



SUNSHINE HOLDINGS PLC

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30TH SEPTEMBER 2023

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 28.2 billion for the 6-months ended 30th September 2023 (1HFY24), up 13.0% YoY. The Group revenue, from Healthcare, Consumer goods and Agribusiness sectors, contributed 49.2%, 34.4% and 16.3% respectively.

In 1HFY24 the gross profit improved to LKR 8.8 billion, up 20.3% YoY, driven by revenue growth, and 190 bps increase in margins. The Group EBIT closed at LKR 4.8 billion, an increase of 11.5% YoY. Group PAT was LKR 3.6 billion in 1HFY24 compared to LKR 3.2 billion reported during the same period last year. The net finance cost for the period amounted to LKR 162 million (includes interest on lease liabilities of LKR 67 million and net exchange loss of LKR 39 million) compared to LKR 239 million during the last year. The lower finance cost for the period is owing to lower interest rates and favorable impact from exchange rate movements.

Profit attributable to equity shareholders (PATMI) closed at LKR 2.6 billion for 1HFY24, an increase of 32.4% YoY.

Financial Snapshot

	2QFY24	Vs 2QFY23	Vs 1QFY24
Healthcare	7,526	30.3%	19.2%
Consumer	4,999	6.8%	6.4%
Agri	2,241	-17.8%	-4.9%
Other	21	-16.0%	n/m
Revenue	14,787	11.9%	10.6%
Gross Profit	4,858	26.2%	22.7%
GP Margin	32.9%	3.7%	3.2%
EBIT	2,811	20.3%	39.5%
EBIT Margin	19.0%	1.3%	3.9%
Net Finance Cost	(14)	n/m	n/m
Income Tax Expense	(589)	30.9%	34.5%
PAT	2,208	42.1%	54.6%

Healthcare

Healthcare revenue for 1HFY24 grew 19.2% YoY, due to the increased topline of all business units.

Improvement in EBIT Margin in the Healthcare sector is owing to the higher contribution of medical devices and pharmaceutical manufacturing business driven by price and volume growth. However, the impact was partially offset by the margin contraction in the retail segment and the pharmaceutical agency business.

In the Pharma segment, revenue growth of 4.1% YoY is primarily driven by volume growth, despite challenges in profitability due to LKR depreciation. Medical devices segment grew 51.0% YoY driven by both price and volume increase.

Revenue of the Retail business saw a 17.6% YoY increase, fueled by an improved footfall of 14.0% compared to the previous year and a gross margin contraction due to change in sales mix.

Lina Manufacturing - the Pharma manufacturing business, experienced revenue growth of 203.5% YoY, driven by higher volumes in the Metered Dose Inhaler (MDI) plant, which is now fully operational.

Consumer Goods

The Consumer sector, which includes both export and domestic business, reported revenue of LKR 9.7 billion in 1HFY24, with an increase of 13.2% YoY.

The Export business faced significant challenges due to the LKR appreciation during the 1st quarter of the year, despite a reversal in the 2nd quarter, resulting in a reduction in revenue and volume for the period. Revenue of the export business declined by 22.1% YoY owing to the reduction in volume of 4.8% YoY during the quarter.

The Domestic consumer business had an impressive performance for 1HFY24, driven by increased volumes in the tea segment, despite a volume contraction in confectionery. Revenue increased by 44.3% in 1HFY24.

Our Consumer brands Zesta, Watawala, Ran Kahata and Daintee continued to grow market shares.

The tea category experienced a volume growth of 11.5% YoY in 1HFY24 and a value growth of 84.4% YoY. The confectionery segment revenue declined by 13.8% YoY, despite an increase in price, due to a volume contraction of 26.8% YoY.

EBIT margin improved in 1HFY24 to 11.4%, against 8.2% last year driven by the topline impact from the local tea business.

PAT from the Consumer segment increased by 32.5% YoY due to the growth in local business, which was partially offset by the adverse impact from the export business.

Agribusiness

The Agri sector recorded a consistent performance in terms of revenue of LKR 4.6 billion in 1HFY24, up 0.4% YoY cf. 1HFY23. The top line of the segment is adversely impacted by the downward trend of palm oil prices. Palm oil production increased by 25.9% to 8.6 billion in the current period cf. 6.8 billion in the last year. PAT for the period amounted to LKR 1.7 billion, a decrease of 15.0% YoY. The PAT margin deteriorated due to the imposition of the Special Commodity Levy and higher tax rate.

The Dairy business revenue grew by 37.8% YoY due to increases in both sales volume and milk price. However, the prevailing prohibitive cost of feed resulted in a net loss of LKR 56 million in 1HFY24 compared to net loss of LKR 42 million during the corresponding period last year. The farm had a herd strength of 1,799 of which 815 were milking cows at the end of September 2023.

Outlook

In Healthcare we are closely monitoring the changes in the exchange rate, which is sensitive to our margins. With tighter fiscal measures, consumer spending power is going to be the key challenge over the next few quarters. Compression of margin is expected due to depreciation of the Rupee since the MRP's for key molecules were reduced by 16% in June 2023.

The Consumer sector will continue to face challenges owing to macroeconomic pressures on consumer purchasing power. However, the negative impact on the sector is expected to be offset by the recently acquired export business, which we expect to achieve further growth and will be a key focus area for the Group.

With tea auction prices easing from their peak, we aim to drive volume growth, especially in the export business. In the domestic market, we will continue to invest behind our brands selectively to maintain our high market shares. We will continue to drive distribution synergies in the retail channels.

We expect palm oil prices to contract in the near term, in line with global pricing, while crop volumes are expected to increase compared to the previous quarter. Meanwhile, a recovery in milk yield is expected in the next quarter due to the better management of feed in past months.

Further details of the Group's performance are available on the company website. (<https://www.sunshineholdings.lk/investor/financial-reports>)



V. Govindasamy

Group Managing Director

10th November 2023

Colombo

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited			Audited
	Period ended 30th September 2023	Period ended 30th September 2022	Change	Quarter ended 30th September 2023	Quarter ended 30th September 2022	Change	Year ended 31st March 2023
	LKR '000	LKR '000	%	LKR '000	LKR '000	%	LKR '000
Continuing operations							
Revenue	28,157,204	24,927,887	13	14,786,763	13,209,224	12	51,886,754
Cost of sales	(19,340,448)	(17,596,936)	10	(9,928,545)	(9,358,795)	6	(38,380,521)
Gross profit	8,816,756	7,330,951	20	4,858,218	3,850,429	26	13,506,233
Other income	205,343	167,460	23	81,447	89,738	(9)	154,821
Selling & distribution expenses	(2,395,411)	(1,682,109)	42	(1,241,609)	(846,214)	47	(3,381,440)
Administration expenses	(1,801,164)	(1,485,081)	21	(886,447)	(757,795)	17	(3,278,685)
(Loss)/Gain on disposal of subsidiaries/Associates	-	-	-	-	-	-	-
Results from operating activities	4,825,524	4,331,221	11	2,811,609	2,336,158	20	7,000,929
Finance income	503,844	467,213	8	115,770	177,625	(35)	477,806
Finance cost	(665,311)	(706,527)	(6)	(129,453)	(429,601)	(70)	(1,463,801)
Net finance cost	(161,467)	(239,314)	(33)	(13,683)	(251,976)	(95)	(985,995)
Share of profit/ (loss) of equity accounted investees	-	-	-	-	-	-	-
Impairment of Goodwill	-	(80,000)	-	-	(80,000)	-	(354,295)
Profit before tax	4,664,057	4,011,907	16	2,797,926	2,004,182	40	5,660,639
Income tax expense	(1,027,418)	(861,148)	19	(589,473)	(452,765)	30	(2,043,787)
Profit for the period	3,636,639	3,150,759	15	2,208,453	1,551,417	42	3,616,852
Other comprehensive income							
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	(130,397)
Exchange gain/(Loss) on foreign operation translation	(1,845)	2,576	(172)	845	(1,668)	-	711
Related tax	-	-	-	-	-	-	84,626
Remeasurement of retirement benefit liability	-	-	-	-	-	-	(129,252)
Tax on other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income for the period	(1,845)	2,576	(172)	845	(1,668)	-	(174,312)
Total comprehensive income for the period	3,634,794	3,153,335	15	2,209,298	1,549,749	43	3,442,540
Profit attributable to:							
Owners of the parent company	2,563,213	1,934,865	32	1,648,731	893,362	85	2,263,930
Non-controlling interest	1,073,426	1,215,894	(12)	559,722	658,055	(15)	1,352,922
Other comprehensive income attributable to:							
Owners of the parent company	(1,845)	2,576	(172)	845	(1,668)	(151)	(123,719)
Non-controlling interest	-	-	-	-	-	-	(50,593)
Total comprehensive income for the period	3,634,794	3,153,335	15	2,209,298	1,549,749	43	3,442,540
Basic earnings per share	5.21	3.93		3.35	1.82		4.67

Figures in brackets indicate deductions.

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	Unaudited			Unaudited			Audited
	Period ended 30th September 2023	Period ended 30th September 2022	Change	Quarter ended 30th September 2023	Quarter ended 30th September 2022	Change	Year ended 31st March 2023
	LKR '000	LKR '000	%	LKR '000	LKR '000	%	LKR '000
Revenue	508,699	672,932	(24)	295,503	535,987	(45)	1,381,728
Cost of sales	-	-	n/m	-	-	n/m	-
Gross profit	508,699	672,932	(24)	295,503	535,987	(45)	1,381,728
Other income	210,394	227,088	(7)	105,177	118,247	(11)	472,625
Administration expenses	(302,634)	(307,897)	(2)	(153,236)	(181,831)	(16)	(697,726)
Results from operating activities	416,459	592,123	(30)	247,444	472,403	(48)	1,156,627
Finance income	95,481	51,348	86	43,947	24,064	83	122,206
Finance cost	(998)	(19,104)	(95)	(306)	(7,764)	(96)	(27,759)
Net finance cost	94,483	32,244	193	43,641	16,300	168	94,447
Profit before tax	510,942	624,367	(18)	291,085	488,703	(40)	1,251,074
Income tax expense	5,923	(46,686)	(113)	2,654	(48,254)	(106)	(738)
Profit for the period	516,865	577,681	(11)	293,739	440,449	(33)	1,250,336
Other comprehensive income							
Equity investments at FVOCI – net change	-	-	-	-	-	-	(130,397)
Relax Tax	-	-	-	-	-	-	46,928
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	1,482
Total other comprehensive income for the period	-	-	-	-	-	-	(81,987)
Total comprehensive income for the period	516,865	577,681	(11)	293,739	440,449	(33)	1,168,349
Basic earnings per share from continuing operations	1.05	1.17		0.60	0.90		2.58

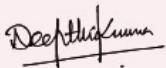
Figures in brackets indicate deductions.
n/m- not meaningful

STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 30th September 2023 LKR '000	Audited As at 31st March 2023 LKR '000
ASSETS		
Non current assets		
Property, plant and equipment	6,734,331	6,735,559
Intangible assets	316,764	349,108
Leasehold right to bare land	372,452	243,876
Biological assets	3,510,967	3,503,611
Investment property	631,212	627,528
Other investments	486,238	519,017
Deferred tax assets	338,856	320,099
Goodwill on Acquisition	1,387,106	1,387,106
Total non-current assets	13,777,926	13,685,904
Current assets		
Biological assets-growing crops on bearer plants	80,331	86,126
Inventories	10,339,928	9,861,121
Other investments	1,007,112	1,084,020
Current tax assets	139,889	139,070
Trade & other receivables	10,071,014	7,892,295
Amounts due from related parties	331,850	149,443
Cash & cash equivalent	3,754,554	3,110,102
Total current assets	25,724,678	22,322,177
Total assets	39,502,604	36,008,081
EQUITY AND LIABILITIES		
Equity		
Stated capital	4,240,394	4,240,394
Reserves	189,958	191,803
Retained earnings	13,220,860	11,356,303
Equity attributable to owners of the company	17,651,212	15,788,500
Non-controlling interests	4,153,290	3,448,610
Total equity	21,804,502	19,237,110
Non-current liabilities		
Loans and borrowings	2,057,485	1,911,006
Employee benefits	886,136	883,412
Refundable Deposit Received	2,914	2,518
Deferred income and capital grants	37,905	39,084
Deferred tax	1,384,943	1,404,406
Total non-current liabilities	4,369,383	4,240,426
Current liabilities		
Trade and other payables	7,849,809	6,423,945
Amounts due to related parties	910	55,000
Current tax liabilities	665,314	555,160
Loans and borrowings	3,396,678	3,387,971
Bank overdraft	1,416,008	2,108,469
Total current liabilities	13,328,719	12,530,545
Total equity and liabilities	39,502,604	36,008,081
Net asset value per share (Rs.)	35.88	32.08

Figures in brackets indicate deductions.

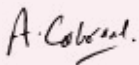
It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



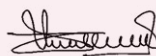
Group Chief Financial Officer

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
November 10th, 2023
Colombo



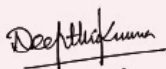
Group Managing Director

STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited	Audited
	As at 30th September 2023	As at 31st March 2023
	LKR '000	LKR '000
ASSETS		
Non-current assets		
Property, Plant and Equipment	16,996	25,523
Intangible assets	17,564	19,759
Investment in subsidiaries	7,248,733	7,248,733
Other investments	441,446	465,734
Deferred tax assets	127,171	121,249
Total non-current assets	7,851,910	7,880,998
Current assets		
Inventories	1,155	1,883
Current tax assets	74,198	74,195
Trade & other receivables	87,489	28,133
Amounts due from related parties	261,415	233,869
Other Short Term Investments	570,923	225,000
Cash & cash equivalent	409,418	814,025
Total current assets	1,404,598	1,377,105
Total assets	9,256,508	9,258,103
EQUITY AND LIABILITIES		
Equity		
Stated capital	4,240,394	4,240,394
Reserves	184,270	184,270
Retained earnings	4,589,330	4,638,236
Equity attributable to owners of the company	9,013,994	9,062,900
Non-controlling interests	-	-
Total equity	9,013,994	9,062,900
Non-current liabilities		
Loans and borrowings	-	3,470
Employee benefits	148,092	141,256
Total non-current liabilities	148,092	144,726
Current liabilities		
Trade and other payables	80,682	34,158
Amounts due to related parties	143	13
Current tax liabilities	-	-
Loans and borrowings	13,597	16,306
Bank overdraft	-	-
Total current liabilities	94,422	50,477
Total equity and liabilities	9,256,508	9,258,103
Net asset value per share (Rs.)	18.32	18.42

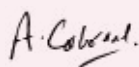
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Group Chief Financial Officer

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
November 10th, 2023
Colombo



Group Managing Director

CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

In LKR '000	Attributable to owners of the company							Non-controlling interest	Total equity
	Stated capital	Reserve on exchange gain or loss	General reserve	Fair value gain or loss reserve on AFS	Retained earnings	Total			
Adjusted Balance as at 01st April 2022	1,641,715	4,224	1,258	269,079	10,510,766	12,427,042	5,347,478	17,774,520	
Total Comprehensive Income									
Profit for six months	-	-	-	-	1,934,865	1,934,865	557,838	2,492,703	
Total other comprehensive income for six months	-	-	-	-	2,576	2,576	-	2,576	
Total comprehensive income for six months	-	-	-	-	1,937,441	1,937,441	557,838	2,495,279	
Acquisition of 2.59% of Watawala Plantation PLC shares	-	-	-	-	(291,034)	(291,034)	(170,747)	(461,781)	
Acquisition of 28% in Sunshine Healthcare Lanka Limited	-	-	-	-	(736,115)	(736,115)	(1,862,564)	(2,598,679)	
Share Issue to Akbar Brothers (Private) Limited	2,598,679	-	-	-	-	2,598,679	-	2,598,679	
Capital Infusion in Watawala Dairy Ltd	-	-	-	-	(14,778)	(14,778)	14,778	-	
Dividend to owners for 2021/22	-	-	-	-	(245,987)	(245,987)	(1,370,682)	(1,616,668)	
	2,598,679	-	-	-	(1,287,914)	1,310,765	(3,389,214)	(2,078,449)	
Balance as at 30th September 2022	4,240,394	4,224	1,258	269,079	11,160,293	15,675,248	2,516,102	18,191,350	
Total Comprehensive Income									
Profit for the six months	-	-	-	-	329,064	329,064	795,083	1,124,147	
Total other comprehensive income for the six months	-	711	-	(83,469)	(43,537)	(126,295)	(50,593)	(176,888)	
Total comprehensive income for six months	-	711	-	(83,469)	285,527	202,769	744,491	947,259	
Acquisition of NCI	-	-	-	-	7,982	7,982	(7,982)	-	
WHT payment on dividend distribution from Sunshine Healthcare Lanka Ltd	-	-	-	-	(97,500)	(97,500)	-	(97,500)	
Transactions with NCI	-	-	-	-	-	-	196,000	196,000	
	-	711	-	(83,469)	196,009	113,251	932,509	1,045,759	
Balance as at 31st March 2023	4,240,394	4,935	1,258	185,609	11,356,302	15,788,499	3,448,610	19,237,109	
Total Comprehensive Income									
Profit for six months	-	-	-	-	2,563,213	2,563,213	1,073,425	3,636,639	
Total other comprehensive income for six months	-	(1,845)	-	-	-	(1,845)	-	(1,845)	
Total comprehensive income for six months	-	(1,845)	-	-	2,563,213	2,561,368	1,073,425	3,634,794	
Dividend paid to owners for 2022/23	-	-	-	-	(565,770)	(565,770)	(463,406)	(1,029,176)	
WHT payment on dividend distribution	-	-	-	-	(84,362)	(84,362)	(46,862)	(131,224)	
Lina Manufacturing (Pvt) Ltd and Lina Spiro (Pvt) Ltd Share Swap	-	-	-	-	(48,523)	(48,523)	141,523	93,000	
	-	-	-	-	(698,656)	(698,656)	(368,745)	(1,067,401)	
Balance as at 30th September 2023	4,240,394	3,090	1,258	185,609	13,220,859	17,651,212	4,153,291	21,804,502	

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY - COMPANY

FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

In LKR '000	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings	Total
Adjusted Balance as at 01st April 2022	1,641,715	264,999	1,258	3,633,886	5,541,858
Total comprehensive income for the year					
Profit for the six months	-	-	-	577,681	577,681
Total other comprehensive income for the six months	-	-	-	-	-
Total comprehensive income for the year	-	-	-	577,681	577,681
Issue of shares to Akbar Brothers (Private) Limited	2,598,679	-	-	-	2,598,679
Dividend to owners - 2021/22	-	-	-	(245,987)	(245,987)
Balance as at 30th September 2022	4,240,394	264,999	1,258	3,965,580	8,472,231
Total comprehensive income for the period					
Profit for the six months	-	-	-	672,655	672,655
Total other comprehensive income for the six months	-	(81,987)	-	-	(81,987)
Total comprehensive income for the six months	4,240,394	183,012	1,258	4,638,235	9,062,899
Balance as at 31st March 2023	4,240,394	183,012	1,258	4,638,235	9,062,899
Total comprehensive income for the period					
Profit for the six months	-	-	-	516,864	516,864
Total other comprehensive income for the six months	-	-	-	-	-
Total comprehensive income for the six months	-	-	-	516,864	516,864
Dividend to owners - 2022/23	-	-	-	(565,770)	(565,770)
Balance as at 30th September 2023	4,240,394	183,012	1,258	4,589,329	9,013,993

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS - GROUP

	Unaudited Period ended 30th September 2023 LKR '000	Audited Year ended 31st March 2023 LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	4,664,057	5,660,638
Adjustments for;		
Interest Income	(284,794)	(477,806)
Profit on Disposal of Property, Plant & Equipment	(8,987)	(25,722)
Write-off of Intangible assets	-	(458)
Biological assets-growing crops on bearer plants	-	(14,455)
Impairment of Goodwill	-	354,295
Fair value changes in livestock	7,845	157,440
Interest Expense	485,413	1,463,801
Depreciation of Property, Plant and Equipment	367,164	787,998
Amortization of Intangible Assets	42,054	87,055
Depreciation of mature plantations	89,503	196,741
Provision/(Reversal) for Bad and Doubtful Debts	228,856	175,819
Provision/ (Reversal) of impairment of inventories	(64,383)	154,756
Amortisation of Deferred Income	(1,179)	(2,358)
Amortization of Lesehold land right	8,302	100,932
Fair value gain/loss on investments	(6,796)	39,989
Provision for Gratuity excluding actuarial gain/loss	55,380	162,859
Rent Concession	-	(4,605)
Fair value gain/loss on Consumer Biological Assets	5,795	(10,486)
Operating profit before working capital changes	5,588,230	8,806,433
(Increase)/decrease in inventories	(414,424)	(2,262,768)
(Increase)/decrease in trade and other receivables	(2,407,575)	(1,053,650)
(Increase)/decrease in amounts due from related parties	(182,408)	(106,254)
Increase/(decrease) in trade and other payables	1,425,864	6,143
Increase/(decrease) in amounts due to related parties	(54,090)	(10,728)
Cash generated from/ (used in) operations	3,955,597	5,379,176
Interest paid	(334,149)	(1,362,250)
Income tax paid	(1,087,522)	(1,944,113)
Gratuity paid	(52,656)	(66,454)
Net cash generated from / (used in) operating activities	2,481,270	2,006,359
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	284,794	477,806
(Investments)/ Disposal in Other Investments	885,119	72,714
(Investments)/ Disposal in Short term Investments	(777,242)	(366,293)
(Investments)/ Disposal in gratuity fund	9,000	19,030
Additions to Bearer plants	(22,113)	(64,052)
Acquisition of live stock	(111,844)	(165,176)
Acquisition of PPE	(368,433)	(1,502,498)
Acquisition of Intangible Assets	(9,710)	(40,135)
Proceeds from Disposal of PPE	11,483	472,160
Proceeds from sales of livestock	29,257	57,870
Disposal of Shares held in Subsidiary	93,000	-
Acquisition of Noncontrolling interest in Subsidiaries	-	(461,781)
Acquisition of Subsidiaries (net of cash)	-	(1,563,684)
Acquisition of Investment property	(3,685)	(13,293)
Net cash generated from / (used in) Investing activities	19,626	(3,077,332)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Interest Bearing Borrowings	2,737,359	13,702,041
Proceeds from share Issued by subsidiaries to NCI	-	196,000
Repayments of Interest Bearing Borrowings	(2,853,530)	(12,467,823)
Payment to lease creditor	(16,792)	(88,865)
Dividend Paid	(1,029,176)	(1,616,668)
Net cash from / (used in) financing activities	(1,162,139)	(275,315)
Net increase/(decrease) in cash and cash equivalents	1,338,757	(1,346,288)
Cash and cash equivalents at the beginning of the period	1,001,633	2,347,210
Effect of exchange rate changes on cash and cash equivalents	(1,845)	711
Cash and cash equivalents at the end of the period	2,338,545	1,001,633
Cash and cash equivalents		
Cash in hand & bank	3,754,553	3,110,102
Bank overdraft	(1,416,008)	(2,108,469)
	2,338,545	1,001,633

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Period ended 30th September 2023	Audited Year ended 31st March 2023
	LKR '000	LKR '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	510,942	1,251,075
Adjustments for;		
Interest income	(95,481)	(91,626)
Interest expense	998	28,973
Dividend income	(508,699)	-
Fair value gain/ loss in quoted shares and unit trust	(6,286)	355
Depreciation of Property, Plant and Equipment	11,604	25,050
Amortization of Intangible Assets	-	5,269
Provision for gratuity	6,836	29,603
Operating profit before working capital changes	(80,086)	1,248,699
(Increase)/decrease in trade and other receivables	(59,355)	108,596
(Increase)/Decrease in Inventory	728	(1,883)
(Increase)/decrease in amounts due from related parties	(27,546)	8,463
Increase/(decrease) in trade and other payables	46,525	(64,506)
Increase/(decrease) in amounts due to related parties	131	4
Cash generated from/ (used in) operations	(119,603)	1,299,373
Interest paid	(269)	(24,914)
Income tax paid	-	(103,702)
Net cash generated from / (used in) operating activities	(119,872)	1,170,757
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	123,290	67,152
Acquisition of non-controlling interest in subsidiary	-	(1,440,000)
Investments in subsidiaries	-	100,000
(Investments)/ Disposal of associates	-	-
Dividend received	508,699	-
Investments in Short Term Investments	-	-
Disposal of Subsidiary (net of cash)	-	-
Proceeds on disposal of shares held in subsidiary	-	-
(Investments)/ Disposal in Short term Investments	(343,162)	(25,000)
Acquisition of property, plant & equipment	(882)	(1,332)
Net cash used in investing activities	287,945	(1,299,180)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of interest bearing borrowings	-	771,000
Repayment of interest bearing borrowings	-	(771,000)
Payment of lease liabilities	(6,910)	(19,860)
Dividend paid	(565,770)	(245,987)
Net Cash generated from / (used in) Financing Activities	(572,680)	(265,847)
Net increase/(decrease) in cash and cash equivalents	(404,607)	(394,270)
Cash and cash equivalents at the beginning of the period	814,025	1,208,295
Cash and cash equivalents at the end of the period	409,418	814,025
Cash and cash equivalents		
Cash in hand & bank	409,418	814,025
Bank overdraft	-	-
	409,418	814,025

Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS

FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	Investment and Management Services		Healthcare		Agri		Consumer Goods		Rental business		Intragroup		Group	
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE	1,039,803	1,880,428	13,839,973	11,610,987	4,598,165	4,578,738	9,695,570	8,566,792	12,536	22,389	(1,028,843)	(1,731,446)	28,157,204	24,927,887
RESULT														
Profit from operating activities	946,587	1,798,808	2,097,845	1,505,211	1,715,875	2,032,748	1,101,816	700,043	9,060	20,907	(1,045,659)	(1,726,496)	4,825,524	4,331,221
Net finance cost	107,969	26,769	(118,058)	(162,460)	44,304	16,534	(187,322)	(99,318)	(8,360)	(20,838)	-	-	(161,467)	(239,313)
Share of equity accounted investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Brand Amotisation	-	-	-	(50,000)	-	(30,000)	-	-	-	-	-	-	-	(80,000)
Income tax expense	(30)	(144,109)	(634,534)	(523,119)	(130,953)	(85,595)	(261,295)	(108,061)	(606)	(265)	-	-	(1,027,418)	(861,149)
Profit for the year	1,054,526	1,681,468	1,345,253	769,632	1,629,226	1,933,687	653,199	492,664	94	(196)	(1,045,659)	(1,726,496)	3,636,639	3,150,759
Discontinued operations														
Other comprehensive income	-	-	-	-	-	-	(1,845)	2,576	-	-	-	-	(1,845)	2,576
Total comprehensive income	1,054,526	1,681,468	1,345,253	769,632	1,629,226	1,933,687	651,354	495,240	94	(196)	(1,045,659)	(1,726,496)	3,634,794	3,153,335

OTHER INFORMATION

	Investment and Management Services		Healthcare		Agri		Consumer Goods		Rental business		Intragroup		Group	
	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000
	30th September 2023	31st March 2023	30th September 2023	31st March 2023	30th September 2023	31st March 2023	30th September 2023	31st March 2023	30th September 2023	31st March 2023	30th September 2023	31st March 2023	30th September 2023	31st March 2023
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets	12,789,216	12,979,903	17,584,149	14,809,533	9,834,503	8,865,548	8,536,597	8,570,907	1,253,289	1,247,623	(10,495,149)	(10,465,436)	39,502,605	36,008,080
Equity & reserves	12,541,667	12,602,911	8,184,355	6,995,726	7,318,980	6,502,988	3,142,572	2,491,431	845,734	845,639	(10,228,806)	(10,201,586)	21,804,502	19,237,110
Total liabilities	247,549	376,992	9,399,794	7,813,807	2,515,523	2,362,560	5,394,025	6,079,476	407,555	401,984	(266,343)	(263,850)	17,698,103	16,770,970
Depreciation	12,263	3,586	160,446	69,398	197,183	238,560	91,328	53,613	-	-	-	-	461,220	365,157
Capital expenditure	823	503	201,836	51,674	469,185	619,368	117,011	38,512	-	-	-	-	788,855	710,057

Figures in brackets indicate deductions.

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, Sri Lanka.

The Group is primarily involved in managing portfolio of investments which includes manufacturing, importing and selling of pharmaceuticals & medical devices, selling and export of branded tea, manufacturing of confectionery, fresh milk, palm oil and related products.

The Registrar General of Companies on January 28, 2022 issued the certificate of Amalgamation in terms of section 244(1) (a) of the Companies Act, No. 7 of 2007 that Sunshine Energy (Pvt) Limited was 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 September 2023, 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 (SHL) and its subsidiaries, Sunshine Packaging Lanka Limited and its subsidiary, Sunshine Wilmar (Pvt) Ltd and its subsidiaries, Sunshine Tea and its subsidiaries.

The ultimate parent of the company is Lamurep Investments Limited which holds 55.18% of the issued share capital of the company as at 30th September 2023.

3. Approval of financial statements

The Interim Condensed Financial Statements of the Group and the Company for the period ended 30th September 2023, were authorised for issue by the Board of Directors on 10 November 2023.

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 2022/23. 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 2023.

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 2023.

5.1. Standards Issued but not yet Effective

In the event of new standards and amendments to standards are effective for annual periods beginning after 1 April 2022 and early application is permitted; however the Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

5.2. Basis of Consolidation

Subsidiaries are those entities controlled by the Group. Control is the power to

govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes in to consideration that substantive rights that give the ability to direct the activities of the subsidiaries.

The Financial Statements of the subsidiaries are included in the Consolidated Financial Statements from the date the control effectively commences until the date that control effectively ceases. Non- controlling interest is measured at the proportionate share of the acquiree's identifiable net assets. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

5.3. Use of judgements and estimates

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

5.4.1 Impairment

The Board of Directors has assessed the potential impairment loss of the property, plant and equipment as at 31 March 2023. 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, cinnamon, 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

NOTES TO THE ACCOUNTS (Cont...)

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.

6. Revenue

Revenue recognition under SLFRS 15 is based on the nature and timing of satisfaction of performance obligations, including significant payment terms.

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 the time.

a) Investments

Dividend income is recognised in profit or loss on the date on which the company or its subsidiaries 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) Sunshine Tea

This includes income of tea export to different countries. Revenue is recognised point in time, at the time of dispatch after the customer acknowledgement.

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.

7.1. Change In NCI

On May 31, 2022, SHL has acquired 100% stake of Akbar Pharmaceutical Holdings (pvt) Ltd APHL by a share swap from SUN for the purchase consideration of Rs. 2,599 million. As a result of this transaction Group's effective shareholding of the SHL has increased from 72.0 % to 100%.

Sunshine Wilmar (Pvt) Ltd (one of the subsidiary of Sunshine Holdings PLC) who is currently holding 150,937,043 shares of Watawala Plantations PLC (74.24% shareholding) has purchased 5,270,000 shares on 09th August 2022. With the aforesaid transactions, the total shareholding of Sunshine Wilmar (Private) Limited has increased by 2.59% which is 76.83% of the total shareholding.

Akbar Pharmaceutical Holdings (Private) Limited was amalgamated with Lina Manufacturing (Pvt) Ltd with effect from 16 March 2023. Accordingly, on the 16 March 2023 the book value of Akbar Pharmaceutical Holdings (Private) Limited was amalgamated with Lina Manufacturing (Pvt) Ltd and Akbar Pharmaceutical Holdings (Private) Limited company name has been discontinued with all operations being transacted under the name of Lina Manufacturing (Pvt) Limited.

On August 03, 2023, Lina Manufacturing Private Limited ("LMPL"), which is a subsidiary of Sunshine Healthcare Lanka Limited, became a 100% ownership of Lina Spiro (Private) Limited ("LSPL") with the acquisition of remaining Non-Controlling Interest of 49%. The consideration for this purchase was satisfied by the issuance of new ordinary (voting – removed) shares in Lina Manufacturing (Pvt) Ltd to Celogen for a consideration of Rs.307 million. As a result of this transaction, the effective shareholding in LMPL held by the SHL diluted from 90.62% to 71.6%.

Gordon Frazer & Bosanquate Skrine company Ltd which was a fully owned subsidiary of Sunshine Tea (Pvt) Ltd was amalgamated with Sunshine Tea (Pvt) Ltd with effect from 27 September 2023. Accordingly, the book value of Gordon Frazer & Bosanquate Skrine company Ltd was amalgamated with Sunshine Tea (Pvt) Ltd and Sunshine Tea (Pvt) Ltd continues as the surviving entity.

7.2. Investment in a Subsidiary

The Company has entered into a share sale and purchase agreement with Mr Govindasamy Sathasivam, the owner of Sunshine Tea (Private) Limited ("STPL"), whereby the Company acquired Three Million Five Hundred Thousand (3,500,000) shares which amounts to 100% of the total issued shares of STPL, at a total consideration of Sri Lanka Rupees One Billion Four Hundred and Forty Million (Rs.1,440,000,000) on 1st April 2022.

NOTES TO THE ACCOUNTS (Cont...)

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.

LKR '000	Classification	GROUP					COMPANY				
		Carrying amount	Level 1	Level 2	Level 3	Total	Carrying amount	Level 1	Level 2	Level 3	Total
30th September 2023											
Financial Assets measured at Fair value											
Investment in Unquoted Shares	Fair value through OCI	309,911	-	-	309,911	309,911	309,911	-	-	309,911	309,911
Investment in Quoted Shares	Fair value through P&L	27,297	27,297	-	-	27,297	27,297	27,297	-	-	27,297
Investment Fund	Fair value through P&L	44,793	-	44,793	-	44,793	-	-	-	-	-
		382,000	27,297	44,793	309,911	382,000	337,208	27,297	-	309,911	337,208
Financial Assets not measured at Fair value											
Trade and other receivables **	Amortized cost	10,071,014	-	10,071,014	-	10,071,014	87,489	-	87,489	-	87,489
Investment in Debentures	Amortized cost	104,238	-	104,238	-	104,238	104,238	-	104,238	-	104,238
Amounts due from related parties **	Amortized cost	331,850	-	331,850	-	331,850	261,415	-	261,415	-	261,415
Cash & cash equivalents **	Amortized cost	3,754,554	-	3,754,554	-	3,754,554	409,418	-	409,418	-	409,418
		14,261,656	-	14,261,656	-	14,261,656	862,560	-	862,560	-	862,560
Financial Liabilities not measured at Fair value											
Loans and borrowings ***	Other financial liabilities	5,454,163	-	5,454,163	-	5,454,163	13,597	-	13,597	-	13,597
Bank overdraft **	Other financial liabilities	1,416,008	-	1,416,008	-	1,416,008	-	-	-	-	-
Trade and other payables **	Other financial liabilities	7,849,809	-	7,849,809	-	7,849,809	80,682	-	80,682	-	80,682
Amounts due to related parties **	Other financial liabilities	910	-	910	-	910	143	-	143	-	143
		14,720,890	-	14,720,890	-	14,720,890	94,422	-	94,422	-	94,422

LKR '000	Classification	GROUP					COMPANY				
		Carrying amount	Level 1	Level 2	Level 3	Total	Carrying amount	Level 1	Level 2	Level 3	Total
31 March 2023											
Financial Assets measured at Fair value											
Investment in Unquoted Shares	Fair value through OCI	309,911	-	-	309,911	309,911	309,911	-	-	309,911	309,911
Investment in Quoted Shares	Fair value through P&L	21,011	21,011	-	-	21,011	21,011	21,011	-	-	21,011
Investment Fund	Fair value through P&L	53,283	-	53,283	-	53,283	-	-	-	-	-
		384,205	21,011	53,283	309,911	384,205	330,922	21,011	-	309,911	330,922
Financial Assets not measured at Fair value											
Trade and other receivables **	Amortized cost	7,892,295	-	7,892,295	-	7,892,295	28,133	-	28,133	-	28,133
Investment in Debentures	Amortized cost	104,173	-	104,173	-	104,173	104,173	-	104,173	-	104,173
Short term investment	Amortized cost	-	-	-	-	-	-	-	-	-	-
Amounts due from related parties **	Amortized cost	149,443	-	149,443	-	149,443	233,869	-	233,869	-	233,869
Cash & cash equivalents **	Amortized cost	3,110,102	-	3,110,102	-	3,110,102	814,025	-	814,025	-	814,025
		11,256,013	-	11,256,013	-	11,256,013	1,180,200	-	1,180,200	-	1,180,200
Financial Liabilities not measured at Fair value											
Loans and borrowings ***	Other financial liabilities	5,298,977	-	5,298,977	-	5,298,977	19,776	-	19,776	-	19,776
Bank overdraft **	Other financial liabilities	2,108,469	-	2,108,469	-	2,108,469	-	-	-	-	-
Trade and other payables **	Other financial liabilities	6,423,945	-	6,423,945	-	6,423,945	34,158	-	34,158	-	34,158
Amounts due to related parties **	Other financial liabilities	55,000	-	55,000	-	55,000	12	-	12	-	12
		13,886,391	-	13,886,391	-	13,886,391	53,946	-	53,946	-	53,946

** 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.

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 Company and Group measures the fair value using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurement.

NOTES TO THE ACCOUNTS (Cont...)

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 Company and 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 assets or liabilities 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:

- quoted prices in active markets for similar instruments,
 - quoted prices for identical or similar instruments in markets that are considered to be less active, or
 - 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 2023 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 A85:N93 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 2023.

During the reporting period ended 30 September 2023 and 31 March 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

9. Surcharge Tax

The tax liability arising from the Surcharge Tax Act No: 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka.

Surcharge Tax Act No. 14 of 2022 was enacted on 8 April 2022 and is applicable to the Sunshine Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 Mn, for the year of assessment 2020/21. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Total Surcharge Tax liability of Rs. 653.4 Mn and Rs.60.9 Mn has been recognised for the Group and the Company respectively as an opening adjustment to the

1 April 2022 retained earnings in the statement of Changes in Equity as per the Addendum to the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka.

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

No. of shares as at	30th September 2023	31st March 2023
Ordinary shares	491,973,629	491,973,629

12. Dividend

	Period ended 30th September 2023	Period ended 31st March 2023
	2022/23 (Final)	2021/22 (Interim)
Dividend paid (Rs)	565,770	245,987
No of ordinary shares	491,974	491,974
Dividend per share (cash)	1.15	0.50

13. 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 2023.

14. Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in Statement of Profit or Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in Other Comprehensive Income.

The Group has determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

15. The Social Security Contribution Levy (SSCL)

The Social Security Contribution Levy is imposed with effect from 01st October, 2022, under Social Security Contribution Levy Act No.25, of 2022, which was passed by Parliament on September, 20,2022.

The tax liability arising from the Social Security Contribution Levy (SSCL) has been recorded as a deduction from revenue or cost of sales and partly under selling and distribution expenses.

16. Earnings per share

The earnings per share is computed on the profit attributable to ordinary shareholders after tax and non-controlling interest divided by the weighted average number of ordinary shares during the period. Further there was no dilution of ordinary shares outstanding at any time during the period. Therefore, diluted earnings per share is the same as basic earning per share.

17. 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.

18. The interim Financial Statements are not audited.

SHAREHOLDER INFORMATION

Market price per share	Period ended	Audited
	30th September	Year ended
	2023	31st March 2023
	Rs.	Rs.
Highest price	54.80	46.50
Lowest price	46.00	34.00
Last traded price	52.10	45.00

TWENTY (20) LARGEST SHAREHOLDERS AS AT

S/N Name	30th September 2023		31st March 2023	
	No of Shares Held	%	No of Shares Held	%
1 Lamurep Investments Limited Account No.04 & 01	271,454,139	55.18%	271,454,139	55.18%
2 Akbar Brothers Pvt Ltd A/C No 1	49,241,855	10.01%	49,241,855	10.01%
3 Deepcar Limited	45,774,076	9.30%	45,574,076	9.26%
4 Citibank Newyork S/A Norges Bank Account 2	13,938,199	2.83%	6,971,908	1.42%
5 Ceylon Property Development Limited	10,915,876	2.22%	10,915,876	2.22%
6 Thread Capital (Private) Limited	8,689,483	1.77%	6,167,304	1.25%
7 Mr.V.Govindasamy	6,079,500	1.24%	6,079,500	1.24%
8 Invenco Capital Private Limited	3,363,839	0.68%	-	0.00%
9 MR. B.W.Kundanmal	3,223,728	0.66%	2,745,922	0.56%
10 Union Assurance PLC - Universal Life Fund	2,896,000	0.59%	1,481,161	0.30%
11 Rubber Investment Trust Ltd A/C No 01	2,597,817	0.53%	2,097,307	0.43%
12 Perera And Sons Bakers Pvt Limited	2,500,000	0.51%	1,500,000	0.30%
13 Ceylon Guardian Investment Trust PLC A/C # 02	2,494,277	0.51%	1,494,277	0.30%
14 Deutsche Bank Ag As Trustee To Assetline Income Plus Growth Fund	2,000,000	0.41%	-	0.00%
15 Ceylon Investment PLC A/C # 02	1,630,000	0.33%	-	0.00%
16 J.B. Cocoshell (PVT) Limited	1,487,369	0.30%	-	0.00%
17 Hatton National Bank PLC/Subramaniam Vasudevan	1,206,386	0.24%	2,586,609	0.53%
18 Bank Of Ceylon No.1 Account	1,196,198	0.24%	949,010	0.19%
19 Union Assurance PLC - Universal Life Fund	1,192,404	0.24%	1,481,161	0.30%
20 Amaliya Private Limited	1,148,392	0.23%	1,148,392	0.23%
Sub Total	433,029,538	88.02%	411,888,497	83.72%
Others	58,944,091	11.98%	80,085,132	16.28%
Total	491,973,629	100.00%	491,973,629	100.00%

PUBLIC SHARE HOLDING

	Requirement by CSE	As at 30th September 2023	Requirement by CSE	As at 31st March 2023
Option	3	3	3	3
Float adjusted market capitalization	Above Rs.5,000,000,000/-	8,097,270,966	Above Rs.5,000,000,000/-	6,940,517,971
The percentage of shares held by the public	7.5%	31.35%	7.5%	31.35%
Number of shareholders representing public holding	500	6,285	500	7,369

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

	As at 30th September 2023	As at 31st March 2023
Mr.V.Govindasamy - Group Managing Director	6,079,500	6,079,500
Mr.G.Sathasivam	9,165	9,165
Mr.S.G.Sathasivam	3,054	3,054
Mr.A.D.B.Talwatte	3,054	3,054

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
Mr. G. Sathasivam
Mr. V. Govindasamy - (Group Managing Director)
Mr. S. G. Sathasivam
Mr. A. Talwatte
Mr. S. Shishoo
Mr. Sudarshan Jain
Ms. W. Y. R. Fernando - Resigned from 27th October, 2023
Mr. S. Renganathan
Mr. Tyeabally Akbarally
Mr. Reyaz Mihular - Appointed w.e.f 06th April 2023
Mr. Harsha Abeywickrama - Resigned from 24th May, 2023

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
Indian Overseas Bank
Hongkong and Shanghai Banking Corporation Limited
DFCC Bank PLC
Indian Bank

Credit Ratings

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