



Q1FY21\_22

# SUNSHINE HOLDINGS PLC

## GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 7.3 billion for the quarter ended 30th June 2021, up by LKR 2.6 billion (54% YoY). The Group revenue which predominantly includes revenue from Healthcare, Consumer goods, and Agribusiness sectors, contributed 54%, 25%, and 19% respectively. Healthcare sector recorded YoY growth of 54% against last year, while the Agri sector revenue was up by 44%. Consumer goods sector recorded a 68% increase in revenue compared to Q1 FY 20/21 mainly due to the addition of Daintee Limited into the sector.

Gross profit margin for Q1 FY 21/22 stood at 33.6%, which is a marginal decrease of 22 basis points against the same period last year. The gross profit improved by LKR 851 million up 53% YoY compared to the previous year, in line with revenue growth. The Group EBIT closed at LKR 1,320 million, an increase of 54% YoY.

Healthcare sector recorded a revenue of LKR 4.0 billion during Q1 FY 21/22, a significant increase of 54% YoY backed by improved performance at Pharmaceutical and Medical Devices divisions together with the contribution from the Akbar Pharmaceutical companies. EBIT for the sector was LKR 401 million. The Healthcare sector Profit After Tax (PAT) increased by 58% YoY.

Consumer Goods sector reported a 68% YoY increase in revenue to close at LKR 1.8 billion. The revenue increase is mainly due to the contribution from the confectionary business segment. Improved performance in both tea and confectionary sub-sectors contributed for the top line growth. The PAT of the sector decreased by LKR 9 million (-13% YoY) to LKR 61 million in comparison to the same period last year. PAT contribution of Daintee Limited to the Consumer sector is LKR 36 million.

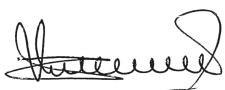
Agribusiness sector revenue increased by 44% during the first quarter compared to the same period last year. The EBIT increased to LKR 784 million from LKR 496 million due to the improved performances in both Palm oil and Dairy segments. PAT of the Agri sector closed at LKR 724 million for Q1 FY 21/22, up by LKR 318 million compared to the same period last year, while PAT of the Dairy segment increased to LKR 18 million compared to a net loss of LKR 4 million during the same period last year. Agri business may be challenged due to some regulations enacted recently, and however, the company is currently evaluating alternative approaches to mitigate the business impact and risks while ensuring the sustainability of businesses.

Energy sector revenue amounted to LKR 11 million during Q1 FY 21/22 compared to LKR 7 million same period last year, as a result of addition to the portfolio of solar projects. The Hydro power segment was divested during the quarter.

Group PAT amounted to LKR 1,040 million in Q1 FY 21/22 compared to LKR 553 million reported during same period last year. Profits attributable to equity shareholders (PATMI) closed at LKR 333 million.

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  
5th August 2021  
Colombo

SUNSHINE HOLDINGS PLC  
STATEMENT OF COMPREHENSIVE INCOME - GROUP

	Unaudited			Audited
	Quarter ended 30th June 2021 LKR	Quarter ended 30th June 2020 LKR	Change %	Year ended 31st March 2021 LKR
<b>Revenue</b>	<b>7,347,580,018</b>	<b>4,786,252,275</b>	<b>54</b>	<b>24,339,446,156</b>
Cost of sales	(4,877,291,864)	(3,166,541,214)	54	(16,601,729,049)
<b>Gross profit</b>	<b>2,470,288,154</b>	<b>1,619,711,061</b>	<b>53</b>	<b>7,737,717,107</b>
Other income	68,858,386	51,548,391	34	291,436,825
Administration expenses	(621,555,305)	(461,207,582)	35	(2,177,851,096)
Selling & distribution expenses	(597,988,052)	(350,388,545)	71	(2,182,677,904)
Impairment of Asset Held For Sale	-	-		(143,246,439)
<b>Results from operating activities</b>	<b>1,319,603,183</b>	<b>859,663,325</b>	<b>54</b>	<b>3,525,378,493</b>
Finance income	29,579,854	78,475,919	(62)	252,646,432
Finance cost	(70,204,101)	(174,853,002)	(60)	(468,793,779)
<b>Net finance cost</b>	<b>(40,624,247)</b>	<b>(96,377,083)</b>	<b>(58)</b>	<b>(216,147,347)</b>
Share of profit of equity accounted investees	(54,022)	(254,605)		(92,356)
<b>Profit before tax</b>	<b>1,278,924,914</b>	<b>763,031,637</b>	<b>68</b>	<b>3,309,138,790</b>
Income tax expense	(238,500,097)	(210,422,914)	13	(771,610,789)
<b>Profit for the period</b>	<b>1,040,424,817</b>	<b>552,608,723</b>	<b>88</b>	<b>2,537,528,001</b>
<b>Other comprehensive income</b>				
Equity investments at FVOCI – net change in fair value	-	-	-	(32,088,698)
Exchange gain/(Loss) on foreign operation translation	418,007	(1,686,204)		1,092,211
Defined benefit plan actuarial gain/(loss)	-	-	-	(25,750,348)
Tax on other comprehensive income	-	-	-	18,776,503
<b>Total other comprehensive income for the period</b>	<b>418,007</b>	<b>(1,686,204)</b>	<b>-</b>	<b>(37,970,332)</b>
<b>Total comprehensive income for the period</b>	<b>1,040,842,824</b>	<b>550,922,519</b>	<b>89</b>	<b>2,499,557,669</b>
<b>Profit attributable to:</b>				
Owners of the parent company	332,576,988	321,016,241	4	1,522,207,103
Non-controlling interest	707,847,829	231,592,483	206	1,015,320,898
<b>Other comprehensive income attributable to:</b>				
Owners of the parent company	418,007	(980,579)	-	(43,843,965)
Non-controlling interest	-	(705,626)	-	5,873,633
<b>Total comprehensive income for the period</b>	<b>1,040,842,824</b>	<b>550,922,519</b>	<b>89</b>	<b>2,499,557,669</b>
<b>Basic earnings per share</b>	<b>0.74</b>	<b>0.72</b>		<b>3.39</b>

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

SUNSHINE HOLDINGS PLC  
STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Unaudited			Audited
	Quarter ended 30th June 2021 LKR	Quarter ended 30th June 2020 LKR	Change %	Year ended 31st March 2021 LKR
<b>Revenue</b>	<b>65,359,463</b>	<b>242,561,689</b>	<b>(73)</b>	<b>850,202,179</b>
Cost of sales	-	-	n/m	-
<b>Gross profit</b>	<b>65,359,463</b>	<b>242,561,689</b>	<b>(73)</b>	<b>850,202,179</b>
Other income	87,166,505	54,516,078	n/m	341,800,630
Administration expenses	(96,619,830)	(74,365,842)	30	(449,704,631)
Impairment of investment in subsidiary	-	-		(59,452)
Gain on Disposal of Subsidiaries	-	-		2,032,745,933
Gain on disposal of subsidiary shares	-	-		260,563,654
<b>Results from operating activities</b>	<b>55,906,138</b>	<b>222,711,925</b>	<b>(75)</b>	<b>3,035,548,313</b>
Finance income	11,708,099	32,763,330	(64)	156,225,875
Finance cost	(3,366,605)	(102,476,349)	97	(170,998,805)
<b>Net finance cost</b>	<b>8,341,494</b>	<b>(69,713,019)</b>	<b>(112)</b>	<b>(14,772,930)</b>
<b>Profit before tax</b>	<b>64,247,632</b>	<b>152,998,906</b>	<b>(58)</b>	<b>3,020,775,383</b>
Income tax expense	1,040,114	-		(117,053,693)
<b>Profit for the period</b>	<b>65,287,746</b>	<b>152,998,906</b>	<b>(57)</b>	<b>2,903,721,690</b>
<b>Other comprehensive income</b>				
Equity investments at FVOCI – net change in fair value	-	-		(32,088,698)
Defined benefit plan actuarial gain/(loss)	-	-		6,049,909
Income tax on other comprehensive income	-	-		10,912,884
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>		<b>(15,125,905)</b>
<b>Total comprehensive income for the period</b>	<b>65,287,746</b>	<b>152,998,906</b>	<b>(57)</b>	<b>2,888,595,785</b>
<b>Basic earnings per share from continuing operations</b>	<b>0.15</b>	<b>0.34</b>		<b>6.47</b>

Figures in brackets indicate deductions.

The above figures are not audited

n/m- not meaningful

SUNSHINE HOLDINGS PLC  
STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 30th June 2021 LKR	Audited As at 31st March 2021 LKR
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,797,361,440	4,794,110,834
Intangible assets	246,969,018	249,057,345
Leasehold right to bare land	234,922,000	238,853,000
Biological assets	3,496,432,000	3,492,193,000
Investment property	769,499,144	769,499,144
Equity-accounted investee	1,237,985	1,292,006
Other investments	1,183,828,091	1,004,330,898
Deferred tax assets	43,652,096	42,611,982
Goodwill on Acquisition	1,576,648,376	1,576,648,378
<b>Total non-current assets</b>	<b>12,350,550,150</b>	<b>12,168,596,587</b>
<b>Current assets</b>		
Biological assets-growing crops on bearer plants	52,688,000	52,688,000
Inventories	5,097,850,250	5,145,162,996
Other investments, including derivatives	48,377,641	335,364,187
Current tax assets	30,227,492	29,585,672
Trade & other receivables	5,007,223,024	4,848,691,358
Amounts due from related parties	53,626,082	475,000
Cash & cash equivalent	2,909,028,685	2,520,552,239
Assets Held for sale	-	1,781,889,421
<b>Total current assets</b>	<b>13,199,021,174</b>	<b>14,714,408,873</b>
<b>Total assets</b>	<b>25,549,571,324</b>	<b>26,883,005,460</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	1,641,715,247	1,641,715,247
Reserves	339,686,250	339,686,250
Retained earnings	8,571,384,116	8,551,561,683
<b>Equity attributable to owners of the company</b>	<b>10,552,785,613</b>	<b>10,532,963,180</b>
Non-controlling interests	5,448,427,821	4,808,856,243
<b>Total equity</b>	<b>16,001,213,434</b>	<b>15,341,819,423</b>
<b>Non-current liabilities</b>		
Loans and borrowings	1,862,190,275	1,968,834,746
Employee benefits	725,001,189	713,774,478
Contingent consideration	78,026,414	78,026,414
Deferred income and capital grants	79,358,000	91,996,000
Deferred tax	645,994,447	632,277,792
<b>Total non-current liabilities</b>	<b>3,390,570,325</b>	<b>3,484,909,430</b>
<b>Current liabilities</b>		
Trade and other payables	4,016,194,171	3,775,377,119
Amounts due to related parties	7,051,847	12,802,099
Current tax liabilities	426,503,371	354,693,979
Loans and borrowings	910,118,375	2,184,694,049
Bank overdraft	797,919,801	872,203,730
Liabilities directly associated with assets held for sale	-	856,505,631
<b>Total current liabilities</b>	<b>6,157,787,565</b>	<b>8,056,276,607</b>
<b>Total equity and liabilities</b>	<b>25,549,571,324</b>	<b>26,883,005,460</b>

Net asset value per share (Rs.)

23.52

23.48

Figures in brackets indicate deductions.

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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.

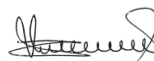
Approved and signed for and on behalf of the Board,



Chairman

August 5, 2021

Colombo



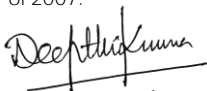
Group Managing Director

SUNSHINE HOLDINGS PLC  
STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 30th June 2021 LKR	Audited As at 31st March 2021 LKR
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	27,692,475	33,067,152
Intangible assets	7,555,660	7,555,660
Investment in subsidiaries	3,767,962,237	3,767,962,237
Equity-accounted investee	1,292,007	1,292,007
Other investments	651,752,091	647,177,898
Deferred tax assets	43,576,264	42,536,150
<b>Total non-current assets</b>	<b>4,499,830,734</b>	<b>4,499,591,104</b>
<b>Current assets</b>		
Derivative assets on SWAP agreement	-	222,469,740
Current tax assets	14,318,672	14,318,672
Trade & other receivables	175,999,998	70,396,643
Amounts due from related parties	219,665,392	223,215,489
Cash & cash equivalent	350,165,796	1,281,865,256
<b>Total current assets</b>	<b>760,149,858</b>	<b>1,812,265,800</b>
<b>Total assets</b>	<b>5,259,980,592</b>	<b>6,311,856,904</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	1,641,715,247	1,641,715,247
Reserves	331,382,645	331,382,645
Retained earnings	2,982,756,701	3,141,800,110
<b>Equity attributable to owners of the company</b>	<b>4,955,854,593</b>	<b>5,114,898,002</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>4,955,854,593</b>	<b>5,114,898,002</b>
<b>Non-current liabilities</b>		
Employee benefits	107,178,289	103,878,290
<b>Total non-current liabilities</b>	<b>107,178,289</b>	<b>103,878,290</b>
<b>Current liabilities</b>		
Trade and other payables	140,985,978	24,974,054
Amounts due to related parties	15,535	-
Current tax liabilities	40,388,427	60,099,084
Loans and borrowings	12,428,325	1,006,808,533
Bank overdraft	3,129,445	1,198,941
<b>Total current liabilities</b>	<b>196,947,710</b>	<b>1,093,080,612</b>
<b>Total equity and liabilities</b>	<b>5,259,980,592</b>	<b>6,311,856,904</b>
<b>Net asset value per share (Rs.)</b>	<b>11.05</b>	<b>11.40</b>

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Group Chief Financial Officer

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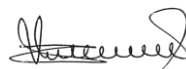
Approved and signed for and on behalf of the Board,



Chairman

August 5, 2021

Colombo



Group Managing Director



SUNSHINE HOLDINGS PLC  
FOR THE THREE MONTHS ENDED 30TH JUNE 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	General reserve	Fair value gain or loss reserve on AFS	Retained earnings	Total	Non-controlling Interest	Total equity
Balance as at 01st April 2020	1,641,715,247	3,131,942	1,257,725	353,928,208	6,414,107,233	8,414,140,355	4,035,566,113	12,449,706,468
Profit from continuing operations for the three months	-	-	-	-	321,016,241	321,016,241	231,592,483	552,608,724
Total other comprehensive income for the three months	-	(980,579)	-	-	-	(980,579)	(705,626)	(1,686,205)
Total comprehensive income for the three months	-	(980,579)	-	-	321,016,241	320,035,662	230,886,857	550,922,519
Issue of shares to NCI of Sunshine Wilmar (Pvt) Ltd	-	-	-	-	-	-	1,520,750,002	1,520,750,002
Impact on loss of effective shareholding in Watawala 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)	(157,114,773)	(269,280,350)
	-	-	-	-	(249,799,671)	(249,799,671)	(1,401,794,709)	(1,651,594,380)
Balance as at 30th June 2020	1,641,715,247	2,151,363	1,257,725	353,928,208	6,485,323,803	8,484,376,346	2,864,658,261	11,349,034,607
Profit from continuing operations for the nine months	-	-	-	-	1,201,190,862	1,201,190,862	783,728,415	1,984,919,277
Total other comprehensive income for the Nine months	-	2,072,790	-	(19,723,836)	(25,212,340)	(42,863,386)	6,579,259	(36,284,127)
Total comprehensive income for the nine months	-	2,072,790	-	(19,723,836)	1,175,978,522	1,158,327,476	790,307,674	1,948,635,150
Issue of shares to NCI of Sunshine Wilmar (Pvt) Ltd	-	-	-	-	-	-	-	-
Impact on loss of effective shareholding in Watawala Planations PLC Group	-	-	-	-	-	-	-	-
Acquisition of Non controlling interest in Estate Management Services (Pvt) Ltd	-	-	-	-	-	-	-	-
Impact on gain of effective shareholding in Watawala Tea Ceylon Limited Group	-	-	-	-	-	-	-	-
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	-	-	-	-	(149,554,103)	(149,554,103)	(536,314,766)	(685,868,869)
	-	-	-	-	890,259,358	890,259,358	1,153,890,308	2,044,149,666
Balance as at 31st March 2021	1,641,715,247	4,224,153	1,257,725	334,204,372	8,551,561,683	10,532,963,180	4,808,856,243	15,341,819,423
Profit from continuing operations for the three months	-	-	-	-	332,576,987	332,576,987	707,847,829	1,040,424,816
Total other comprehensive income for the three months	-	-	-	-	418,007	418,007	-	418,007
Total comprehensive income for the three months	-	-	-	-	332,994,994	332,994,994	707,847,829	1,040,842,823
Impact on loss of effective shareholding in Watawala Dairy Ltd	-	-	-	-	(88,841,406)	(88,841,406)	88,841,406	-
Dividend paid to owners for 2020/21	-	-	-	-	(224,331,155)	(224,331,155)	(157,117,657)	(381,448,812)
	-	-	-	-	(313,172,561)	(313,172,561)	(68,276,251)	(381,448,812)
Balance as at 30th June 2021	1,641,715,247	4,224,153	1,257,725	334,204,372	8,571,384,116	10,552,785,613	5,448,427,821	16,001,213,434

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

SUNSHINE HOLDINGS PLC  
FOR THE THREE MONTHS ENDED 30TH JUNE 2021

STATEMENT OF CHANGES IN EQUITY - COMPANY <i>In LKR</i>	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings	Total
Balance as at 31st March 2020 - Restated	1,641,715,247	349,848,756	1,257,725	3,398,264,201	5,391,085,929
Total comprehensive income for the period					
Profit for the three months	-	-	-	152,998,906	152,998,906
Total other comprehensive income for the three months	-	-	-	-	-
Total comprehensive income for the three months	-	-	-	152,998,906	152,998,906
Dividend paid to owners - 2019/20	-	-	-	(112,165,577)	(112,165,577)
Balance as at 30th June 2020	1,641,715,247	349,848,756	1,257,725	3,439,097,530	5,431,919,258
Total comprehensive income for the period					
Profit for the nine months	-	-	-	2,750,722,784	2,750,722,784
Total other comprehensive income for the nine months	-	(19,723,836)	-	4,597,931	(15,125,905)
Total comprehensive income for the nine months	-	(19,723,836)	-	2,755,320,715	2,735,596,879
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 and 2020/21	-	-	-	(149,554,103)	(149,554,103)
Balance as at 31st March 2021	1,641,715,247	330,124,920	1,257,725	3,141,800,110	5,114,898,002
Total comprehensive income for the period					
Profit for the three months	-	-	-	65,287,746	65,287,746
Total other comprehensive income for the three months	-	-	-	-	-
Total comprehensive income for the three months				65,287,746	65,287,746
Dividend paid to owners - 2020/21	-	-	-	(224,331,155)	(224,331,155)
Balance as at 30th June 2021	1,641,715,247	330,124,920	1,257,725	2,982,756,701	4,955,854,593

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



STATEMENT OF CASH FLOWS - GROUP	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Year ended
	30th June 2021	30th June 2020	31st March 2021
	LKR	LKR	LKR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before income tax</b>	<b>1,278,924,914</b>	<b>763,031,637</b>	<b>3,309,138,790</b>
<b>Adjustments for;</b>			
Interest income	(29,579,854)	(78,475,919)	(202,383,169)
Impairment/Write off of Assets Held for Sale	-	-	143,246,439
Profit on sale of property, plant & equipment	-	(9,092,000)	(31,708,661)
Write-off of Intangible Assets	-	-	900,000
Write off of other receivables	-	-	57,788,999
Provision for other receivable	-	-	370,565
Biological assets- (gain)/loss from produce crop valuation	-	-	(10,891,000)
Interest expense	70,204,101	174,853,002	468,793,779
Depreciation of Property, Plant and Equipment	140,208,372	182,218,376	647,977,610
Depreciation of mature plantations	-	-	37,251,772
Amortization of Intangible Assets	18,570,867	-	157,230,000
Profit/(loss) of equity investee	54,023	254,605	92,356
Impairment of biological assets	39,303,000	-	20,126,000
Fair value gain in quoted shares	(1,831,726)	6,801,824	1,086,323
Provision/(Reversal) and write off for Bad and Doubtful Debts	-	(1,624,978)	-
Amortization of deferred income & capital grants	(12,638,000)	(12,638,000)	(50,554,000)
Amortisation of leasehold right to land	3,931,000	-	10,120,000
Fair value gain / (loss) on livestock	(30,073,000)	-	30,000
Fair value gain/loss on Consumer Biological Assets	1,200,000	-	-
Timber fair valuation gain	-	-	(1,200,000)
Provision/ (reversals) and Write-off for inventories	-	(6,214,920)	72,364,883
Rent Concession	-	-	(22,153,634)
Provision gratuity excluding actuarial gain/(loss)	25,351,700	16,214,467	119,130,631
Gain on disposal of subsidiary	-	-	63,000
<b>Operating profit before working capital changes</b>	<b>1,503,625,397</b>	<b>1,035,328,094</b>	<b>4,726,820,683</b>
(Increase)/decrease in inventories	47,312,746	(429,192,898)	(1,282,057,453)
(Increase)/Decrease in trade and other receivables	(158,531,666)	463,738,046	47,163,592
(Increase)/decrease in amounts due from related parties	(4,023,430)	69,659,946	78,318,595
Increase/(Decrease) in trade and other payables	244,498,853	987,837,697	1,043,501,779
Increase/(decrease) in amounts due to related parties	(5,750,251)	(12,083,890)	(21,760,653)
<b>Cash generated from/ (used in) operations</b>	<b>1,627,131,650</b>	<b>2,115,286,995</b>	<b>4,591,986,543</b>
Interest paid	(48,155,087)	(135,641,903)	(372,313,140)
Income tax paid	(155,555,985)	(105,422,306)	(643,172,689)
Gratuity paid	(14,124,987)	(8,099,871)	(44,655,743)
<b>Net cash / (used in) operating activities</b>	<b>1,409,295,590</b>	<b>1,866,122,915</b>	<b>3,531,844,971</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	18,914,388	87,637,483	175,994,128
Dividend income	-	-	375,484,496
(Investments)/ disposal in other investments	64,516,806	(10,228,152)	52,076,228
(Investments)/ Disposal in gratuity fund	(167,000,000)	-	-
Investments in gratuity fund	-	1,779,000	(13,428,000)
Additions to Bearer plants	-	(27,261,000)	(165,202,000)
Additions to Consumable biological assets	(1,200,000)	-	-
Investment in livestock	(14,386,000)	(13,470,000)	(53,832,000)
Acquisition of property, plant & equipment	(153,051,083)	(71,534,440)	(345,733,540)
Acquisition of intangible assets	(15,582,541)	-	(52,883,028)
Proceeds from disposal of property, plant & equipment	5,910,309	28,079,985	77,070,511
Acquisition of Non controlling interest in Subsidiaries	-	(2,903,064,032)	(2,903,064,032)
Disposal of Subsidiary (net of cash)	876,256,138	-	1,268,000
Acquisition of Subsidiaries (net of cash)	-	-	(2,238,359,537)
Proceeds on Disposal of Shares held in Subsidiary	-	-	278,429,916
Proceeds from Sale of Livestock	917,000	650,000	-
<b>Net Cash used In Investing activities</b>	<b>615,295,017</b>	<b>(2,907,411,156)</b>	<b>(4,812,178,858)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from share issued by subsidiary to NCI	-	1,520,750,002	1,520,750,002
Receipts of interest bearing borrowings	615,173,449	3,604,029,031	11,031,270,271
Repayment of interest bearing borrowings	(1,760,224,388)	(4,662,549,530)	(11,852,381,665)
Payment of lease liabilities	(35,748,488)	(39,567,348)	(175,206,300)
Dividend paid	(381,448,812)	-	(955,149,219)
<b>Net cash from / (used in) financing activities</b>	<b>(1,562,248,238)</b>	<b>422,662,155</b>	<b>(430,716,911)</b>

**Net Increase/(decrease) In cash and cash equivalents**

	<b>462,342,368</b>	<b>(618,626,086)</b>	<b>(1,711,050,798)</b>
Cash and cash equivalents at the beginning of the period	1,648,348,509	3,408,395,610	3,408,395,610
Effect of exchange rate changes on cash and cash equivalents	418,007	(1,686,204)	1,092,211
<b>Cash and cash equivalents at the end of the period</b>	<b>2,111,108,884</b>	<b>2,788,083,320</b>	<b>1,698,437,023</b>

**Cash and cash equivalents**

Cash in hand & bank	2,909,028,685	3,351,724,435	2,566,573,920
Bank overdraft	(797,919,801)	(563,641,115)	(918,225,412)
Cash and bank Balance under Asset held for sale	-	-	52,507,138
Bank overdraft under Liability held for sale	-	-	(2,418,623)
	<b>2,111,108,884</b>	<b>2,788,083,320</b>	<b>1,698,437,023</b>

Figures in brackets indicate deductions.

The above figures are not audited

## STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Quarter ended 30th June 2021 LKR	Unaudited Quarter ended 30th June 2020 LKR	Audited Year ended 31st March 2021 LKR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax	64,247,632	152,998,906	3,020,775,383
Adjustments for:			
Interest income	(11,708,099)	(32,763,330)	(156,225,875)
Interest expense	3,366,605	102,476,349	170,998,805
Fair value gain/ loss in quoted shares and unit trust	(1,831,726)	6,801,824	2,225,511
Depreciation of Property, Plant and Equipment	5,544,674	4,730,620	21,463,966
Amortization of Intangible Assets	-	-	4,685
Loss/ (Gain) on disposal of a Subsidiary	-	-	(2,032,745,933)
Gain on partial disposal of investment in Subsidiary	-	-	(260,563,654)
Loss / (Profit) on sale of investments	-	-	(9,007,485)
Rent Concession	-	-	(1,079,325)
Impairment of investment	-	-	59,452
Provision for gratuity	3,300,000	4,595,345	13,526,859
<b>Operating profit before working capital changes</b>	<b>62,919,087</b>	<b>238,839,714</b>	<b>769,432,389</b>
(Increase)/decrease in trade and other receivables	(105,603,361)	(18,418,280)	27,247,827
(Increase)/decrease in amounts due from related parties	3,550,097	(34,344,260)	17,561,881
Increase/(decrease) in trade and other payables	116,011,932	6,148,885	(5,755,018)
Increase/(decrease) in amounts due to related parties	15,535	3,526,489,988	(3,186,792)
<b>Cash generated from/ (used in) operations</b>	<b>76,893,289</b>	<b>3,718,716,047</b>	<b>805,300,287</b>
Interest paid	(2,990,036)	(73,785,678)	(169,371,726)
Income tax paid	(19,710,657)	-	-
Employee benefits paid	-	-	(63,223,579)
<b>Net cash / (used in) operating activities</b>	<b>54,192,596</b>	<b>3,644,930,369</b>	<b>572,704,982</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	8,965,633	30,020,864	156,256,012
Investments in subsidiaries	-	(4,423,814,034)	(4,423,814,034)
Disposal of Subsidiary (net of cash)	-	-	2,999,743,572
Proceeds on Disposal of Shares held in Subsidiary	-	-	278,429,916
(Investments)/ disposal in other investments	-	1,675,877	54,664,537
Acquisition of intangible assets	-	-	(7,555,660)
Acquisition of property, plant & equipment	(170,000)	(41,000)	(4,504,705)
<b>Net cash used in investing activities</b>	<b>8,795,633</b>	<b>(4,392,158,293)</b>	<b>(946,780,362)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts of interest bearing borrowings	-	3,004,000,000	3,104,000,000
Repayment of interest bearing borrowings	(767,969,738)	(3,715,610,198)	(4,999,121,698)
Payment of lease liabilities	(4,317,300)	(4,056,156)	(14,750,775)
Dividend paid	(224,331,155)	-	(261,719,680)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(996,618,193)</b>	<b>(715,666,354)</b>	<b>(2,171,592,153)</b>
<b>Net Increase/(decrease) In cash and cash equivalents</b>	<b>(933,629,964)</b>	<b>(1,462,894,278)</b>	<b>(2,545,667,533)</b>
Cash and cash equivalents at the beginning of the period	1,280,666,314	2,185,982,598	3,826,333,848
<b>Cash and cash equivalents at the end of the period</b>	<b>347,036,350</b>	<b>723,088,320</b>	<b>1,280,666,315</b>
<b>Cash and cash equivalents</b>			
Cash in hand & bank	350,165,796	723,088,320	1,281,865,256
Bank overdraft	(3,129,445)	-	(1,198,941)
	<b>347,036,350</b>	<b>723,088,320</b>	<b>1,280,666,315</b>

Figures in brackets indicate deductions.

The above figures are not audited

SUNSHINE HOLDINGS PLC  
SEGMENTAL ANALYSIS  
FOR THE THREE MONTHS ENDED 30TH JUNE 2021

	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
<b>REVENUE</b>	518,170,592	242,561,689	4,000,190,429	2,592,981,206	1,404,116,000	973,610,000	1,859,587,912	1,109,924,893	11,035,765	75,925,334	10,101,524	7,203,165	(455,622,204)	(215,954,012)	<b>7,347,580,018</b>	<b>4,786,252,275</b>
<b>RESULT</b>																
Profit from operating activities	508,305,666	904,688,311	400,516,214	281,386,294	783,685,000	496,523,000	100,018,673	86,219,311	(29,427,564)	19,530,525	9,316,323	5,334,328	(452,811,129)	(934,018,444)	<b>1,319,603,183</b>	<b>859,663,325</b>
Net finance cost	8,851,647	(4,418,737)	(23,936,046)	(47,472,642)	(13,261,000)	(29,961,000)	(15,746,301)	1,958,824	6,460,222	(12,075,182)	(2,992,769)	(4,408,346)	-	-	<b>(40,624,247)</b>	<b>(96,377,083)</b>
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	(54,022)	(254,605)	<b>(54,022)</b>	<b>(254,605)</b>
Income tax expense	(62,353,444)	(63,393,558)	(106,280,680)	(63,256,873)	(46,677,000)	(60,272,000)	(23,170,434)	(17,739,498)	-	(2,974,841)	(18,539)	(2,786,144)	-	-	<b>(238,500,097)</b>	<b>(210,422,914)</b>
<b>Profit for the year</b>	<b>454,803,869</b>	<b>836,876,016</b>	<b>270,299,489</b>	<b>170,656,779</b>	<b>723,747,000</b>	<b>406,290,000</b>	<b>61,101,938</b>	<b>70,438,637</b>	<b>(22,967,342)</b>	<b>4,480,502</b>	<b>6,305,015</b>	<b>(1,860,162)</b>	<b>(452,865,151)</b>	<b>(934,273,049)</b>	<b>1,040,424,817</b>	<b>552,608,723</b>
Other comprehensive income	-	(1,825,873,902)	-	-	-	-	418,007	(1,686,204)	-	-	-	-	-	1,825,873,902	<b>418,007</b>	<b>(1,686,204)</b>
<b>Total comprehensive Income</b>	<b>454,803,869</b>	<b>(988,997,886)</b>	<b>270,299,489</b>	<b>170,656,779</b>	<b>723,747,000</b>	<b>406,290,000</b>	<b>61,519,945</b>	<b>68,752,433</b>	<b>(22,967,342)</b>	<b>4,480,502</b>	<b>6,305,015</b>	<b>(1,860,162)</b>	<b>(452,865,151)</b>	<b>891,600,853</b>	<b>1,040,842,824</b>	<b>550,922,519</b>
<b>OTHER INFORMATION</b>																
Segment assets	8,759,840,278	20,691,814,447	10,591,625,950	6,593,717,505	7,606,612,000	7,302,305,000	3,868,497,859	1,468,552,895	994,297,696	2,240,024,614	1,001,275,046	1,002,753,012	(7,272,577,506)	(17,884,907,709)	<b>25,549,571,324</b>	<b>21,414,259,764</b>
Equity & reserves	8,391,264,030	14,644,225,654	6,128,217,225	2,773,402,453	5,532,170,000	4,394,505,000	1,342,487,739	1,085,258,483	939,747,917	1,348,816,911	743,535,296	729,821,464	(7,076,208,773)	(13,626,995,357)	<b>16,001,213,434</b>	<b>11,349,034,608</b>
Total liabilities	368,576,248	6,047,588,790	4,463,408,724	3,820,315,045	2,074,442,000	2,907,800,000	2,526,010,119	383,294,409	54,549,778	891,207,702	257,739,749	272,931,547	(196,368,729)	(4,257,912,337)	<b>9,548,357,888</b>	<b>10,065,225,156</b>
Depreciation	5,544,674	4,738,764	48,807,061	45,564,420	43,965,000	79,682,000	38,721,319	24,320,777	2,918,345	27,912,415	-	-	-	-	<b>139,956,399</b>	<b>182,218,376</b>
Capital expenditure	170,000	41,000	12,712,331	19,664,580	132,496,000	69,674,043	7,548,752	3,862,184	124,000	19,023,633	-	-	-	-	<b>153,051,083</b>	<b>112,265,440</b>

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 30th June 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.

The ultimate parent of the company is Lamurep Investments Limited which holds 51.09% of the issued share capital of the company as at 30th June 2021.

### 3. Approval of financial statements

The Interim Condensed Financial Statements of the Group and the Company for the period ended 30th June 2021, were authorised for issue by the Board of Directors on August 05, 2021.

### 4. Basis of preparation

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 2020/21. 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.

### 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 2021 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 into 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, 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) Consumer**

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.



SUNSHINE HOLDINGS PLC  
NOTES TO THE ACCOUNTS

8. Valuation of Financial Assets and Liabilities

8.1. Accounting Classification and Fair Values

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

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

30 June 2021	GROUP						COMPANY				
	Classification	Carrying amount	Fair value				Carrying amount	Fair value			
			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	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	37,186,642	37,186,642	-	-	37,186,642	37,186,642	37,186,642	-	-	37,186,642
Investment Fund	Fair value through P&L	532,076,000	-	532,076,000	-	532,076,000	-	-	-	-	-
		<b>1,074,696,583</b>	<b>37,186,642</b>	<b>532,076,000</b>	<b>505,433,941</b>	<b>1,074,696,583</b>	<b>542,620,583</b>	<b>37,186,642</b>	<b>-</b>	<b>505,433,941</b>	<b>542,620,583</b>
<b>Financial Assets not measured at Fair value</b>											
Trade and other receivables **	Amortized cost	5,007,223,024	-	5,007,223,024	-	5,007,223,024	176,000,004	-	176,000,004	-	176,000,004
Investment in Debentures	Amortized cost	109,131,507	-	109,131,507	-	109,131,507	109,131,507	-	109,131,507	-	109,131,507
Short term investment	Amortized cost	48,377,641	-	48,377,641	-	48,377,641	-	-	-	-	-
Amounts due from related parties **	Amortized cost	53,626,082	-	53,626,082	-	53,626,082	219,665,392	-	219,665,392	-	219,665,392
Cash & cash equivalents **	Amortized cost	2,909,028,685	-	2,909,028,685	-	2,909,028,685	350,165,796	-	350,165,796	-	350,165,796
		<b>8,127,386,939</b>	<b>-</b>	<b>8,127,386,939</b>	<b>-</b>	<b>8,127,386,939</b>	<b>854,962,698</b>	<b>-</b>	<b>854,962,698</b>	<b>-</b>	<b>854,962,698</b>
<b>Financial Liabilities not measured at Fair value</b>											
Loans and borrowings ***	Other financial liabilities	2,772,308,650	-	2,772,308,650	-	2,772,308,650	12,428,325	-	12,428,325	-	12,428,325
Bank overdraft **	Other financial liabilities	797,919,801	-	797,919,801	-	797,919,801	3,129,445	-	3,129,445	-	3,129,445
Trade and other payables **	Other financial liabilities	4,016,194,168	-	4,016,194,168	-	4,016,194,168	140,985,979	-	140,985,979	-	140,985,979
Amounts due to related parties **	Other financial liabilities	7,051,848	-	7,051,848	-	7,051,848	15,535	-	15,535	-	15,535
		<b>7,593,474,468</b>	<b>-</b>	<b>7,593,474,468</b>	<b>-</b>	<b>7,593,474,468</b>	<b>156,559,284</b>	<b>-</b>	<b>156,559,284</b>	<b>-</b>	<b>156,559,284</b>

31 March 2021	GROUP						COMPANY				
	Classification	Carrying amount	Fair value				Carrying amount	Fair value			
			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	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
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
Investment Fund	Fair value through P&L	357,153,000	-	357,153,000	-	357,153,000	-	-	-	-	-
		<b>1,120,411,597</b>	<b>35,354,916</b>	<b>579,622,740</b>	<b>505,433,941</b>	<b>1,120,411,597</b>	<b>763,258,597</b>	<b>35,354,916</b>	<b>222,469,740</b>	<b>505,433,941</b>	<b>763,258,597</b>
<b>Financial Assets not measured at Fair value</b>											
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
Short term investment	Amortized cost	112,894,447	-	112,894,447	-	112,894,447	-	-	-	-	-
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
		<b>7,021,462,460</b>	<b>-</b>	<b>7,021,462,460</b>	<b>-</b>	<b>7,021,462,460</b>	<b>1,627,705,930</b>	<b>-</b>	<b>1,627,705,930</b>	<b>-</b>	<b>1,627,705,930</b>
<b>Financial Liabilities not measured at Fair value</b>											
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	-	-	-	-	-
		<b>7,632,478,599</b>	<b>-</b>	<b>7,632,478,599</b>	<b>-</b>	<b>7,632,478,599</b>	<b>1,008,007,474</b>	<b>-</b>	<b>1,008,007,474</b>	<b>-</b>	<b>1,008,007,474</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 June 2021 and 31 March 2021 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 period ended 30 June 2021 and 31 March 2021, there were no transfers between Level 1 and Level 2 fair value measurements

8.3. Concentration on Credit Risk

The Group's concentration on Credit Risk as at 30 June 2021 remain the same as at 31 March 2021.

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

**9. Utilisation of private placement proceeds**

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 and the corresponding Derivative Asset amounted to Rs. 222,469,740 has been de-recognised on the same date.

**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**

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:

<b>No. of shares as at</b>	<b>30th June 2021</b>	<b>31st March 2021</b>	<b>30th June 2020</b>
Ordinary shares*	448,662,309	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**

	<b>Year ended 31st March</b>	
	<b>2021</b>	<b>2020</b>
Dividend paid (Rs)	373,885,258	112,165,577
No of ordinary shares	448,662,309	149,554,103
<b>Dividend per share (cash)</b>	<b>0.83</b>	<b>0.75</b>

**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 2021.

**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	Three months ended 30th June 2021	Three months ended 30th June 2020 *	Audited Year ended 31st March 2021
		Rs.	Rs.
Highest price	28.00	50.00	105.00
Lowest price	22.50	36.10	26.00
Last traded price	25.10	47.60	26.50

\* Share prices are shown before the share split. Refer Note 11 in respect of share split.

**TWENTY (20) LARGEST SHAREHOLDERS AS AT**  
**Name**

	30th June 2021 No of Shares* Held	%	31st March 2021 No of Shares Held	%
1 Lamurep Investments Limited	229,216,803	51.09%	229,216,803	51.09%
2 Deepcar Limited	75,003,067	16.72%	78,215,478	17.43%
3 SBI Ven Holdings Pte Ltd	42,636,357	9.50%	42,636,357	9.50%
4 Ceylon Property Development Limited	9,165,876	2.04%	9,165,876	2.04%
5 Phoenix Ventures Private Limited	8,973,246	2.00%	8,973,246	2.00%
6 GF Capital Global Limited	4,202,154	0.94%	4,202,154	0.94%
7 Rubber Investment Trust Ltd A/C No 01	3,696,996	0.82%	3,696,996	0.82%
8 Ceylon Investment Plc A/C # 02	3,300,000	0.74%	1,650,000	0.37%
9 Ceylon Guardian Investment Trust Plc A/C # 02	3,190,233	0.71%	1,540,233	0.34%
10 Mr.V.Govindasamy	3,079,500	0.69%	3,079,500	0.69%
11 Deutsche Bank AG as Trustee To Capital Alliance Quantitative Equity Fund	2,911,696	0.65%	2,252,859	0.50%
12 J.B. Cocoshell (Pvt) Limited	2,527,889	0.56%	3,268,833	0.73%
13 Bank Of Ceylon No. 1 Account	2,171,358	0.48%	2,171,358	0.48%
14 Hatton National Bank Plc- Senfin Growth Fund	2,019,084	0.45%	2,019,084	0.45%
15 Dr. T.Senthilvel	1,910,034	0.43%	1,910,034	0.43%
16 Hallsville Trading Group Inc.	1,840,000	0.41%	2,400,000	0.53%
17 Hatton National Bank Plc A/C No.4 (HNB Retirement Pension Fund)	1,333,275	0.30%	1,078,275	0.24%
18 CBL Investments Limited	1,245,179	0.28%	1,441,389	0.32%
19 Miss N.T.M.S.Cooray	1,151,029	0.26%	1,039,029	0.23%
20 COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI PLC	1,095,147	0.24%	1,095,147	0.24%
<b>Sub Total</b>	<b>400,668,923</b>	<b>89.30%</b>	<b>401,052,651</b>	<b>89.39%</b>
Others	47,993,386	10.70%	47,609,658	10.61%
<b>Total</b>	<b>448,662,309</b>	<b>100.00%</b>	<b>448,662,309</b>	<b>100.00%</b>

\* Refer Note 11 in respect of share split.

<b>PUBLIC SHARE HOLDING</b>	<b>Requirement by CSE</b>	<b>As at 30th June 2021</b>	<b>Requirement by CSE</b>	<b>As at 31st March 2021</b>
Option	4	4	4	4
Float adjusted market capitalization	Above Rs.2,500,000,000/-	4,129,564,165	Above Rs.2,500,000,000/-	4,359,898,421
The percentage of shares held by the public	10%	36.67%	10%	36.67%
Number of shareholders representing public holding	500	3,772	500	3,238

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

	<b>As at 30th June 2021</b>	<b>As at 31st March 2021</b>
Mr.V.Govindasamy - Group Managing Director	3,079,500	3,079,500
Mr.G.Sathasivam	9,165	9,165
Mr.S.G.Sathasivam	3,054	3,054
Mr. A.D.B.Talwatte	3,054	3,054
Ms. S. Ratwatte	7,500	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. D. A. Cabraal - (Appointed Chairman w.e.f. 25th June 2021)  
Mr. Munir Shaikh - (Retired as of 25th June 2021)  
Mr. G. Sathasivam  
Mr. V. Govindasamy -(Group Managing Director)  
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  
Ms. Aruni Goonetilleke

### 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  
Commercial Bank PLC  
DFCC Bank PLC

### Credit Ratings

The Company has been assigned a national long-term rating of 'AA+(lka)'; outlook stable by Fitch Ratings Lanka Limited