Life Participating Fund	452,891	0.30%	-	0.00%
15 Hatton National Bank Plc-Senfin Growth Fund	433,028	0.29%	-	0.00%
16 Union Assurance Plc/Account No. 05 (Unit-linked Life Insurance Fund-Equity Fund)	378,569	0.25%	-	0.00%
17 Ceylon Guardian Investment Trust Plc A/C # 02	345,743	0.23%	-	0.00%
18 E.W. Balasuriya & Co. (Pvt) Ltd	301,800	0.20%	339,494	0.23%
19 Miss N.T.M.S.Cooray	286,212	0.19%	600,106	0.40%
20 AFC Umbrella Fund -AFC Asia Frontier Fund	282,337	0.19%	-	0.00%
<b>Sub Total</b>	<b>137,701,119</b>	<b>92.07%</b>	<b>134,891,775</b>	<b>90.20%</b>
Others	11,852,984	7.93%	14,662,328	9.80%
<b>Total</b>	<b>149,554,103</b>	<b>100.00%</b>	<b>149,554,103</b>	<b>100.00%</b>

PUBLIC SHARE HOLDING				
	Requirement by CSE	As at 31st December 2020	Requirement by CSE	As at 31st March 2020
Option	4	5	5	5
Float adjusted market capitalization	Above Rs.2,500,000,000/-	3,940,660,882	Less than Rs.2,500,000,000/-	1,830,229,653
The percentage of shares held by the public	10%	31.90%	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 31st December 2020	As at 31st March 2020
Mr.V.Govindasamy - Group Managing Director	1,026,500	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
Mr. H.D. Abeywickrama	1,000	-
Mr. S. Ratwatte	2,500	-

## 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