



SUNSHINE HOLDINGS PLC

FY20_21

SUNSHINE HOLDINGS PLC

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 24.3 billion for the year ended 31st March 2021 (FY 20/21), up 16.6% YoY. The Group revenue which predominantly includes revenue from Healthcare and Consumer sectors, contributed 52.5% and 29.3% respectively, while Agribusiness sectors accounted for 16.2%. Healthcare sector recorded YoY growth of 14.5% YoY against last year, while the Consumer goods sector recorded a 30.8% YoY increase in revenue mainly due to the performance of Daintee Limited in the last seven months.

Gross profit margin for FY 20/21 stood at 31.8%, an increase of 22 basis points against last year. The gross profit closed at LKR 7.7 billion up 25.2% YoY compared to the previous year backed by the contribution from the Consumer goods and Agribusiness sectors. The Group EBIT closed at LKR 3.5 billion, an increase of 21.2% YoY.

Healthcare sector recorded revenue of LKR 12.8 billion at the close of FY 20/21, an increase of 14.5% YoY on the back of strong growth in the pharma and medical device businesses, while EBIT for the sector was up by 39.4% YoY. The Healthcare sector Profit After Tax (PAT) increased by 61.6% YoY, mainly due to higher revenue and operational efficiencies.

Consumer Goods sector reported a 30.8% YoY increase in revenue to close at LKR 7.1 billion. The revenue increase is mainly due to the contribution from the confectionary business segment. The EBIT for the sector closed at 580 million up 39.2% YoY. The PAT of the sector increased by 7.2% YoY to LKR 467 million in comparison to last year.

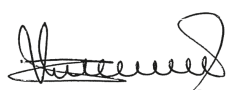
Agribusiness sector revenue increased by 2.5% YoY. The EBIT increased to LKR 1.8 billion from LKR 1.1 billion due to the improved performances in both Palm oil and Dairy segments. PAT of the Agri sector closed at LKR 1.7 billion for FY 20/21, up 120% YoY compared to the same period last year, while PAT of the Dairy segment increased to LKR 60 million from a net loss of LKR 189 million in FY 19/20.

Energy sector revenue increased to LKR 440 million in FY 20/21, from LKR 313 million due to higher rain fall in the catchment areas and increased capacity of the solar power. However, the Hydropower segment was divested by the group on 7th April 2021, to refocus on core sectors. As a result, a provision for impairment of investment in Hydro power segment was made in the books of Sunshine Energy (Pvt) Ltd, amounting to LKR 143 million as at 31st March 2021.

Group PAT amounted to LKR 2.5 billion in FY 20/21 compared to LKR 1.8 billion reported during last year. Profits attributable to equity shareholders (PATMI) increased by 32.7% YoY to LKR 1.5 billion in FY 20/21.

As a Group, we have been facing challenges in some of our core sectors and will continue to do so in the short to medium term due to the negative economic impact caused by 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
25th May 2021
Colombo

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Year ended 31st March 2021 LKR	Year ended 31st March 2020 LKR	Change %	Quarter ended 31st March 2021 LKR	Quarter ended 31st March 2020 LKR	Change %
Revenue	24,339,446,156	20,874,637,494	17	6,939,886,601	5,060,291,484	37
Cost of sales	(16,601,729,049)	(14,696,653,353)	13	(4,999,563,408)	(3,761,385,783)	33
Gross profit	7,737,717,107	6,177,984,141	25	1,940,323,193	1,298,905,701	49
Other income	291,436,825	408,845,415	(29)	38,579,146	135,489,162	(72)
Administration expenses	(2,177,851,096)	(2,016,956,500)	8	(609,421,882)	(542,944,024)	12
Selling & distribution expenses	(2,182,677,904)	(2,001,552,253)	9	(606,882,157)	(538,685,640)	13
Impairment of Asset Held For Sale	(143,246,439)	-		(143,246,439)	-	
Gain on disposal of subsidiary	-	340,726,887		-	-	
Results from operating activities	3,525,378,493	2,909,047,690	21	619,351,861	352,765,199	76
Finance income	252,646,432	264,490,490	(4)	64,154,395	95,408,122	(33)
Finance cost	(468,793,779)	(608,747,322)	(23)	(79,110,604)	(165,991,973)	(52)
Net finance cost	(216,147,347)	(344,256,832)	(37)	(14,956,209)	(70,583,851)	(79)
Share of profit of equity accounted investees	(92,356)	(1,413,934)	(93)	205,791	(908,471)	(123)
Profit before tax	3,309,138,790	2,563,376,924	29	604,601,443	281,272,877	115
Income tax expense	(771,610,789)	(730,739,358)	6	45,092,119	(148,110,910)	(130)
Profit for the period	2,537,528,001	1,832,637,566	38	649,693,562	133,161,967	388
Other comprehensive income						
Equity investments at FVOCI – net change in fair value	(32,088,698)	(40,343,415)	-	(32,088,698)	(40,343,415)	-
Exchange gain/(Loss) on foreign operation translation	1,092,211	1,183,969	-	957,024	1,225,860	-
Defined benefit plan actuarial gain/(loss)	(25,750,348)	(7,926,899)	-	(32,899,320)	(7,926,899)	-
Tax on other comprehensive income	18,776,503	11,731,077	-	20,778,215	11,731,077	-
Total other comprehensive income for the period	(37,970,332)	(35,355,268)	-	(43,252,779)	(35,313,377)	-
Total comprehensive income for the period	2,499,557,669	1,797,282,298	39	606,440,783	97,848,590	520
Profit attributable to:						
Owners of the parent company	1,522,207,103	1,147,045,943	33	430,850,279	126,622,149	240
Non-controlling interest	1,015,320,898	685,591,623	48	218,843,283	6,539,818	3,246
Other comprehensive income attributable to:						
Owners of the parent company	(43,843,965)	(32,116,843)	-	(49,832,038)	(32,091,708)	-
Non-controlling interest	5,873,633	(3,238,425)	-	6,579,259	(3,221,669)	-
Total comprehensive income for the period	2,499,557,669	1,797,282,298	39	606,440,783	97,848,590	520
Basic earnings per share	3.39	2.56		0.96	0.28	

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

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Amalgamated*	Without Amalgamated**			Amalgamated*	Without Amalgamated**		
	Year ended	Year ended	Year ended		Quarter ended	Quarter ended	Quarter ended	
	31st March 2021 LKR	31st March 2020 LKR	31st March 2020 LKR	Change %	31st March 2021 LKR	31st March 2020 LKR	31st March 2020 LKR	Change %
Revenue	850,202,179	655,897,433	497,330,868	30	179,211,759	16,198,379	2,094,298	1,006
Cost of sales	-	-	-	-	-	-	-	-
Gross profit	850,202,179	655,897,433	497,330,868	30	179,211,759	16,198,379	2,094,298	1,006
Other income	341,800,630	314,317,165	314,317,165	9	112,476,617	71,747,612	71,747,612	n/m
Administration expenses	(449,704,631)	(463,493,381)	(427,259,581)	(3)	(132,976,978)	(120,974,823)	(107,374,534)	10
Impairment of investment in subsidiary	(59,452)	(7,648,541)	(7,648,541)	(99)	(59,452)	(7,648,541)	(7,648,541)	(99)
Gain on Disposal of Subsidiaries	2,032,745,933	1,477,356,546	-	38	-	-	-	n/m
Gain on disposal of subsidiary shares	260,563,654	-	-	N/m	260,563,654	-	-	n/m
Results from operating activities	3,035,548,313	1,976,429,222	376,739,911	706	419,215,601	(40,677,374)	(41,181,165)	(1,131)
Finance income	156,225,875	195,468,866	120,047,566	(20)	22,865,233	54,109,319	27,883,836	(58)
Finance cost	(170,998,805)	(184,130,732)	(183,975,056)	(7)	(9,369,011)	(61,326,464)	(61,317,056)	85
Net finance cost	(14,772,930)	11,338,134	(63,927,490)	N/m	13,496,222	(7,217,146)	(33,433,220)	(287)
Profit before tax	3,020,775,383	1,987,767,356	312,812,421	52	432,711,822	(47,894,520)	(74,614,385)	(1,003)
Income tax expense	(117,053,693)	(12,231,530)	7,725,317	N/m	2,376,447	(19,243,005)	713,842	(112)
Profit for the period	2,903,721,690	1,975,535,826	320,537,738	47	435,088,269	(67,137,525)	(73,900,543)	(748)
Other comprehensive income								
Equity investments at FVOCI – net change in fair value	(32,088,698)	(40,343,415)	(40,343,415)	(20)	(32,088,698)	(40,343,415)	(40,343,415)	-
Defined benefit plan actuarial gain/(loss)	6,049,909	2,266,758	2,266,758	N/m	6,049,909	2,266,758	2,266,758	-
Income tax on other comprehensive income	10,912,884	10,661,464	10,661,464	2	10,912,884	10,661,464	10,661,464	-
Total other comprehensive income for the period	(15,125,905)	(27,415,193)	(27,415,193)	(45)	(15,125,905)	(27,415,193)	(27,415,193)	-
Total comprehensive income for the period	2,888,595,785	1,948,120,633	293,122,545	48	419,962,364	(94,552,718)	(101,315,736)	(544)
Basic earnings per share from continuing operations	6.47	4.40	0.71		0.97	(0.15)	(0.16)	

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

* The balances has been restated for the year ended 31 March 2020 to reflect the adjustments made due to the amalgamation between the Company and Estate Management Services (Pvt) Limited.

** The balances are as presented in the audited financial statements for the year ended 31 March 2020, with no restatement due to amalgamation. These balances are presented for comparability.

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 31st March 2021 LKR	Audited As at 31st March 2020 LKR
ASSETS		
Non current assets		
Property, plant and equipment	4,794,110,834	4,719,959,469
Intangible assets	249,057,345	165,942,721
Leasehold right to bare land	238,853,000	241,439,000
Biological assets	3,492,193,000	3,449,345,000
Investment property	769,499,144	709,499,144
Equity-accounted investee	1,292,006	1,384,362
Other investments	1,004,330,898	1,070,904,297
Deferred tax assets	42,611,982	65,787,835
Goodwill on acquisition	1,576,648,378	-
Total non-current assets	12,168,596,587	10,424,261,828
Current assets		
Biological assets-growing crops on bearer plants	52,688,000	41,797,000
Inventories	5,145,162,996	3,177,211,186
Other investments, including derivatives	335,364,187	234,792,226
Current tax assets	29,585,672	9,893,358
Trade & other receivables	4,848,691,358	4,295,571,105
Amounts due from related parties	475,000	78,704,645
Cash & cash equivalent	2,520,552,239	4,572,232,065
Assets Held for Sale	1,781,889,421	-
Total current assets	14,714,408,873	12,410,201,585
Total assets	26,883,005,460	22,834,463,413
EQUITY AND LIABILITIES		
Equity		
Stated capital	1,641,715,247	1,641,715,247
Reserves	357,607,494	357,607,494
Retained earnings	8,533,640,439	6,414,817,614
Equity attributable to owners of the company	10,532,963,180	8,414,140,355
Non-controlling interests	4,808,856,243	4,035,566,113
Total equity	15,341,819,423	12,449,706,468
Non-current liabilities		
Loans and borrowings	1,968,834,746	2,311,846,644
Employee benefits	713,774,478	559,458,926
Deferred income and capital grants	91,996,000	142,550,000
Deferred tax	632,277,455	533,907,752
Contingent consideration	78,026,414	-
Total non-current liabilities	3,484,909,093	3,547,763,322
Current liabilities		
Trade and other payables	3,775,377,456	2,450,696,610
Amounts due to related parties	12,802,099	27,513,242
Current tax liabilities	354,693,979	223,047,621
Loans and borrowings	2,184,694,049	2,971,899,695
Bank overdraft	872,203,730	1,163,836,455
Liabilities directly associated with assets held for sale	856,505,631	-
Total current liabilities	8,056,276,944	6,836,993,623
Total equity and liabilities	26,883,005,460	22,834,463,413

Net asset value per share (Rs.)

23.54

56.26

Figures in brackets indicate deductions.

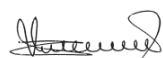
The above figures are not audited

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

May 25, 2021

Colombo



Director

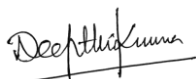
SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 31st March 2021 LKR	Amalgamated * As at 31st March 2020 LKR	Without Amalgamated ** As at 31st March 2020 LKR
ASSETS			
Non-current assets			
Property, Plant and Equipment	33,067,152	45,406,172	45,352,383
Intangible assets	7,555,660	4,685	4,685
Investment in subsidiaries	3,767,962,237	3,232,076,136	3,388,401,971
Equity-accounted investee	1,292,007	1,351,459	1,351,459
Other investments	647,177,898	727,179,297	727,179,297
Deferred tax assets	42,536,150	32,017,938	32,017,938
Total non-current assets	4,499,591,104	4,038,035,687	4,194,307,733
Current assets			
Derivative assets on SWAP agreement	222,469,740	234,792,226	234,792,226
Current tax assets	14,318,672	9,809,784	3,158,748
Trade & other receivables	70,396,643	107,974,290	95,768,884
Amounts due from related parties	223,215,489	240,777,370	240,777,370
Cash & cash equivalent	1,281,865,256	3,879,071,288	2,238,482,618
Total current assets	1,812,265,800	4,472,424,958	2,812,979,846
Total assets	6,311,856,904	8,510,460,645	7,007,287,579
EQUITY AND LIABILITIES			
Equity			
Stated capital	1,641,715,247	1,641,715,247	1,641,715,247
Reserves	340,706,068	360,429,904	351,106,481
Retained earnings	3,132,476,687	3,388,940,778	1,916,338,466
Equity attributable to owners of the company	5,114,898,002	5,391,085,929	3,909,160,194
Non-controlling interests	-	-	-
Total equity	5,114,898,002	5,391,085,929	3,909,160,194
Non-current liabilities			
Loans and borrowings	-	939,000,820	939,000,820
Employee benefits	103,878,290	96,712,325	96,712,325
Total non-current liabilities	103,878,290	1,035,713,145	1,035,713,145
Current liabilities			
Trade and other payables	24,974,054	21,817,698	20,989,334
Loan from a related party	-	-	-
Amount due to related parties	-	2,875,808	2,651,108
Current tax liabilities	60,099,084	19,956,847	-
Loans and borrowings	1,006,808,533	1,986,273,778	1,986,273,778
Bank overdraft	1,198,941	52,737,440	52,500,020
Total current liabilities	1,093,080,612	2,083,661,571	2,062,414,240
Total equity and liabilities	6,311,856,904	8,510,460,645	7,007,287,579
Net asset value per share (Rs.)	11.40	36.05	26.14

Figures in brackets indicate deductions.

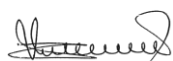
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Group Chief Financial Officer

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



Group Managing Director
May 25, 2021
Colombo



Director

SUNSHINE HOLDINGS PLC
FOR THE YEAR ENDED 31ST MARCH 2021

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
Fair value adjustment of right to use assets						25,835,075	25,835,075	32,163,925	57,999,000
Adjusted Balance as 1st April 2019 - Restated	1,641,715,247	1,947,973	-	1,257,725	382,975,467	5,514,122,552	7,542,018,964	3,508,814,936	11,050,833,900
Total comprehensive income for the period									
Profit from continuing operations for the year						1,147,045,943	1,147,045,943	685,591,623	1,832,637,566
Total other comprehensive income for the year		473,588			(29,047,259)	(3,543,172)	(32,116,843)	(3,238,425)	(35,355,268)
Total comprehensive income for the six months		473,588			(29,047,259)	1,143,502,771	1,114,929,100	682,353,198	1,797,282,298
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						52,972,349	52,972,349	286,329,116	339,301,465
Issue of shares - Scrip dividend - Watawala Planations PLC						-	-	13,356,018	13,356,018
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 2018/19						(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)	(155,602,021)	(398,409,730)
Balance as at 31st March 2020	1,641,715,247	2,421,561	-	1,257,725	353,928,208	6,414,817,614	8,414,140,355	4,035,566,113	12,449,706,468
Balance as at 01st April 2020	1,641,715,247	2,421,561	-	1,257,725	353,928,208	6,414,817,614	8,414,140,355	4,035,566,113	12,449,706,468
Total comprehensive income for the period									
Profit from continuing operations for the year						1,522,207,103	1,522,207,103	1,015,320,898	2,537,528,001
Total other comprehensive income for the year		-				(43,843,965)	(43,843,965)	5,873,633	(37,970,332)
Total comprehensive income for the year	-	-	-	-	-	1,478,363,138	1,478,363,138	1,021,194,531	2,499,557,669
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)	-
Acquisition through business Combination						-	-	131,339,319	131,339,319
Impact of loss effective shareholding of 25% in Sunshine Healthcare Lanka Ltd						928,404,876	928,404,876	1,391,844,424	2,320,249,300
Impact of disposal of 3% Shares held in Sunshine Healthcare Lanka Ltd						111,408,585	111,408,585	167,021,331	278,429,916
Dividend paid to owners for 2019/20						(261,719,680)	(261,719,680)	(693,429,539)	(955,149,219)
	-	-	-	-	-	640,459,687	640,459,687	(247,904,401)	392,555,286
Balance as at 31st March 2021	1,641,715,247	2,421,561	-	1,257,725	353,928,208	8,533,640,439	10,532,963,180	4,808,856,243	15,341,819,423

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

SUNSHINE HOLDINGS PLC
FOR THE NINE MONTHS ENDED 31ST MARCH 2021

CONDENSED STATEMENT OF CHANGES IN EQUITY - COMPANY
In LKR

	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings Restated *	Total Restated *
Balance as at 01st April 2019	1,641,715,247	378,896,015	1,257,725	1,781,111,291	3,802,980,278
Transferred through Amalgamation	-	-	-	7,781,156,395	7,781,156,395
Effect of Cancellation of Stated capital of Estate Management Services (Pvt) Ltd	-	-	-	(1,069,715,483)	(1,069,715,483)
Reversal of Fairvalue of Investment of Sunshine Consumer Lanka Ltd (formerly known as "Watawala Tea Ceylon Ltd")	-	-	-	(6,884,513,265)	(6,884,513,265)
Adjusted Balance as 1st April 2019 - Restated	1,641,715,247	378,896,015	1,257,725	1,608,038,938	3,629,907,925
Total comprehensive income for the year - Restated					
Profit for the year - Restated				1,975,535,826	1,975,535,826
Total other comprehensive income for the year - Restated		(19,723,836)		(7,691,357)	(27,415,193)
Total comprehensive income for the year - Restated	-	(19,723,836)	-	1,967,844,469	1,948,120,633
Dividend paid to owners for 2018/19				(186,942,629)	(186,942,629)
Balance as at 31st March 2020 - Restated	1,641,715,247	359,172,179	1,257,725	3,388,940,778	5,391,085,929
Total comprehensive income for the balance period					
Profit for the year				2,903,721,690	2,903,721,690
Total other comprehensive income for the year		(19,723,836)		4,597,931	(15,125,905)
Total comprehensive income for the year	-	(19,723,836)	-	2,908,319,621	2,888,595,785
Set-off of Acquisition of 40% of Non Controlling Interest in EMSPL against the investment made during the year				(2,903,064,032)	(2,903,064,032)
Dividend Paid to owners - 2019/20				(261,719,680)	(261,719,680)
Balance as at 31st March 2021	1,641,715,247	339,448,343	1,257,725	3,132,476,687	5,114,898,002

Figures in brackets indicate deductions.

The above figures are not audited

* The balances has been restated for the year ended 31 March 2020 to reflect the adjustments made due to the amalgamation between the Company and Estate Management Services (Pvt) Limited.

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS - GROUP

	Year ended 31st March 2021 LKR	Year ended 31st March 2020 LKR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	3,309,138,790	2,563,376,924
Adjustments for:		
Interest income	(202,383,169)	(218,405,325)
Profit on Disposal of Property, Plant & Equipment	(31,708,661)	(44,059,002)
Write off of Intangible Assets	900,000	-
Biological assets- (gain)/loss from produce crop valuation	(10,891,000)	(10,526,000)
(Reversal)/ Provision for other receivable	370,565	(8,107,946)
Impairment losses and write downs	20,126,000	-
Gain on fair valuation of livestock	30,000	(12,634,000)
Interest Expense	468,793,779	608,747,322
Depreciation of Property, Plant and Equipment	647,977,610	580,883,367
Depreciation of mature plantations	37,251,772	37,014,521
Amortization of Intangible Assets	157,230,000	167,161,000
Provision/(Reversal) and write off for Bad and Doubtful Debts	57,788,999	22,994,323
Provision/ (reversals) and Write-off for inventories	72,364,883	7,231,966
Fair value gain on investment property	-	(116,267,064)
Profit/(loss) of equity investee	92,356	1,413,934
Amortisation of capital grants	(50,554,000)	(50,555,000)
Amortisation of leasehold right to land	10,120,000	10,283,000
Loss/(profit) on sale of rubber trees	-	(7,747,000)
Fair value gain/loss	1,086,323	(4,422,113)
Provision for retirement benefit obligations	119,130,631	110,473,610
Rent Concession	(22,153,634)	-
Timber fair valuation gain	(1,200,000)	6,656,000
Loss/ (Gain) on disposal of a Subsidiary	63,000	(340,726,887)
Provision for impairment for Asset Held For sale	143,246,439	
Operating profit before working capital changes	4,726,820,683	3,302,785,630
Changes in:		
(Increase)/ decrease in inventories	(1,282,057,453)	252,317,053
Decrease/ (increase) in trade and other receivables	46,357,855	(894,578,911)
Decrease / (increase) in amounts due from related parties	79,884,054	133,353,924
Increase / (decrease) in trade and other payables	1,043,501,779	(439,863,490)
(Decrease)/ increase in amounts due to related parties	(21,760,653)	(144,545,425)
Cash generated from operating activities	4,592,746,265	2,209,468,781
Interest paid	(372,313,140)	(487,833,502)
Income tax paid	(642,366,951)	(506,422,256)
Gratuity paid	(46,221,203)	(58,074,587)
Net cash from operating activities	3,531,844,971	1,157,138,436
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	175,994,128	218,405,325
(Investments)/ Disposal in other Investments	52,076,228	(115,475,331)
(Investments)/ Disposal in Short term Investments	375,484,496	-
Investment in Gratuity fund	(13,428,000)	(31,674,000)
Additions to Bearer plants	(165,202,000)	(211,390,000)
Additions to Consumable biological assets	-	(438,000)
Investment in live stock	(53,832,000)	(20,284,000)
Additions to property, plant and equipment	(345,733,540)	(420,804,390)
Acquisition of Intangible Assets	(52,883,028)	(13,632,499)
Proceeds from sale of trees	-	8,020,000
Proceeds from sale of property, plant and equipment	77,070,511	79,653,225
Acquisition of Noncontrolling interest in Subsidiaries	(2,903,064,032)	(190,972,000)
Acquisition of Subsidiaries (net of cash)	(2,238,359,537)	-
Disposal of Subsidiary (net of cash)	1,268,000	1,286,196,546
Proceeds on Disposal of Shares held in Subsidiary	278,429,916	-
Additions to the Investment Properties	-	(119,159,260)
Net cash (used in)/ from investing activities	(4,812,178,858)	468,445,616

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS - GROUP

CASH FLOWS FROM FINANCING ACTIVITIES

Share issuing cost	-	(35,671,225)
Receipts of Interest Bearing Borrowings	11,031,270,271	3,575,138,157
Proceeds from share Issued by subsidiary to NCI	1,520,750,002	374,972,690
Repayments of Interest Bearing Borrowings	(11,852,381,665)	(2,810,824,356)
Payment of lease liabilities (2019: Repayment of lease principal)	(175,206,300)	(191,647,668)
Dividend Paid	(955,149,219)	(186,942,629)
Net cash (used in)/ from investing activities	(430,716,911)	725,024,969
Net increase/(decrease) in cash and cash equivalents	(1,711,050,798)	2,350,609,021
Cash and cash equivalents at the beginning of the year	3,408,395,610	1,056,602,620
Effect of exchange rate changes on cash and cash equivalents	1,092,211	1,183,969
Cash and cash equivalents at the end of the period	1,698,437,023	3,408,395,610
Cash and cash equivalents		
Cash in hand & bank	2,566,573,920	4,572,232,065
Bank overdraft	(918,225,412)	(1,163,836,455)
Cash and bank Balance under Asset held for sale	52,507,138	-
Bank overdraft under Liability held for sale	(2,418,623)	-
	1,698,437,023	3,408,395,610

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
CONDENSED STATEMENT OF CASH FLOWS - COMPANY

		Amalgamated*	Without Amalgamated**
	Year ended 31st March 2021	Year ended 31st March 2020	Year ended 31st March 2020
	LKR	LKR	LKR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	3,020,775,383	1,987,767,356	312,812,421
Adjustments for:			
Interest Income	(156,225,875)	(195,468,866)	(120,047,566)
Scrip Dividend		(38,492,321)	
Profit on Disposal of Property, Plant & Equipment	-	(2,011,685)	(2,011,685)
Impairment losses and write downs	59,452	7,648,541	7,648,541
Interest Expense	170,998,805	184,130,732	183,975,056
Depreciation of Property, Plant and Equipment	21,463,966	20,804,093	17,965,559
Amortization of Intangible Assets	4,685	22,562	
Fair value gain/loss	2,225,511	(48,171,352)	(4,422,113)
Provision for retirement benefit obligations	13,526,859	15,108,292	15,108,292
Rent Concession	(1,079,325)	-	-
Loss/ (Gain) on disposal of a Subsidiary	(2,032,745,933)	(1,477,356,546)	-
Gain on partial disposal of investment in Subsidiary	(260,563,654)	-	-
Loss / (Profit) on sale of investments	(9,007,485)	-	-
Operating profit before working capital changes	769,432,389	453,980,806	411,028,505
Changes in:			
Decrease/(Increase) in trade and other receivables	27,247,827	(37,071,935)	(33,113,470)
Decrease / (increase) in amounts due from related parties	17,561,881	(15,050,095)	(15,050,094)
Decrease in trade and other payables	(5,755,018)	(6,340,936)	(1,466,508)
(Decrease)/ increase in amounts due to related parties	(3,186,792)	2,875,808	2,651,108
Cash generated from operations	805,300,287	398,393,648	364,049,541
Interest paid	(169,371,726)	(127,892,181)	(163,945,575)
Income tax paid	(63,223,579)	-	-
Employee benefits paid	-	(3,197,904)	(3,197,904)
Net cash generated from operating activities	572,704,982	267,303,563	196,906,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	156,256,012	195,468,866	120,047,566
(Investments)/ Disposal in other Investments	54,664,537	(71,726,089)	(115,475,329)
(Investment)/ disposal of Subsidiary	(4,423,814,034)	(75,000,000)	(75,000,000)
Additions to property, plant and equipment	(4,504,705)	(15,245,259)	(15,245,259)
Acquisition of Intangible Assets	(7,555,660)	-	-
Proceeds from sale of property, plant and equipment	-	8,501,000	8,501,000
Disposal of Subsidiary (net of cash)	2,999,743,572	1,477,356,546	-
Proceeds on Disposal of Shares held in Subsidiary	278,429,916	-	-
Net cash (used in)/ generated from investing activities	(946,780,362)	1,519,355,064	(77,172,022)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts of Interest Bearing Borrowings	3,104,000,000	1,580,000,000	1,580,000,000
Repayments of Interest Bearing Borrowings	(4,999,121,698)	(429,949,394)	(393,896,000)
Payment of lease liabilities (2019: Repayment of lease principal)	(14,750,775)	(18,006,816)	(15,022,800)
Dividend Paid	(261,719,680)	(186,942,629)	(186,942,629)
Net (used in)/ generated from Financing Activities	(2,171,592,153)	945,101,161	984,138,571
Net (decrease)/ increase in cash and cash equivalents	(2,545,667,533)	2,731,759,788	1,103,872,611
Cash and cash equivalents at the beginning of the period/ year	3,826,333,848	1,094,574,060	1,082,109,987
Cash and cash equivalents at the end of the period/ year	1,280,666,315	3,826,333,848	2,185,982,598
Cash and cash equivalents			
Cash in hand & bank	1,281,865,256	3,879,071,288	2,238,482,618
Bank overdraft	(1,198,941)	(52,737,440)	(52,500,020)
	1,280,666,315	3,826,333,848	2,185,982,598

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC
SEGMENTAL ANALYSIS
FOR THE YEAR ENDED 31ST March

	Investment		Healthcare		Agri		Consumer Goods		Energy		Others		Intragroup		Group	
	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020
REVENUE	1,755,824,437	655,897,433	12,769,793,315	11,150,105,066	3,933,523,000	3,839,078,000	7,124,963,802	5,448,416,503	440,243,207	312,762,695	35,537,323	34,822,761	(1,720,438,928)	(566,444,964)	24,339,446,156	20,874,637,494
RESULT																
Profit from operating activities	3,920,495,979	1,976,429,221	1,197,316,465	858,889,548	1,818,094,000	1,115,138,334	580,963,087	417,304,952	33,986,205	92,759,151	27,414,888	216,520,462	(4,052,892,131)	(1,767,993,978)	3,525,378,493	2,909,047,690
Net finance cost	(12,440,379)	11,338,134	(50,363,175)	(107,916,270)	(66,438,000)	(180,757,096)	(28,445,564)	8,244,358	(41,742,131)	(59,390,801)	(16,718,098)	(15,775,157)	-	-	(216,147,347)	(344,256,832)
Share of equity Investee	-	-	-	-	-	-	-	-	-	-	-	-	(92,356)	(1,413,934)	(92,356)	(1,413,934)
Income tax expense	(241,540,601)	(12,231,529)	(323,382,062)	(241,335,509)	(88,820,000)	(179,082,000)	(85,703,230)	(128,513,381)	(27,016,763)	(41,648,751)	(5,148,133)	(37,391,046)	-	(90,537,142)	(771,610,789)	(730,739,358)
Profit for the year	3,666,514,999	1,975,535,826	823,571,228	509,637,769	1,662,836,000	755,299,238	466,814,293	297,035,929	(34,772,689)	(8,280,401)	5,548,657	163,354,259	(4,052,984,487)	(1,859,945,054)	2,537,528,001	1,832,637,566
Other comprehensive income	(15,125,905)	(27,415,193)	(19,987,786)	(3,817,036)	21,283,000	(10,327,000)	(24,852,538)	7,378,774	712,897	(1,174,813)	-	-	-	-	(37,970,332)	(35,355,268)
Total comprehensive income	3,651,389,094	1,948,120,633	803,583,442	505,820,733	1,684,119,000	744,972,238	441,961,755	304,414,703	(34,059,792)	(9,455,214)	5,548,657	163,354,259	(4,052,984,487)	(1,859,945,054)	2,499,557,669	1,797,282,298
OTHER INFORMATION																
	Investment		Healthcare		Agri		Consumer Goods		Energy		Others		Intragroup		Group	
	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020	LKR 31st March 2021	LKR 31st March 2020
Segment assets	9,405,365,622	8,510,460,637	10,662,929,587	6,117,921,695	7,106,719,000	6,987,543,000	3,774,410,106	1,700,388,897	2,197,553,239	2,236,507,707	1,002,012,269	1,009,192,172	(7,265,984,363)	(3,727,550,695)	26,883,005,460	22,834,463,413
Equity & reserves	8,160,791,316	5,391,085,930	5,857,917,737	2,602,745,674	5,062,410,000	4,598,153,000	1,280,967,800	1,265,006,067	1,310,276,620	1,344,336,408	737,230,281	731,681,625	(7,067,774,331)	(3,483,302,236)	15,341,819,423	12,449,706,468
Total liabilities	1,244,574,305	3,119,374,708	4,805,011,849	3,515,176,024	2,044,309,000	2,389,390,000	2,493,442,306	435,382,831	887,276,624	892,171,302	264,781,986	277,510,546	(198,210,033)	(244,248,466)	11,541,186,037	10,384,756,945
	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020	LKR 2021	LKR 2020
Depreciation	22,476,545	20,826,654	215,268,385	201,752,178	357,058,000	331,780,000	139,690,464	127,610,556	113,264,570	108,417,960	4,821,418	4,954,540	-	-	852,579,382	795,341,888
Capital expenditure	12,060,365	15,245,259	71,617,176	124,500,327	367,758,000	359,184,999	70,451,498	36,215,484	95,763,529	131,402,820	-	119,159,260	-	-	617,650,568	785,708,149

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. The Registrar General of Companies on February 2, 2021 issued the certificate of Amalgamation in terms of section 244(1) (a) of the Companies Act, No. 7 of 2007 that Estate Management Services (Pvt) Limited to be amalgamated with Sunshine Holdings PLC in accordance with the provisions of part VIII of the Companies Act, No. 7 of 2007 with Sunshine Holdings PLC as the surviving entity.

2. Interim condensed financial statements

The Interim Condensed Financial Statements for the period ended 31st March 2021, includes the "Company" referring to Sunshine Holdings PLC as the holding Company and the "Group" comprise the Company and subsidiary companies of Sunshine Consumer Lanka limited and its subsidiaries, Sunshine Healthcare Lanka Limited and its subsidiaries, Sunshine Packaging Lanka Limited and its subsidiary, Sunshine Energy (Pvt) Limited and its subsidiaries, Sunshine Wilmar (Pvt) Ltd and its subsidiaries.

3. Approval of financial statements

The Interim Condensed Financial Statements of the Group and the Company for the year ended 31st March 2021, were authorised for issue by the Board of Directors on May 25, 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 2021. 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 2021.

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 March 2021. 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, calandira, 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. 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 amalgamated with the Company Books.

7.2. 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.

Further on January 25, 2021, Sunshine Healthcare Lanka Limited ("SHL"), which is a 100% fully owned subsidiary of the Company, acquired 100% of the ordinary voting shares of Akbar Pharmaceutical (Private) Limited ("ABPL") from Akbar Brothers (Private) Limited ("ABL"). The consideration for this purchase was satisfied by the issuance of new ordinary voting shares in SHL to ABL, which constitute 25% of its issued stated capital for a consideration of Rs.2,320 Mn. Further, the Company sold 3% of the existing ordinary voting shares held in SHL to ABL for a cash consideration of Rs 278.4 million. As a result of these transactions, the effective shareholding in SHL held by the Company reduced from 100% to 72%.

The aggregate effects of acquisition of subsidiary is as follows:

	Daintee Limited Rs.	Akbar Pharmaceutical (Pvt) Ltd Group Rs.	Total Rs.
Total Assets (Note 7.1.a)	1,909,394,041	2,293,707,871	
Total liabilities (Note 7.1.a)	(408,777,199)	(1,223,327,172)	
Amount of the subsidiary's net assets (100%)	1,500,616,842	1,070,380,699	-
Fair value of the Purchase consideration (Note 7.1.b)	1,696,057,300		
Goodwill arises on acquisition (Note 7.1.c)	195,440,458	(1,070,380,699)	-

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.

	Akbar Pharmaceutical		
	Daintee Limited Rs.	(Pvt) Ltd Group Rs.	Total Rs.
Assets			
Property, plant and equipment	936,182,634	868,286,061	1,804,468,695
Intangible assets	900,000	67,483,368	68,383,368
Deferred Tax Asset	-	23,072,561	23,072,561
Investment properties	60,000,000	-	60,000,000
Inventories at the date of acquisition	228,550,531	586,234,264	814,784,795
Provision for Impairment of Inventory	-	(48,992,058)	(48,992,058)
Trade and other receivables	123,173,735	774,467,743	897,641,478
Provision for impairment of Trade Receivables	(4,334,000)	(9,209,851)	(13,543,851)
Amount Due from related parties	-	88,950	88,950
Current tax receivable	-	8,654,833	8,654,833
Short term investments	487,239,754	-	487,239,754
Cash and cash equivalents	77,681,387	23,622,000	101,303,387
Total assets	1,909,394,041	2,293,707,871	4,203,101,912
Liabilities			
Retirement benefit obligations	28,942,268	28,650,528	57,592,796
Deferred tax liability	221,972,102	77,875,721	299,847,823
Loan and Borrowings	3,732,593	210,550,329	214,282,922
Trade and other payables	129,134,015	163,274,903	292,408,918
Amount due to related parties	-	7,049,509	7,049,509
Tax liability	24,996,221	18,896,660	43,892,881
Bank Overdraft	-	717,029,522	717,029,522
Total liabilities	408,777,199	1,223,327,172	1,632,104,371
Total identifiable net assets acquired	1,500,616,842	1,070,380,699	2,570,997,541

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

	Akbar Pharmaceutical		
	Daintee Limited Rs.	(Pvt) Ltd Group Rs.	Total Rs.
Purchase Consideration paid in cash	1,622,633,402	-	1,622,633,402
Contingent consideration	73,423,898	-	73,423,898
Shares issued to satisfy the Purchase Consideration	-	2,320,249,300	2,320,249,300
Fair value of total consideration	1,696,057,300	2,320,249,300	4,016,306,600

7.1.c. Goodwill

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

	Akbar Pharmaceutical		
	Daintee Limited Rs.	(Pvt) Ltd Group Rs.	Total Rs.
Fair value of the total consideration (Note 5.4.1.3)	1,696,057,300	2,320,249,300	4,016,306,600
Less: Identifiable Net Assets	(1,500,616,842)	(1,070,380,699)	(2,570,997,541)
Add: Non Controlling as at the date of acquisition	-	131,339,319	131,339,319
Goodwill arises on acquisition	195,440,458	1,381,207,920	1,576,648,378

7.1.d. Net cash used in acquisition

	Akbar Pharmaceutical		
	Daintee Limited Rs.	(Pvt) Ltd Group Rs.	Total Rs.
Fair value of the consideration paid	1,622,633,402	-	1,622,633,402
cash and cash equivalents acquired	(77,681,387)	(693,407,522)	(771,088,909)
	1,544,952,015	(693,407,522)	851,544,493

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.

31 March 2021	Classification	GROUP					COMPANY				
		Carrying amount	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	505,433,941	-	-	505,433,941	505,433,941	505,433,941	-	-	505,433,941	505,433,941
Investment in Quoted Shares	Fair value through P&L	35,354,916	35,354,916	-	-	35,354,916	35,354,916	35,354,916	-	-	35,354,916
Investment in Unit Trust	Fair value through P&L	-	-	-	-	-	-	-	-	-	-
Derivative instruments	Fair value through P&L	222,469,740	-	222,469,740	-	222,469,740	222,469,740	-	222,469,740	-	222,469,740
Short term investment	Amortized cost	112,894,447	-	-	112,894,447	112,894,447	-	-	-	-	-
Investment Fund	Fair value through P&L	357,153,000	-	357,153,000	-	357,153,000	-	-	-	-	-
		1,233,306,044	35,354,916	579,622,740	618,328,388	1,233,306,044	763,258,597	35,354,916	222,469,740	505,433,941	763,258,597
Financial Assets not measured at Fair value											
Trade and other receivables **	Amortized cost	4,281,151,733	-	-	4,281,151,733	4,281,151,733	16,236,144	-	-	16,236,144	16,236,144
Investment in Debentures	Amortized cost	106,389,041	-	-	106,389,041	106,389,041	106,389,041	-	-	106,389,041	106,389,041
Amounts due from related parties **	Amortized cost	475,000	-	-	475,000	475,000	223,215,489	-	-	223,215,489	223,215,489
Cash & cash equivalents **	Amortized cost	2,520,552,239	2,520,552,239	-	-	2,520,552,239	1,281,865,256	1,281,865,256	-	-	1,281,865,256
		6,908,568,013	2,520,552,239	-	4,388,015,774	6,908,568,013	1,627,705,930	1,281,865,256	-	345,840,674	1,627,705,930
Financial Liabilities not measured at Fair value											
Loans and borrowings ***	Other financial liabilities	4,153,528,795	-	-	4,153,528,795	4,153,528,795	1,006,808,533	-	1,006,808,533	-	1,006,808,533
Bank overdraft **	Other financial liabilities	872,203,730	872,203,730	-	-	872,203,730	1,198,941	-	1,198,941	-	1,198,941
Trade and other payables **	Other financial liabilities	2,593,943,975	-	-	2,593,943,975	2,593,943,975	-	-	-	-	-
Amounts due to related parties **	Other financial liabilities	12,802,099	-	-	12,802,099	12,802,099	-	-	-	-	-
		7,632,478,599	872,203,730	-	6,760,274,869	7,632,478,599	1,008,007,474	-	1,008,007,474	-	1,008,007,474

31 March 2020	Classification	GROUP					COMPANY				
		Carrying amount	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	234,792,226	-	234,792,226	-	234,792,226
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	855,552,345	83,237,480	234,792,226	537,522,639	855,552,345
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	21,008,718	-	-	21,008,718	21,008,718
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	2,606,687,884	2,238,482,618	-	368,205,266	2,606,687,884
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
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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 31 March 2021 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 2021.

During the reporting year ended 31 March 2021 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 is a movement in the level 3 fair values from 31 March 2020 to 31 March 2021 due to fair value decrease in Unquoted investments by Rs. 32 million.

During the reporting year ended 31 March 2021 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 March 2021 remain the same as at 31 March 2020.

Impairment loss on trade receivables and contract assets arising from contracts with customers as at 31 March 2021 amounted to Rs.66 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

11.1. Disposal of Waltrim Energy Ltd Group

On April 7, 2021, the Group entered into a sale agreement to dispose of Waltrim Energy (Pvt) Ltd, which engaged in the business of Hydro Power Generation. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on April 7, 2021, on which date control of Waltrim Energy Ltd passed to the acquirer.

11.2. Termination of SWAP Agreement

The Company has terminated the SWAP agreement entered with Standard Chartered Bank for the repayment of USD Loan at the fixed exchange rate on April 12, 2021. Accordingly, the loan outstanding as at March 31, 2021 amounted to USD 4,806,000 (Rs. 771 Mn) has been fully settled on April 12, 2021 using the Private Placements funds available as at that date (Refer Note 9) and the corresponding Derivative Asset amounted to Rs. 222,469,740 has been de-recognised on the same date.

11.3. Change in effective Shareholding of Watawala Dairy Limited

On 12 May 2021, an investment agreement signed between Watawala Plantations PLC, Watawala Dairy Ltd and SBI Ven Holdings Pte. Ltd for the capital infusion of USD 2,000,000 to Watawala Dairy limited by issuing of 34,629,311 new shares of Watawala Dairy Limited. Further, Watawala Plantations PLC will infuse LKR. 296 million by converting inter-company loan due from Watawala Dairy Limited. As a result of these transactions, Effective Share holding of the Company in Watawala Dairy limited will reduce from 37% to 33%.

11.4 Gazette No. 2222/13

The Government of Sri Lanka has issued extra ordinary Gazette No. 2222/13 dated 5th April 2021. This Gazette may have an impact on the Agri business performance in the future. Except for the above, no circumstance has arisen since the reporting date which would require adjustment to or disclosure in the group financial statements.

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

No. of shares as at	31st March 2021	31st March 2020
Ordinary shares*	448,662,309	149,554,103

* As resolved in the Extra Ordinary General Meeting meeting held, with effect from March 25, 2021, One Hundred and Forty Nine Million Five Hundred and Fifty Four Thousand One Hundred and Three (149,554,103) existing ordinary shares of the Company has increased by a subdivision of the Existing Shares on the basis of one (1) Existing Shares into three (03) ordinary shares thereby increasing the number of ordinary shares in the Company to Four Hundred and Forty Eight Million Six Hundred and Sixty Two Thousand Three Hundred and Nine (448,662,309) ordinary shares.

13. Dividend

	Year ended 31st March		
	2021	2020	2019
Dividend paid (Rs)	261,719,680	186,942,629	136,527,501
No of ordinary shares	149,554,103	149,554,103	136,492,280
Dividend per share (cash)	1.75	1.25	1.00
Dividend per share (scrip)	-	-	0.50

14. Commitments & contingencies

14.1. Implementation of ERP System

The Company and Group has entered into agreement with IFS Research and Development (Pvt) Ltd on December 31, 2020 for the implementation of new ERP system. The total capital commitment of the project Company and the Group are Rs.18 million and Rs.88 million respectively. Company and Group has made payments to the vendor amounted to Rs. 7.5 million and Rs.38 million respectively as at March 31, 2021 and the balance commitment as at March 31, 2021 amounting to Rs. 10 million and Rs. 49 million respectively.

14.2 Minimum wage for the Estate workers

The Government of Sri Lanka through its Extraordinary Gazette No. 2217/37 dated 5th March 2021 announced a minimum daily wage of Rs. 1,000/- comprising of a minimum daily wage of Rs. 900/- and a budgetary relief allowance of Rs. 100/- to the estate workers employed in Plantation Sector. Twenty (20) Regional Plantation Companies (RPCs) together filed an objection against this decision at the Court of Appeal in March 2021 requesting a restraining order for the payment of salaries. On 5th April 2021, the Court refused issuing the restraining order due to which salaries of estate workers for the month of March 2021 was paid under protest at the revised daily wage of Rs. 1,000/-.

However, the future salary used in the calculation of retiring gratuity liability is estimated using the current salary level of Rs. 700/- as at 31st March 2021. Had the Group and the Agri business Company calculated the retiring gratuity liability considering the proposed daily wage rate of Rs. 1,000/- an additional provision charge in the Statement of Comprehensive Income for the year ended 31st March 2021 would be Rs. 79 million and Rs. 67 million respectively with a consequential increase in the Retirement benefit obligation on the statement of financial position.

There were no material contingencies as at the reporting date except for disclosures made.

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	Year ended 31st March 2021	Audited Year ended 31st March 2020
	Rs.	Rs.
Highest price	105.00	52.00
Lowest price	26.00	36.00
Last traded price	26.50	37.90

TWENTY (20) LARGEST SHAREHOLDERS AS AT	31st March 2021		31st March 2020	
Name	No of Shares* Held	%	No of Shares Held	%
1 Lamurep Investments Limited	229,216,803	51.09%	70,705,601	47.28%
2 Deepcar Limited	78,215,478	17.43%	26,071,826	17.43%
3 SBI Ven Holdings Pte Ltd	42,636,357	9.50%	27,046,773	18.08%
4 Ceylon Property Development Limited	9,165,876	2.04%	3,055,292	2.04%
5 Phoenix Ventures Private Limited	8,973,246	2.00%		
6 GF Capital Global Limited	4,202,154	0.94%	2,000,718	1.34%
7 Rubber Investment Trust Ltd A/C No 01	3,696,996	0.82%	1,300,000	0.87%
8 J.B. Cocoshell (Pvt) Limited	3,268,833	0.73%	1,781,767	1.19%
9 Mr.V.Govindasamy	3,079,500	0.69%	451,500	0.30%
10 Hallsville Trading Group Inc.	2,400,000	0.53%	-	0.00%
11 Deutsche Bank AG as Trustee To Capital Alliance Quantitative Equity Fund	2,252,859	0.50%	-	0.00%
12 Bank Of Ceylon No. 1 Account	2,171,358			
13 Mr. M.A.H.Esufally	1,132,041	0.25%	328,682	0.22%
14 Hatton National Bank Plc - Senfin Growth Fund	2,019,084	0.45%	-	0.00%
15 Dr. T.Senthilveri	1,910,034	0.43%	-	0.00%
16 Ceylon Investment Plc A/C # 02	1,650,000	0.37%	-	0.00%
17 Ceylon Guardian Investment Trust Plc A/C # 02	1,540,233	0.34%	-	0.00%
18 CBL Investments Limited	1,441,389	0.32%	-	0.00%
19 Commercial Bank Of Ceylon Plc/Janashakthi Plc	1,095,147	0.24%	-	0.00%
20 Hatton National Bank Plc A/C No.4 (HNB Retirement Pension Fund)	1,078,275	0.24%	-	0.00%
Sub Total	401,145,663	89.41%	132,742,159	88.76%
Others	47,516,646	10.59%	16,811,944	11.24%
Total	448,662,309	100.00%	149,554,103	100.00%

*Refer Note 12 in respect of share split.

PUBLIC SHARE HOLDING		As at 31 March 2021	As at 31st March 2020
	Requirement by CSE	Requirement by CSE	Requirement by CSE
Option	4	5	5
Float adjusted market capitalization	Above Rs. 2,500,000,000/-	4,359,898,421	Less than Rs. 2,500,000,000/-
The percentage of shares held by the public	10%	36.67%	20%
Number of shareholders representing public holding	500	3,238	500
			1,932

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

	As at 31st March 2021	As at 31st March 2020
Mr.V.Govindasamy - Group Managing Director	3,079,500	451,500
Mr.G.Sathasivam	9,165	3,055
Mr.S.G.Sathasivam	3,054	1,018
Mr. A.D.B.Talwatte	3,054	1,018
Mr. S. Ratwatte	7,500	-

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 'AA+(lka)'; outlook stable by Fitch Ratings Lanka Limited