



INTERIM FINANCIAL STATEMENTS

FOR THE 09 MONTHS ENDED
31ST DECEMBER 2016

SUNSHINE HOLDINGS PLC
GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded profit after tax (PAT) for the 9M ended FY 2016/17 (9MFY17) at Rs. 1.3 Bn, an increase of 27.7%YoY against the Rs.1.0 Bn reported in the same period previous year. The Group revenue for the 9MFY17 closed at Rs. 14.1 Bn, an increase of 10.1% over the revenue of Rs. 12.8 Bn recorded in the corresponding period of the previous financial year.

Group EBIT amounted to Rs.1.7 Bn for the period ended 31st December 2016 compared to Rs. 1.4 Bn recorded in the same period previous year, representing a growth of 20.0% YoY.

Group revenue was largely driven by Healthcare, Agri and FMCG sectors which contributed by 41.0%, 33.3% and 21.2% respectively to the total group revenue. Considering the segment wise revenue growth, Healthcare revenue growth was only 10.5% as a result of the price control on pharma products. FMCG sector registered a revenue growth of 19.5% whilst Energy sector has recorded a negative growth of 35.0% resulted from adverse weather conditions.

The Healthcare sector performance was challenged during the quarter under review as the Ministry of Health, Nutrition and Indigenous Medicine implemented a maximum retail price (MRP) on 48 essential drugs by way of a gazette (No. 1989/61) effective from 21st October 2016. Due to this, Healthcare sector registered a revenue of Rs. 5.8 Bn, a lean growth of 10.5% YoY. The GP of the sector has declined by 4.3% to record Rs. 1.28 Bn from Rs.1.34 Bn. The Healthcare sector recorded a substantial decline of 65.6% in PAT due to the impact of the price control that adversely affected the business.

Despite the steady growth in FMCG sector revenue of 19.5% YoY, to achieve revenue of Rs. 3.0 Bn for 9MFY17, GP declined by Rs. 34.6 Mn a marginal reduction of 3.5%YoY. The PAT also declined by 27.5%, a reduction in PAT by Rs. 94 Mn to record at Rs. 281 Mn compared to Rs. 381 Mn in 9MFY16. The underperformance in the sector is mainly attributable to the contraction of the GP margin primarily due to higher tea prices.

Agri sector performance was commendable. Although it recorded a marginal increase in revenue, GP of the sector has remarkably increased by 87.8% to record Rs. 1.3 Bn from Rs. 716 Mn in 9MFY16. The effect on GP has been brought down to PAT which has increased by Rs. 575 Mn, an increase of 131%YoY to report a PAT of Rs. 1.0 Bn for 9MFY17. This resulted from the reduction in the loss of tea subsector followed by increase in oil palm revenue coupled with price and volume.

Power sector revenue was negatively impacted by the adverse weather conditions that prevailed in the quarter resulting a drop of revenue by 35.0% followed by a significant decline in gross profit by 61.3%. The EBIT has declined by Rs. 46.1 Mn or 85.3% and recorded a loss of Rs. 10.2 Mn compared to the PAT of Rs. 41.8 Mn reported in the same period previous year.

The packaging sector revenue declined by Rs. 11 Mn or 4.2%, a drop in GP by 3.7% amounting to Rs. 1.8 Mn compared to the same period previous year. Further PAT declined significantly by 77.8% amounting to a reduction of Rs.10 Mn to close at a PAT of 2.9 Mn for 9MFY17. Sector performance was affected mainly due to the higher tea prices that reduced 44% of revenue from the value added tea segment.

Profits attributable to equity shareholders of Sunshine Holdings PLC decreased by 12.9% YoY, to stand at Rs. 447 Mn for 9MFY17 against Rs.511 Mn in 9MFY16. EPS for 9MFY17 stood at Rs. 3.31 per share, compared to Rs. 3.76 per share for the same period previous year.

Further details of the Groups 9MFY17 performance are available in the company website.
(<http://www.sunshineholdings.lk/investor%20relations/index.php>)



V. Govindasamy
Group Managing Director
13th February 2017
Colombo

SUNSHINE HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP

	Unaudited			Unaudited			Audited
	Nine months ended			Three months ended			Year ended
	31st Dec 2016	31st Dec 2015	Change	31st Dec 2016	31st Dec 2015	Change	31st March 2016
	Rs	Rs	%	Rs	Rs	%	Rs
Revenue	14,101,625,168	12,807,281,979	10	4,424,591,489	4,287,629,794	3	17,422,249,764
Cost of sales	(10,366,348,465)	(9,612,177,414)	8	(3,235,453,417)	(3,148,721,463)	3	(13,329,433,616)
Gross profit	3,735,276,703	3,195,104,565	17	1,189,138,072	1,138,908,331	4	4,092,816,148
Other income	123,727,940	113,114,184	9	52,955,253	24,821,258	113	158,561,283
Administration expenses	(1,405,534,422)	(1,218,306,546)	15	(499,740,801)	(400,201,614)	25	(1,639,871,812)
Selling & distribution expenses	(789,284,349)	(703,279,779)	12	(254,938,483)	(270,539,490)	(6)	(929,384,452)
Write off expenses incurred on new venture							(21,522,591)
Results from operating activities	1,664,185,872	1,386,632,424	20	487,414,041	492,988,485	(1)	1,660,598,576
Finance income	138,591,056	73,309,292	89	51,479,921	25,098,291	105	109,014,813
Finance cost	(166,950,874)	(128,008,272)	30	(63,700,880)	(40,762,520)	56	(176,960,928)
Net finance cost	(28,359,818)	(54,698,980)	(48)	(12,220,959)	(15,664,229)	(22)	(67,946,115)
Share of profit of equity accounted investees	-	(323,563)	(100)	(663,576)	-	-	(1,408,453)
Profit before tax	1,635,826,054	1,331,609,881	23	474,529,506	477,324,256	(1)	1,591,244,008
Income tax expense	(297,783,619)	(283,774,938)	5	(71,899,398)	(87,310,000)	(18)	(373,645,411)
Profit for the period	1,338,042,435	1,047,834,943	28	402,630,108	390,014,256	3	1,217,598,597
Other comprehensive income							
Fair value change in available for sales financial assets	-	10,763,119	-	-	-	-	12,918,829
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	95,650,888
Tax on other comprehensive income	-	-	-	-	-	-	(16,108,621)
Total other comprehensive income for the period	-	10,763,119	-	-	-	-	92,461,096
Total comprehensive income for the period	1,338,042,435	1,058,598,062	26	402,630,108	390,014,256	3	1,310,059,693
Profit attributable to:							
Owners of the parent company	446,701,645	508,129,748	(12)	13,458,425	174,627,964	(92)	586,787,880
Non controlling Interest	891,340,790	539,705,195	65	389,171,683	215,386,292	81	630,810,717
Other comprehensive income attributable to:							
Owners of the parent company	-	2,699,172	-	-	-	-	19,001,508
Non controlling Interest	-	8,063,947	-	-	-	-	73,459,588
Total comprehensive income for the period	1,338,042,435	1,058,598,062	26	402,630,108	390,014,256	3	1,310,059,693
Basic earnings per share from continuing operations	3.31	3.76		0.10	1.29		4.34

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY

	Unaudited			Unaudited			Audited
	Nine months ended			Three months ended			Year ended
	31st Dec 2016	31st Dec 2015	Change	31st Dec 2016	31st Dec 2015	Change	31st March 2016
	Rs	Rs	%	Rs	Rs	%	Rs
Revenue	321,112,279	178,106,351	80	63,807,162	87,169,799	(27)	265,431,378
Cost of sales	(139,870,887)	(13,309,500)	n/m	(13,649,577)	(2,668,380)	n/m	(16,364,802)
Gross profit	181,241,392	164,796,851	10	50,157,585	84,501,419	(41)	249,066,576
Other income	111,284,020	102,332,097	n/m	39,658,503	30,078,951	n/m	119,819,056
Administration expenses	(196,605,175)	(160,291,877)	23	(76,659,538)	(51,390,462)	49	(211,180,779)
Results from operating activities	95,920,237	106,837,071	(10)	13,156,550	63,189,908	(79)	157,704,853
Finance income	63,749,918	47,227,467	35	22,385,850	14,643,181	53	65,040,812
Finance cost	(933,335)	(1,225,536)	(24)	(616,817)	(155,633)	296	(1,569,267)
Net finance cost	62,816,583	46,001,931	37	21,769,033	14,487,548	50	63,471,545
Profit before tax	158,736,820	152,839,002	4	34,925,583	77,677,456	(55)	221,176,398
Income tax expense	(1,306,297)	-	-	(326,405)	-	-	(769,355)
Profit for the period	157,430,523	152,839,002	3	34,599,178	77,677,456	(55)	220,407,043
Other comprehensive income							
Fair value change in available for sales financial assets	-	-	-	-	-	-	2,155,829
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	(9,147,887)
Total other comprehensive income for the period	-	-	-	-	-	-	(6,992,058)
Total comprehensive income for the period	157,430,523	152,839,002	3	34,599,178	77,677,456	(55)	213,414,985
Basic earnings per share from continuing operations	1.16	1.13		0.26	0.57		1.63

Figures in brackets indicate deductions.

n/m- not meaningful

SUNSHINE HOLDINGS PLC

STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited As at 31st Dec 2016 Rs	Audited As at 31st March 2016 Rs
ASSETS		
Non current assets		
Property, plant and equipment	4,427,943,758	3,899,448,315
Leasehold right to bare land	200,231,966	205,508,000
Biological assets	3,539,897,670	3,431,155,000
Intangible assets	155,887,164	137,471,955
Investment in equity investee	-	6,275,928
Other investments	633,023,001	1,296,865,044
Investment in gratuity fund	252,794,286	234,369,000
Deferred tax assets	85,928,600	82,380,722
Total non current assets	9,295,706,445	9,293,473,964
Current assets		
Inventories	3,300,588,672	2,892,173,039
Current tax assets	16,149,316	16,487,167
Short term investments	289,438,000	-
Trade & other receivables	3,022,146,062	2,370,524,216
Amounts due from related parties	34,405,384	83,962,322
Cash & cash equivalents	1,778,000,805	1,465,372,953
Total current assets	8,440,728,239	6,828,519,697
Total Assets	17,736,434,684	16,121,993,661
EQUITY AND LIABILITIES		
Equity		
Stated capital	730,939,657	730,939,657
Reserves	322,155,472	322,155,472
Retained earnings	5,033,298,001	4,728,494,391
Equity attributable to owners of the company	6,086,393,130	5,781,589,520
Non-controlling interests	5,170,821,650	4,168,557,293
Total equity	11,257,214,780	9,950,146,813
Non current liabilities		
Loans and borrowings	1,297,486,713	1,279,610,187
Employee benefit	1,139,792,764	1,127,179,002
Deferred income and capital grants	194,746,217	203,569,000
Deferred tax liabilities	294,913,201	273,461,405
Total non current liabilities	2,926,938,895	2,883,819,594
Current liabilities		
Bank overdraft	780,200,544	423,454,152
Current tax liabilities	160,358,689	122,307,205
Loans and borrowings	326,134,997	456,186,217
Trade and other payables	2,285,510,005	2,284,702,647
Amounts due to related parties	76,774	1,377,033
Total current liabilities	3,552,281,009	3,288,027,254
Total equity and liabilities	17,736,434,684	16,121,993,661
Net asset value per share (Rs.)	45.04	42.78

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007. The Board of Directors is responsible for the preparation and presentation of these financial statements.

Signed on Behalf of the Board



Chairman
13th February 2017
Colombo



Group Managing Director



Group Chief Financial Officer

Figures in brackets indicate deductions.
The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC

STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited As at 31st Dec 2016 Rs	Audited As at 31st March 2016 Rs
ASSETS		
Non current assets		
Property, plant and equipment	6,223,377	6,077,792
Intangible assets	1,719,199	2,191,875
Investment in subsidiaries	1,241,371,879	1,041,371,979
Investment in equity investee	-	6,111,426
Other investments	622,260,001	721,505,044
Total non current assets	1,871,574,456	1,777,258,116
Current assets		
Current tax assets	3,158,748	3,158,748
Trade & other receivables	63,824,819	32,983,484
Amounts due from related parties	325,011,620	208,404,919
Cash & cash equivalents	674,086,810	894,039,444
Total current assets	1,066,081,997	1,138,586,595
Total assets	2,937,656,453	2,915,844,711
EQUITY AND LIABILITIES		
Equity		
Stated capital	730,939,657	730,939,657
Reserves	322,155,472	322,155,472
Retained earnings	1,821,392,029	1,805,859,541
Equity attributable to owners of the company	2,874,487,158	2,858,954,670
Non-controlling interests	-	-
Total equity	2,874,487,158	2,858,954,670
Non current liabilities		
Employee benefit	48,598,526	43,198,526
Total non current liabilities	48,598,526	43,198,526
Current liabilities		
Bank overdraft	-	-
Current tax liabilities	963,605	596,051
Trade and other payables	13,586,409	11,735,061
Amounts due to related parties	20,755	1,360,403
Total current liabilities	14,570,769	13,691,515
Total equity and liabilities	2,937,656,453	2,915,844,711
Net asset value per share (Rs.)	21.27	21.16

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Signed on Behalf of the Board



Chairman
13th February 2017
Colombo

Figures in brackets indicate deductions.



Group Managing Director



Group Chief Financial Officer

The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC
FOR THE 09 MONTHS ENDED 31ST DECEMBER 2016
STATEMENT OF CHANGES IN EQUITY - GROUP

In Rupees	Attributable to owners of the company						Non-controlling shareholders interest	Total equity
	Capital		Fair value		Retained earnings	Total		
	Stated capital	accretion reserve	General reserve	gain or loss reserve on AFS				
Balance as 01st April 2015	730,939,657	399,837	857,888	318,741,918	4,252,438,767	5,303,378,067	3,643,544,084	8,946,922,151
Total comprehensive income for the period								
Profit for the nine months				-	508,129,748	508,129,748	539,705,195	1,047,834,943
Other comprehensive income for the nine months				-	2,699,172	2,699,172	8,063,947	10,763,119
Total comprehensive income for the nine months					510,828,920	510,828,920	547,769,142	1,058,598,062
Transactions with owners of the Company								
Share issues		-	-	-	-	-	51,147,540	51,147,540
Dividend payments for the year 2014/15					(128,383,937)	(128,383,937)	(129,207,168)	(257,591,105)
Total contributions by and distributions to owners of the Company					(128,383,937)	(128,383,937)	(78,059,628)	(206,443,565)
Balance as at 31st December 2015	730,939,657	399,837	857,888	318,741,918	4,634,883,750	5,685,823,050	4,113,253,598	9,799,076,648
Total comprehensive income for the balance period								
Profit for the three months				-	78,658,132	78,658,132	91,105,522	169,763,654
Other comprehensive income for the three months				2,155,829	14,146,507	16,302,336	65,395,641	81,697,977
Total comprehensive income for the three months				2,155,829	92,804,639	94,960,468	156,501,163	251,461,631
Transactions with owners of the Company for the balance period								
Share issues					-	-	-	-
Effect on percentage change in holding of Energy Group					806,002	806,002	(806,002)	-
Dividend payments for the year 2014/15					-	-	(100,391,466)	(100,391,466)
					806,002	806,002	(101,197,468)	(100,391,466)
Balance as at 31st March 2016	730,939,657	399,837	857,888	320,897,747	4,728,494,391	5,781,589,520	4,168,557,293	9,950,146,813
Total comprehensive income for the period								
Profit for the nine months				-	446,701,645	446,701,645	891,340,790	1,338,042,435
Other comprehensive income for the nine months				-	-	-	-	-
Total comprehensive income for the nine months				-	446,701,645	446,701,645	891,340,790	1,338,042,435
Capital accretion reserve transfer to general reserve		(399,837)	399,837					
Dividend payment for the year 2015/16					(141,898,035)	(141,898,035)	(181,076,433)	(322,974,468)
Share issues							292,000,000	292,000,000
Balance as at 31st December 2016	730,939,657	-	1,257,725	320,897,747	5,033,298,001	6,086,393,130	5,170,821,650	11,257,214,780

Figures in brackets indicate deductions.

SUNSHINE HOLDINGS PLC

FOR THE 09 MONTHS ENDED 31ST DECEMBER 2016

STATEMENT OF CHANGES IN EQUITY - COMPANY

In Rupees	Stated capital	Fair value gain or loss reserve on AFS	Capital accretion reserve	General reserve	Retained Profit	Total
Balance as at 01st April 2015	730,939,657	318,741,918	399,837	857,888	1,722,984,322	2,773,923,622
Total comprehensive income for the period						
Profit for the nine months		-			152,839,002	152,839,002
Other comprehensive income for the nine months		-			-	-
Total comprehensive income for the nine months					152,839,002	152,839,002
Share issues	-				-	-
Dividend payment for the year 2014/15					(128,383,937)	(128,383,937)
Balance as at 31st December 2015	730,939,657	318,741,918	399,837	857,888	1,747,439,387	2,798,378,687
Total comprehensive income for the balance period						
Profit for the three months					67,568,041	67,568,041
Other comprehensive income for the three months		2,155,829			(9,147,887)	(6,992,058)
Total comprehensive income for the three months		2,155,829			58,420,154	60,575,983
Transactions with owners of the Company						
Share issues	-				-	-
Dividend paid to owners for 2014/15	-				-	-
	-				-	-
Balance as at 31st March 2016	730,939,657	320,897,747	399,837	857,888	1,805,859,541	2,858,954,670
Total comprehensive income for the period						
Profit for the nine months					157,430,523	157,430,523
Other comprehensive income for the nine months					-	-
Total comprehensive income for the nine months					157,430,523	157,430,523
Capital accretion reserve transfer to general reserve			(399,837)	399,837		-
Dividend payment for the year 2015/16					(141,898,035)	(141,898,035)
Balance as at 31st December 2016	730,939,657	320,897,747	-	1,257,725	1,821,392,029	2,874,487,158

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - GROUP

	Unaudited Nine months ended 31st Dec 2016 Rs	Unaudited Nine months ended 31st Dec 2015 Rs	Audited Year ended 31st March 2016 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense	1,635,826,054	1,331,609,881	1,591,244,008
Adjustments for;			
Interest income	(138,591,056)	(73,309,292)	(109,014,813)
(Profit)/loss of equity investee	-	323,563	1,408,453
Dividend income	(4,165,281)	(2,371,000)	-
(Profit)/ loss on sale of property, plant & equipment	(15,860,784)	(27,370,085)	(34,851,506)
Write-off of property, plant & equipment	661,816	-	-
(Gain)/loss on fair value of biological assets	-	16,150,000	(29,491,000)
Interest expense	166,950,874	128,008,272	176,960,928
Depreciation & amortization	411,551,551	380,902,341	509,403,601
Fair value (gain)/loss in quoted shares	3,655,084	1,029,416	14,809,084
(Profit)/ loss on disposal of investments	164,512	10	-
Provision / (reversal) for bad and doubtful debts	-	-	(12,500,437)
Amortization of deferred income & capital grants	(8,822,783)	(8,821,486)	(10,041,000)
Amortization of leasehold rights	5,276,034	5,276,034	7,035,000
(Profit)/loss on sale of consumable biological assets	(2,227,000)	(15,313,000)	(16,179,000)
Provision gratuity excluding actuarial gain/(loss)	107,044,993	79,760,375	205,753,860
Movement in livestock	6,574,000	-	12,721,000
Operating profit before working capital changes	2,168,038,014	1,815,875,029	2,307,258,178
(Increase)/decrease in inventories	(408,415,633)	(530,248,512)	(257,522,838)
(Increase)/decrease in trade and other receivables	(651,621,846)	(474,117,368)	(319,670,602)
(Increase)/decrease in amounts due from related parties	49,556,938	41,877,220	(1,279,703)
Increase/(decrease) in trade and other payables	807,358	323,089,035	291,913,470
Increase/(decrease) in amounts due to related parties	(1,300,259)	1,484,422	431,898
Cash generated from/ (used in) operations	1,157,064,572	1,177,959,826	2,021,130,403
Interest paid	(166,950,874)	(128,008,272)	(176,960,928)
Income tax paid	(241,490,367)	(213,620,029)	(296,199,966)
Gratuity paid	(94,431,231)	(90,005,839)	(126,136,810)
Net cash / (used in) operating activities	654,192,100	746,325,686	1,421,832,699
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	138,591,056	73,309,292	109,014,813
Dividend received	4,165,281	2,371,000	-
Investment in connected companies	-	(95)	(95)
(Investment)/ disposal in associate	6,111,426	(2,472,700)	(3,391,506)
(Investments)/ disposal in other investments	95,589,948	(69,108,481)	(625,612,533)
(Investments)/ disposal in short term investments	275,159,000	-	-
Investments in gratuity fund	(18,425,286)	(8,771,533)	(14,107,000)
Immature plantations expenditure	(233,013,252)	(146,405,813)	(209,025,000)
Acquisition of property, plant & equipment	(764,770,249)	(204,757,704)	(656,253,473)
Capital work in progress	(39,235,440)	(210,055,974)	-
Acquisition of intangible assets	(51,636,546)	(2,535,493)	(36,752,087)
Proceeds from disposal of biological assets	11,489,000	33,775,685	29,252,000
Proceeds from disposal of property, plant & equipment	22,224,100	38,177,607	55,316,318
Net cash used in investing activities	(553,750,962)	(496,474,209)	(1,351,558,563)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issued by subsidiary to non-controlling interests	292,000,000	51,147,540	51,147,540
Receipts of interest bearing borrowings	411,053,761	706,888,543	917,092,994
Repayment of interest bearing borrowings	(516,095,751)	(397,029,895)	(624,442,282)
Lease rentals paid	(8,543,220)	(11,001,760)	(12,836,852)
Dividend paid	(141,898,035)	(128,383,937)	(128,383,937)
Dividend paid to non controlling interest shareholders	(181,076,433)	(129,207,168)	(229,598,634)
Net cash from / (used in) financing activities	(144,559,678)	92,413,323	(27,021,171)
Net increase/(decrease) in cash and cash equivalents	(44,118,540)	342,264,800	43,252,965
Cash and cash equivalents at the beginning of the period	1,041,918,801	998,665,836	998,665,836
Cash and cash equivalents at the end of the period	997,800,261	1,340,930,636	1,041,918,801
Cash and cash equivalents			
Cash in hand & bank	1,778,000,805	1,940,045,451	1,465,372,953
Bank overdraft	(780,200,544)	(599,114,815)	(423,454,152)
	997,800,261	1,340,930,636	1,041,918,801

The above figures are provisional and subject to audit
Figures in brackets indicate deductions.

SUNSHINE HOLDINGS PLC

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Nine months ended 31st Dec 2016 Rs	Unaudited Nine months ended 31st Dec 2015 Rs	Audited Year ended 31st March 2016 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense	158,736,820	152,839,002	221,176,398
Adjustments for;			
Interest income	(63,749,918)	(47,227,467)	(65,040,812)
Interest expense	933,335	1,225,536	1,569,267
Fair value (gain)/loss in quoted shares	3,655,084	1,029,416	14,809,084
Depreciation	2,166,203	1,136,516	2,294,976
(Profit)/loss of equity investee	-	(40,500)	(40,500)
(Profit)/ loss on disposal of investments	10	10	-
Provision for gratuity	5,400,000	2,475,000	5,765,535
Operating profit before working capital changes	107,141,534	111,437,513	180,533,948
(Increase)/decrease in trade and other receivables	(30,841,335)	24,247,688	23,674,617
(Increase)/decrease in amounts due from related parties	(116,606,701)	(76,010,158)	(38,073,764)
Increase/(decrease) in trade and other payables	1,851,348	(954,725)	1,483,983
Increase/(decrease) in amounts due to related parties	(1,339,647)	6,003,749	441,023
Cash generated from/ (used in) operations	(39,794,801)	64,724,067	168,059,807
Interest paid	(933,335)	(1,225,536)	(1,569,267)
Income tax paid	(938,743)	-	(2,252,629)
Employee benefits paid	-	(1,466,250)	(6,205,240)
Net cash / (used in) operating activities	(41,666,879)	62,032,281	158,032,671
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	63,749,918	47,227,467	65,040,812
(Investments)/ disposal in subsidiaries	(199,999,900)	(80,000,095)	(80,000,095)
(Investments)/disposal in associates	6,111,426	(2,472,700)	(3,391,506)
(Investments)/ disposal in other investments	95,589,948	(69,108,481)	(61,015,533)
Proceed from disposal of property, plant & equipment	-	40,500	40,500
Acquisition of intangible assets	(90,000)	-	(2,922,500)
Acquisition of property, plant & equipment	(1,749,112)	(3,721,672)	(4,610,246)
Net cash used in investing activities	(36,387,720)	(108,034,981)	(86,858,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	(141,898,035)	(128,383,937)	(128,383,937)
Net cash from / (used in) financing activities	(141,898,035)	(128,383,937)	(128,383,937)
Net increase/(decrease) in cash and cash equivalents	(219,952,634)	(174,386,637)	(57,209,834)
Cash and cash equivalents at the beginning of the period	894,039,444	951,249,278	951,249,278
Cash and cash equivalents at the end of the period	674,086,810	776,862,641	894,039,444
Cash and cash equivalents			
Cash in hand & bank	674,086,810	786,112,403	894,039,444
Bank overdraft	-	(9,249,762)	-
	674,086,810	776,862,641	894,039,444

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC

SEGMENTAL ANALYSIS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2016

	Investment	Healthcare	Agri	FMCG	Energy	Packaging	Management Services	Intragroup	Group
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE	321,112,279	5,826,006,669	4,737,894,110	3,011,174,008	67,600,768	250,540,888	-	(112,703,554)	14,101,625,168
RESULT									
Profit from operating activities	95,920,237	192,590,008	1,182,913,454	280,969,572	7,919,962	20,041,667	357,302,072	(473,471,100)	1,664,185,872
Net finance cost	62,816,583	(20,102,331)	(44,062,640)	8,378,249	(18,081,511)	(16,645,699)	(662,469)	-	(28,359,818)
Share of equity investee	-	-	-	-	-	-	-	-	-
Income tax expense	(1,306,297)	(81,736,435)	(124,999,998)	(40,337,870)	-	(516,769)	(2,312,918)	(46,573,332)	(297,783,619)
Profit for the year	157,430,523	90,751,242	1,013,850,816	249,009,951	(10,161,549)	2,879,199	354,326,685	(520,044,432)	1,338,042,435
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	157,430,523	90,751,242	1,013,850,816	249,009,951	(10,161,549)	2,879,199	354,326,685	(520,044,432)	1,338,042,435
OTHER INFORMATION									
Segment assets	2,937,656,453	4,055,792,017	8,939,384,955	1,385,423,409	1,268,459,565	577,265,147	2,076,240,199	(3,503,787,061)	17,736,434,684
Equity & reserves	2,874,487,158	2,122,084,460	5,754,567,477	925,458,650	451,796,180	333,702,208	1,977,372,300	(3,182,253,653)	11,257,214,780
Total liabilities	63,169,295	1,933,707,557	3,184,817,478	459,964,759	816,663,385	243,562,939	98,867,899	(321,533,408)	6,479,219,904
Depreciation	2,166,203	72,055,748	247,861,473	48,045,109	29,593,876	12,356,539	-	(527,397)	411,551,551
Capital expenditure	1,839,112	133,052,952	741,531,516	27,422,147	181,313,571	3,496,189	-	-	1,088,655,487

Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2015

	Investment	Healthcare	Agri	FMCG	Energy	Packaging	Management Services	Intragroup	Group
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
REVENUE	178,106,351	5,270,700,296	4,615,112,764	2,520,230,963	104,072,229	261,567,900	-	(142,508,524)	12,807,281,979
RESULT									
Profit from operating activities	106,837,071	399,941,103	565,873,319	381,412,877	54,030,484	28,112,344	298,776,252	(448,351,026)	1,386,632,424
Net finance cost	46,001,931	(14,600,309)	(63,260,436)	13,867,104	(11,999,915)	(12,210,815)	(12,496,540)	-	(54,698,980)
Share of profit/(loss) from associate	-	-	-	-	-	-	-	(323,563)	(323,563)
Income tax expense	-	(121,213,462)	(63,790,450)	(51,969,911)	(226,082)	(2,915,732)	-	(43,659,301)	(283,774,938)
Profit for the year	152,839,002	264,127,332	438,822,433	343,310,070	41,804,487	12,985,797	286,279,712	(492,333,890)	1,047,834,943
Total other comprehensive income	-	-	10,763,119	-	-	-	-	-	10,763,119
Total comprehensive income	152,839,002	264,127,332	449,585,552	343,310,070	41,804,487	12,985,797	286,279,712	(492,333,890)	1,058,598,062
OTHER INFORMATION									
Segment assets	2,836,916,601	3,840,883,243	7,936,696,372	1,157,323,827	955,662,336	619,395,876	2,041,487,452	(3,213,560,022)	16,174,805,685
Equity & reserves	2,798,378,687	1,873,863,533	4,613,993,666	921,050,362	471,190,892	327,049,142	1,773,180,295	(2,979,629,930)	9,799,076,647
Total liabilities	38,537,914	1,967,019,710	3,322,702,706	236,273,465	484,471,444	292,346,734	268,307,157	(233,930,092)	6,375,729,038
Depreciation	1,136,516	65,787,767	231,003,223	47,152,065	23,034,893	12,787,877	-	-	380,902,341
Capital expenditure	3,721,672	103,472,144	180,008,727	76,842,155	198,016,646	1,693,640	-	-	563,754,984

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC

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 cans and generation of power.

2 Interim consolidated financial statements

The Interim Financial Statements for the nine months ended 31st December 2016, includes the "Company" referring to Sunshine Holdings PLC as the holding Company and the "Group" comprise the Company and subsidiary companies of Sunshine Healthcare Lanka Limited and its subsidiaries, Sunshine Packaging Lanka Limited, Sunshine Energy Limited and its subsidiaries, Estate Management Services (Pvt) Limited, Watawala Plantations PLC and its subsidiaries, and Watawala Tea Ceylon Limited.

3 Approval of financial statements

The Interim Financial Statements of the Group and the Company for the nine months ended 31st December 2016, were authorised for issue by the Board of Directors on 13th February 2017.

4 Basis of preparation

The Interim 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 2015/16. Further, these Financial Statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting". Previous period figures and phrases have been rearranged wherever necessary to conform to the current presentation.

5 Significant Accounting Policies

5.1 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.

5.2 Property, Plant & Equipment

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.2.4 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.

5.3 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.

5.4 Other Long Term Investments

Unquoted investments in shares held on long-term basis are stated at fair value at the financial position date.

5.5 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

5.6 Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

a) Dividend income

Sunshine Holdings PLC's revenue comprises net dividends received from Group Companies and other equity investments. Dividend income is recognised in income statement on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

b) Perennial crops

Revenue from perennial crops are recognised in the year of harvesting. Revenue comprises of invoiced value of sales, net of brokerage, public sale expenses, and other levies related to turnover.

Sale of tea at auction

As per the Tea By-Laws and Conditions issued by the Ceylon Tea Traders' Association (Section 17), the highest bidder (buyer) is accepted and a sale is completed at the fall of the hammer. The sale is recorded at the price and quantity agreed upon and raising the Sale Note.

Sale of rubber at auction

As per the Rubber By-Laws and conditions issued by the Colombo Rubber Traders' Association, the highest bidder (buyer) is accepted and a sale is completed at the fall of the hammer. The sale is recorded at the price and quantity agreed upon and raising the sale note.

Sale of palm oil

The revenue is recognised on invoicing and oil is ready for delivery.

Income from sale of trees

Revenue from the sale of timber/trees is recognized at the point that the legal ownership, risk of loss and the rewards have passed to the purchaser and the quantity sold is determinable.

Income from livestock

Revenue from the sale of livestock is measured at the fair value of the consideration received or receivable. Any increase or decrease in the fair value of livestock is recognised as revenue in the income statement under profit or loss.

c) Wholesale and retail revenue is recognized on an accrual basis at the point of invoicing

6 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.

7 Events after the reporting date

No circumstance have arisen since the Balance Sheet date which would require adjustment to or disclosure in the financial statements.

8 Profit attributable to owners of parent company have significantly declined in the quarter under review primarily due to healthcare segment results consequent to the impact of price control of certain pharmaceutical molecules.

9 Voluntary offer by Lamurep Investments Limited to purchase all the remaining shares of Sunshine Holdings PLC

Lamurep Investments Limited acquired 16,015,390 shares of Sunshine Holdings PLC on the Colombo Stock Exchange on 28th December 2016 as announced on the CSE on 2nd January 2017. Lamurep Investments Limited has already made a voluntary offer to purchase the remaining 91,287,436 shares (excluding the shareholding of the parties Acting in Concert) aggregating to a total of 67.55 % of shares in issue of Sunshine not already owned by the Lamurep Investments Limited and parties Acting in Concert at a price of Rs.47.50 per share.

10 Stated Capital is represented by shares in issue as given below:

No. of Shares as at	31st Dec 2016	31st Mar 2016	31st Dec 2015
Ordinary Shares	135,140,986	135,140,986	135,140,986

11 Dividend

	Year ended 31st March		
	2016	2015	2014
Dividend paid (Rs)	141,898,035	128,383,937	127,135,210
No of ordinary shares	135,140,986	135,140,986	133,826,537
Dividend per share	1.05	0.95	0.95

12 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 2016.

13 Net Assets per share

Net Assets per share have been calculated, for all periods, based on the number of shares issued as at the balance sheet date.

14 The Interim Financial Statement are not audited.

SUNSHINE HOLDINGS PLC

SHAREHOLDER INFORMATION	Unaudited	Unaudited	Audited
	Three months ended	Three months ended	Year ended
Market Price per share	31st Dec 2016	31st Dec 2015	31st March 2016
	Rs.	Rs.	Rs.
Highest price	54.50	60.40	62.00
Lowest price	46.00	51.00	45.20
Last traded price	46.60	53.20	50.00

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	31st Dec 2016		31st March 2016	
	No of Shares Held	%	No of Shares Held	%
Lamurep Investments Limited	43,408,220	32.12%	27,392,830	20.27%
Sampath Bank/ Seylan Bank /Dr. T. Senthilvel	30,303,018	22.42%	30,946,100	22.90%
Deepcar Limited	25,600,000	18.94%	25,600,000	18.94%
Moneymore Securities Limited	22,810,730	16.88%	22,810,730	16.88%
Ceylon Property Development Limited	3,000,000	2.22%	3,000,000	2.22%
GF Capital Global Limited	1,361,540	1.01%	1,261,540	0.93%
Hatton National Bank PLC A/C No 05	669,661	0.50%	669,661	0.50%
Nuwara Eliya Property Developers (Pvt) Ltd	575,261	0.43%	575,261	0.43%
Deutsche Bank AG as Trustee to Candor Opportunitie	500,000	0.37%	-	0.00%
Mr.V.Govindasamy	443,330	0.33%	443,330	0.33%
Deutsche Bank AG as Trustee for JB Vantage Value	386,793	0.29%	386,793	0.29%
Pershing LLC S/A Averbach Grauson & Co	322,286	0.24%	602,286	0.45%
Mr.H.A.Van Starrex	281,259	0.21%	-	0.00%
Elgin Investments Limited	250,500	0.19%	-	0.00%
Mr. R. Maheswaran	250,000	0.18%	-	0.00%
Miss. M.P.Radhakrishnan	250,000	0.18%	-	0.00%
Miss. A.Radhakrishnan	250,000	0.18%	-	0.00%
E.W. Balasuriya & Co. (Pvt) Ltd	179,637	0.13%	-	0.00%
Deutsche Bank AG as Trustee to Amana Candor Sharia	150,000	0.11%	-	0.00%
Mr.K. Chandran	132,132	0.10%	-	0.00%
Sub Total	131,124,367	97.03%	113,688,531	84.13%
Others	4,016,619	2.97%	21,452,455	15.87%
Total	135,140,986	100.00%	135,140,986	100.00%

PUBLIC SHARE HOLDING

	As at 31st Dec 2016	As at 31st March 2016
The percentage of shares held by the public	7.04%	6.46%
Number of shareholders representing public holding	1,446	1,442

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

	As at 31st Dec 2016	As at 31st March 2016
Mr. V.Govindasamy - Group Managing Director	443,330	443,330
Mr. G.Sathasivam	1,000	1,000
Mr. S.G.Sathasivam	1,000	1,000
Mr. B.A.Hulangamuwa	56,955	56,955
Mr. A. Talwatte	1,000	-
Dr. T. Senthilvel	30,303,018	30,946,100

The above figures are provisional and subject to audit

SUNSHINE HOLDINGS PLC

CORPORATE INFORMATION

Name of Company

Sunshine Holdings PLC

Legal Form

Public Limited Liability Company
(Incorporated in 1973 and listed in the
Colombo Stock Exchange)

Company Registration Number

PQ13

Principal Activities

Holding Company, carrying out investment in subsidiaries

Registered Office

No. 60, Dharmapala Mawatha, Colombo 03

Directors

Mr. Munir Shaikh - (Chairman)
Mr. G. Sathasivam
Mr. V. Govindasamy - (Group Managing Director)
Mr. B. A. Hulangamuwa
Mr. N. B. Weerasekera
Mr. A. Hollingsworth
Mr. S. G. Sathasivam
Mr. Harsha Abeywickrama
Dr. T. Senthilvel
Ms. R. Kobbekaduwa
Mr. A. Talwatte

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
MCB Bank Limited
Hong Kong & Shanghai Banking Corporation Limited

Credit Ratings

The Company has been assigned a national long-term rating of 'A(1ka)' with stable outlook by Fitch Ratings Lanka Limited

The above figures are provisional and subject to audit