



INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED
30TH SEPTEMBER 2017



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REVIEW REPORT TO THE BOARD OF DIRECTORS OF SUNSHINE HOLDINGS PLC

We have reviewed the accompanying Consolidated Statement of financial position of Sunshine Holdings PLC as at 30th September 2017, and the related consolidated statement of profit or loss and other comprehensive income, Statement of changes in equity and, cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory information. These Financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Sri Lanka Standard on Review Engagements 2400 applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with Sri Lanka Accounting Standards.

CHARTERED ACCOUNTANTS
Colombo,
07th November 2017.

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The group reported favorable performance for the period ended 30th September 2017, with an increase of Rs. 224.2 million (24.2% YoY) in PAT.

The Group recorded consolidated revenue of Rs. 10.3 billion for the period, a growth of Rs. 843.3 million (8.9% YoY). Group revenue was driven by Healthcare, Agri and FMCG sectors which contributed 38.1%, 36.3% and 23.2% respectively. Agri and FMCG sectors have performed above expectations in terms of revenue by Rs. 370.7 million (10.9% YoY) and Rs. 178.4 million (8.0% YoY) respectively. Energy sector performance was satisfactory with the revenue increase of Rs. 59.4 million (133.1% YoY). However, Healthcare sector has recorded a marginal decline in revenue by Rs. 79.7 million (-2.0% YoY).

The gross profit margin for the quarter was at 25.7% compared to the 26.4% in the same period, last year mainly attributable to contraction in GP margin of the FMCG sector by 6.1%. However overall gross profit has improved by Rs. 147.5 million up by 5.9%, compared to the same period previous year. The Group EBIT closed at Rs. 1,292.2 million against Rs. 1,153.4 million recorded in the previous year, up by 12.0% mainly due to the fair value gain on investment properties, in the adoption of fair value model in the continued operations at Sunshine Packaging Lanka Limited. The main contributor to the growth in Gross profit and EBIT was the Agri sector with gross profit of Rs. 908.2 million (17.6% YoY) and EBIT of Rs. 742.8 million (11.9% YoY).

The Healthcare sector revenue was below expectation with a decline of Rs. 79.7 million (-2.0% YoY) to Rs. 3.9 billion. The gross profit margin of the sector was challenged during the period, recording a decline of 0.8% to 24.0% followed with a decline in EBIT by Rs. 38.7 million (-13.6% YoY) to Rs. 245.2 million as well as PAT by Rs. 34.0 million (-17.9% YoY).

The Agri sector performance has been commendable in the period under review. The revenue has notably increased by 13.9% to Rs. 3.8 billion and PAT increased by Rs. 195.5 million, a significant increase of 35.7% to Rs. 743.4 million due to better performance of Tea subsector coupled with the continued higher performance of palm oil sector.

Although the revenue growth of FMCG sector is impressive at a rate of 27.0%, to achieve revenue of Rs. 2.4 billion, the profit after tax has come down by 38.6% to Rs.100.5 million as opposed to Rs. 163.6 million reported in the same period previous year. The performance of the FMCG sector was affected by the continuous rise in the tea prices.

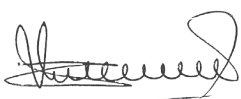
The power sector revenue increased by Rs. 59.4 million to Rs. 104.1 million from Rs. 44.7 million due to the revenue generated from second hydropower project (Upper Waltrim) which commenced its operation in October 2016 resulting an increase in EBIT by 489.8% to report at Rs. 45.0 million compared to the Rs. 7.6 million in the same period previous year.

Sunshine Packaging Lanka Limited ceased its packaging operations by end of August 2017. Further, the company will be restructured with a different business model. Due to the discontinuation of manufacturing operations, the company made a loss of Rs. 195.1 million. However, this loss has been mitigated by the other income of Rs. 127.1 million resulted from fair valuation of the investment properties in the continued operations.

Profits attributable to equity shareholders (PATMI) from continued operations of Sunshine Holdings PLC increased significantly by Rs. 124.0 million to stand at Rs. 546.9 million for Q2 2017/18. Further, the EPS has appreciated from Rs. 3.10 to Rs. 3.90 compared to the same period previous year.

Your Group continues to enhance shareholder value by pursuing strategic investments and are on the lookout for strategic investments that fits our Group's long term interest.

Further details of the Groups Q1FY1718 performance are available in the company website.
(<http://www.sunshineholdings.lk/investor%20relations/index.php>)



V. Govindasamy
Group Managing Director
07th November 2017
Colombo

STATEMENT OF COMPREHENSIVE INCOME - GROUP

							Audited
	Period ended	Period ended	Change	Quarter ended	Quarter ended	Change	Year ended
	30th	30th		30th	30th		31st March 2017
	September 2017	September 2016		September 2017	September 2016		
	Rs	Rs	%	Rs	Rs	%	Rs
Continuing operations							
Revenue	10,328,078,114	9,484,808,424	9	5,128,112,888	4,863,654,538	5	19,216,569,056
Cost of sales	(7,675,743,486)	(6,979,948,327)	10	(3,801,022,094)	(3,564,582,278)	7	(14,389,192,537)
Gross profit	2,652,334,628	2,504,860,097	6	1,327,090,794	1,299,072,260	2	4,827,376,519
Other income	263,483,320	66,869,846	294	179,897,611	49,356,800	264	240,085,334
Administration expenses	(1,074,358,951)	(888,105,509)	21	(628,082,063)	(438,596,584)	43	(1,943,107,096)
Selling & distribution expenses	(549,230,198)	(530,174,794)	4	(256,983,763)	(275,492,036)	(7)	(1,026,716,542)
Results from operating activities	1,292,228,799	1,153,449,640	12	621,922,579	634,340,440	(2)	2,097,638,215
Finance income	101,838,620	85,679,329	19	52,343,292	41,703,934	26	195,050,401
Finance cost	(126,742,106)	(93,066,015)	36	(64,388,307)	(41,954,816)	53	(241,141,996)
Net finance cost	(24,903,486)	(7,386,686)	237	(12,045,015)	(250,882)	4,701	(46,091,595)
Share of profit of equity accounted investees	-	663,576	(100)	-	311,233	(100)	-
Profit before tax	1,267,325,313	1,146,726,530	11	609,877,564	634,400,791	(4)	2,051,546,620
Income tax expense	(118,106,312)	(221,747,338)	18	(1,514,040)	(117,576,754)	23	(430,325,906)
Profit for the period	1,149,219,001	924,979,192	9	608,363,524	516,824,037	(10)	1,621,220,714
Discontinued operation							
Profit or (loss) on discontinued operation, net of tax	(195,103,938)	10,433,135		(195,103,938)	10,433,135		
Other comprehensive income							
Fair value change in available for sales financial assets	-	-	-	-	-	-	6,983,422
Defined benefit plan actuarial gain/(loss)	45,280,859	-	-	45,280,859	-	-	98,789,460
Tax on other comprehensive income	(6,053,948)	-	-	(6,053,948)	-	-	(11,059,429)
Total other comprehensive income for the period	39,226,911	-	-	39,226,911	-	-	94,713,453
Total comprehensive income for the period	993,341,974	935,412,327	(9)	452,486,497	527,257,172	(41)	1,715,934,167
Profit attributable to:							
Continuing operations							
Owners of the parent company	531,884,634	422,860,717	17	307,460,875	216,319,878	26	572,258,446
Non-controlling interest	617,334,367	502,118,475	2	300,902,649	300,504,159	(36)	1,048,962,268
Discontinued operation							
Owners of the parent company	(195,103,938)	10,433,135	n/a	(195,103,938)	10,433,135	n/a	-
Non-controlling interest	-	-	-	-	-	-	-
Other comprehensive income attributable to:							
Owners of the parent company	15,015,593	-	n/a	15,015,593	-	-	33,761,141
Non-controlling interest	24,211,318	-	n/a	24,211,318	-	-	60,952,312
Total comprehensive income for the period	993,341,974	935,412,327	(9)	452,486,497	527,257,172	(41)	1,715,934,167
Basic earnings per share from continuing operations	3.90	3.10		2.24	1.57		4.23
Basic earnings per share from discontinued operation	(1.43)	0.08		(1.43)	0.08		-
	2.47	3.17		0.81	1.65		4.23

Figures in brackets indicate deductions.

n/a - not applicable

STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	Period ended 30th September 2017 Rs	Period ended 30th September 2016 Rs	Change %	Quarter ended 30th September 2017 Rs	Quarter ended 30th September 2016 Rs	Change %	Audited Year ended 31st March 2017 Rs
Revenue	141,027,762	257,305,117	(45)	52,008,596	126,074,749	(59)	414,779,815
Cost of sales	(19,850,925)	(126,221,310)	n/m	(13,657,325)	(91,679,989)	n/m	(153,907,783)
Gross profit	121,176,837	131,083,807	(8)	38,351,271	34,394,760	12	260,872,032
Other income	117,114,644	71,625,517	n/m	46,768,219	30,678,110	n/m	149,419,482
Administration expenses	(197,478,795)	(119,945,637)	65	(98,321,687)	(46,609,205)	111	(302,886,658)
Impairment of investment in subsidiary	(67,972,645)	-	-	(48,018,427)	-	-	-
Results from operating activities	(27,159,959)	82,763,687	(133)	(61,220,624)	18,463,665	(432)	107,404,856
Finance income	40,460,476	41,364,068	(2)	18,585,830	21,371,247	(13)	85,731,746
Finance cost	(412,635)	(316,518)	30	(711,179)	(163,745)	334	(2,335,771)
Net finance cost	40,047,841	41,047,550	(2)	17,874,651	21,207,502	(16)	83,395,975
Profit before tax	12,887,882	123,811,237	(90)	(43,345,973)	39,671,167	(209)	190,800,831
Income tax expense	-	(979,892)	-	-	(979,892)	(100)	(342,692)
Profit for the period	12,887,882	122,831,345	(90)	(43,345,973)	38,691,275	(212)	190,458,139
Other comprehensive income							
Fair value change in available for sales financial assets	-	-	-	-	-	-	6,983,422
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	(14,601)
Total other comprehensive income for the period	-	-	-	-	-	-	6,968,821
Total comprehensive income for the period	12,887,882	122,831,345	(90)	(43,345,973)	38,691,275	(212)	197,426,960
Basic earnings per share from continuing operations	0.09	0.90		(0.46)	(0.15)		1.41

Figures in brackets indicate deductions.

n/a - not applicable

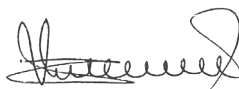
STATEMENT OF FINANCIAL POSITION - GROUP

	As at 30th September 2017 Rs	Audited As at 31st March 2017 Rs
ASSETS		
Non current assets		
Property, plant and equipment	5,009,654,850	4,754,397,651
Leasehold right to bare land	195,194,002	198,473,000
Biological assets	3,817,106,530	3,629,026,000
Investment property	327,205,000	-
Intangible assets	174,933,220	168,765,418
Other investments	621,295,996	636,733,332
Investment for gratuity liability	274,045,580	258,319,000
Deferred tax assets	74,654,991	75,590,768
Total non-current assets	10,494,090,169	9,721,305,169
Current assets		
Non current assets held for sales	56,915,279	-
Inventories	3,547,446,636	3,141,301,725
Biological assets-growing crops on bearer plants	47,221,623	35,757,000
Current tax assets	10,320,637	14,631,908
Trade & other receivables	3,125,891,527	3,060,992,146
Amounts due from related parties	54,764,255	83,466,589
Cash & cash equivalent	2,045,395,412	1,876,004,662
Total current assets	8,887,955,369	8,212,154,030
Total assets	19,382,045,538	17,933,459,199
EQUITY AND LIABILITIES		
Equity		
Stated capital	798,504,357	730,939,657
Reserves	331,838,036	331,838,036
Retained earnings	5,302,246,457	5,186,946,894
Equity attributable to owners of the company	6,432,588,850	6,249,724,587
Non-controlling interests	5,933,324,822	5,340,766,263
Total equity	12,365,913,672	11,590,490,850
Non-current liabilities		
Loans and borrowings	1,585,259,410	1,226,846,031
Employee benefits	1,063,007,686	1,085,479,743
Deferred income and capital grants	188,507,478	193,528,000
Deferred tax	220,318,560	333,473,307
Total non-current liabilities	3,057,093,134	2,839,327,081
Current liabilities		
Bank overdraft	737,908,935	711,424,579
Current tax liabilities	110,746,866	214,132,832
Loans and borrowings	523,568,700	357,644,252
Trade and other payables	2,584,885,990	2,220,439,605
Amounts due to related parties	1,928,241	-
Total current liabilities	3,959,038,732	3,503,641,268
Total equity and liabilities	19,382,045,538	17,933,459,199
Net asset value per share (Rs.)	47.13	46.25

Figures in brackets indicate deductions.



Chairman
07th November 2017
Colombo



Group Managing Director



Group Chief Financial Officer

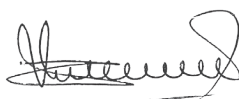
STATEMENT OF FINANCIAL POSITION - COMPANY

	As at 30th September 2017 Rs	Audited As at 31st March 2017 Rs
ASSETS		
Non-current assets		
Property, Plant and Equipment	6,122,103	5,901,315
Intangible assets	1,155,903	1,533,497
Investment in subsidiaries	1,308,775,797	1,376,748,442
Other investments	610,532,996	625,970,332
Total non-current assets	1,926,586,799	2,010,153,586
Current assets		
Current tax assets	3,158,748	3,158,748
Trade & other receivables	88,705,260	45,161,397
Amounts due from related parties	222,772,806	191,996,509
Cash & cash equivalent	626,565,660	731,712,191
Total current assets	941,202,474	972,028,845
Total assets	2,867,789,273	2,982,182,431
EQUITY AND LIABILITIES		
Equity		
Stated capital	798,504,357	730,939,657
Reserves	329,138,894	329,138,894
Retained earnings	1,630,796,200	1,854,405,044
Equity attributable to owners of the company	2,758,439,451	2,914,483,595
Non-controlling interests	-	-
Total equity	2,758,439,451	2,914,483,595
Non-current liabilities		
Employee benefits	57,198,082	51,881,378
Deferred tax	-	-
Total non-current liabilities	57,198,082	51,881,378
Current liabilities		
Bank overdraft		
Current tax liabilities		
Trade and other payables	52,151,740	15,817,458
Amounts due to related parties		
Total current liabilities	52,151,740	15,817,458
Total equity and liabilities	2,867,789,273	2,982,182,431
Net asset value per share (Rs.)	20.41	21.57


Figures in brackets indicate deductions.



Chairman
07th November 2017
Colombo



Group Managing Director



Group Chief Financial Officer

SUNSHINE HOLDINGS PLC

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2017

Attributable to owners of the company

STATEMENT OF CHANGES IN EQUITY - GROUP

In Rupees	Stated capital	Capital accretion reserve	General reserve	Fair value gain or loss reserve on AFS	Retained earnings	Total	Non-controlling interest	Total equity
Balance as 01st April 2016	730,939,657	399,837	857,888	323,596,889	4,725,795,249	5,781,589,520	4,168,557,293	9,950,146,813
Total comprehensive income for the period								
Profit for the six months					433,293,852	433,293,852	502,118,475	935,412,327
Total other comprehensive income for the six months					-	-	-	-
Total comprehensive income for the six months					433,293,852	433,293,852	502,118,475	935,412,327
Capital accretion reserve transfer to general reserve								
Transactions with owners of the company								
Share issues		-	-				292,000,000	292,000,000
Effect on percentage change in holding of Energy Group							-	-
Dividend payment for 2015/16					(141,898,035)	(141,898,035)	(43,224,226)	(185,122,261)
Total contributions by and distributions to owners of the company	-	-	-	-	(141,898,035)	(141,898,035)	248,775,774	106,877,739
Balance as at 30th September 2016	730,939,657	399,837	857,888	323,596,889	5,017,191,066	6,072,985,337	4,919,451,542	10,992,436,879
Total Comprehensive Income for the balance period								
Profit for the six months					-	138,964,594	546,843,793	685,808,387
Total other comprehensive income for the six months				6,983,422	26,777,719	33,761,141	60,952,312	94,713,453
Total comprehensive income for the six months				6,983,422	165,742,313	172,725,735	607,796,105	780,521,840
Capital accretion reserve transfer to general reserve		(399,837)	399,837					
Transactions with owners of the company for the balance period								
Share issues							56,789,860	56,789,860
Effect on percentage change in holding of Energy Group					4,013,515	4,013,515	(4,013,515)	-
Dividend payments for 2015/16							(239,257,729)	(239,257,729)
					4,013,515	4,013,515	(186,481,384)	(182,467,869)
Balance as at 31st March 2017	730,939,657	-	1,257,725	330,580,311	5,186,946,894	6,249,724,587	5,340,766,263	11,590,490,850
Total comprehensive income for the period								
Profit for the six months					336,780,696	336,780,696	617,334,367	954,115,063
Total other comprehensive income for the six months					15,015,593	15,015,593	24,211,318	39,226,911
Total comprehensive income for the six months					351,796,289	351,796,289	641,545,685	993,341,974
Transactions with owners of the company								
Share issues	67,564,700					67,564,700	-	67,564,700
Dividend payment for 2016/17					(236,496,726)	(236,496,726)	(48,987,126)	(285,483,852)
Balance as at 30th September 2017	798,504,357	-	1,257,725	330,580,311	5,302,246,457	6,432,588,850	5,933,324,822	12,365,913,672

Figures in brackets indicate deductions.

SUNSHINE HOLDINGS PLC

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2017

STATEMENT OF CHANGES IN EQUITY - COMPANY	Stated	Fair value	Capital ac-	General	Retained	Total
In Rupees	capital	gain or loss	cretion	reserve	earnings	
		reserve on	reserve			
		AFS				
Balance as at 01st April 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 six months					122,831,345	122,831,345
Total other comprehensive income for the six months					-	-
Total comprehensive income for the six months		-			122,831,345	122,831,345
Capital accretion reserve transfer to general reserve						
Transactions with owners of the company						
Dividend payment for 2015/16					(141,898,035)	(141,898,035)
Balance as at 30th September 2016	730,939,657	320,897,747	399,837	857,888	1,786,792,851	2,839,887,980
Total comprehensive income for the balance period						
Profit for the six months					67,626,794	67,626,794
Total other comprehensive income for the six months		6,983,422			(14,601)	6,968,821
Total comprehensive income for the six months		6,983,422			67,612,193	74,595,615
Capital accretion reserve transfer to general reserve			(399,837)	399,837		-
Transactions with owners of the company						
Dividend payments for 2015/16	-	-	-	-	-	-
Total	-	-	-	-	-	-
Balance as at 31st March 2017	730,939,657	327,881,169	-	1,257,725	1,854,405,044	2,914,483,595
Total comprehensive income for the period						
Profit for the six months					12,887,882	12,887,882
Total other comprehensive income for the six months					-	-
Total comprehensive income for the six months					12,887,882	12,887,882
Transactions with owners of the company						
Share issue	67,564,700					67,564,700
Dividend payments - 2016/17					(236,496,726)	(236,496,726)
Balance as at 30th September 2017	798,504,357	327,881,169	-	1,257,725	1,630,796,200	2,758,439,451

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS - GROUP

	Period ended 30th September 2017 Rs	Period ended 30th September 2016 Rs	Audited Year ended 31st March 2017 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax (Note 01)	1,072,221,375	1,161,296,548	2,051,546,620
Adjustments for;			
Interest income	(101,842,971)	(87,111,135)	(195,050,401)
Dividend income	-	(4,165,000)	-
Write-off of property, plant and equipment	-	661,816	-
Profit/(loss) of equity investee	-	(663,566)	-
Profit on sale of property, plant & equipment	(18,534,864)	5,205,418	(19,842,013)
Gain/(loss) on fair value of biological assets	(8,237,000)	-	(6,161,000)
Interest expense	134,004,541	103,249,994	241,141,996
Depreciation & amortization	303,502,347	257,111,420	554,411,291
(Profit)/ loss on disposal of investments	-	-	1,085,114
Biological assets-growing crops on bearer plants	(11,464,623)	-	(35,757,000)
Fair value (gain) or loss on quoted shares	4,744,182	(1,255,753)	9,113,674
Provision / (reversal) for bad and doubtful debts	31,114,525	-	1,271,972
Provision for inventories	2,933,530	-	-
Fair value gain on investment properties	(127,092,307)	-	-
Loss on assets realisation of discontinued operation	70,773,192	-	-
Amortization of deferred income & capital grants	(5,020,522)	(6,312,522)	(10,041,000)
Amortization of leasehold rights	3,278,998	3,517,356	7,035,000
Profit on sale of consumable biological assets	(23,607,000)	-	(20,320,000)
Movement in livestock	-	-	2,591,000
Provision gratuity excluding actuarial gain/(loss)	118,508,574	98,245,451	206,880,210
Operating profit before working capital changes	1,445,281,977	1,529,780,027	2,787,905,463
(Increase)/decrease in inventories	(409,078,441)	9,247,805	(249,128,686)
(Increase)/Decrease in trade and other receivables	(166,187,098)	(501,214,667)	(684,549,078)
(Increase)/decrease in amounts due from related parties	28,702,334	(4,921,229)	495,733
Increase/(Decrease) in trade and other payables	364,446,385	217,182,146	(64,263,042)
Increase/(decrease) in amounts due to related parties	1,928,241	(336,841)	(1,377,033)
Cash generated from/ (used in) operations	1,264,493,398	1,249,737,241	1,789,083,357
Interest paid	(134,004,541)	(103,249,994)	(241,141,996)
Income tax paid	(335,453,925)	(138,884,737)	(280,902,593)
Gratuity paid	(95,699,771)	(67,159,149)	(149,790,009)
Net cash / (used in) operating activities	699,335,161	940,443,361	1,117,248,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	101,842,971	87,111,135	195,050,401
Dividend income	-	4,165,000	-
(Investments)/ disposal in other investments	10,693,153	95,870,621	658,001,450
(Investments)/ disposal in short term investments	-	124,795,000	-
Investments in gratuity fund	(15,726,580)	(13,780,064)	(23,950,000)
Immature plantations expenditure	(167,366,339)	(161,550,186)	(350,708,000)
Investment in live stock	(104,485,926)	-	-
Acquisition of property, plant & equipment	(747,110,034)	(459,953,515)	(1,199,366,160)
Acquisition of intangible assets	(15,416,156)	(40,958,532)	(109,537,315)
Proceeds from disposal of investments	-	-	-
Proceeds from disposal of property, plant & equipment	74,721,469	1,504,087	69,688,898
Net Cash used in investing activities	(862,847,442)	(362,796,454)	(760,820,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issued by subsidiary to NCI	-	292,000,000	348,789,860
Receipts of interest bearing borrowings	703,622,129	315,593,464	474,783,208
Repayment of interest bearing borrowings	(173,445,521)	(369,544,727)	(620,577,585)
Lease rentals paid	(5,838,781)	(2,077,691)	(12,382,244)
Dividend paid	(168,932,026)	(141,898,035)	(141,898,035)
Payment to non controlling interest shareholders	(48,987,126)	(43,224,226)	(282,481,955)
Net cash from / (used in) financing activities	306,418,675	50,848,785	(233,766,751)
Net increase/(decrease) in cash and cash equivalents	142,906,394	628,495,692	122,661,282
Cash and cash equivalents at the beginning of the period	1,164,580,083	1,041,918,801	1,041,918,801
Cash and cash equivalents at the end of the period	1,307,486,477	1,670,414,493	1,164,580,083
Cash and cash equivalents			
Cash in hand & bank	2,045,395,412	1,880,560,592	1,876,004,662
Bank overdraft	(737,908,935)	(210,146,099)	(711,424,579)
	1,307,486,477	1,670,414,493	1,164,580,083
Note 01			
Profit before income tax			
Profit before tax - continuing operations	1,267,325,313	1,146,726,530	2,051,546,620
Profit before tax - discontinued operations	(195,103,938)	14,570,018	-
	1,072,221,375	1,161,296,548	2,051,546,620

Figures in brackets indicate deductions.

STATEMENT OF CASH FLOWS - COMPANY

	Period ended 30th September 2017	Period ended 30th September 2016	Audited Year ended 31st March 2017
	Rs	Rs	Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	12,887,882	123,811,237	190,800,831
Adjustments for;			
Interest income	(40,460,476)	(41,364,068)	(85,731,746)
Interest expense	412,635	316,518	2,335,771
Fair value (gain) or loss on quoted shares	4,744,182	(1,255,753)	9,113,674
Depreciation	1,651,018	1,411,866	2,938,950
Profit on sale of property, plant & equipment	-	-	-
(Profit)/ loss on disposal of investments	-	10	920,612
Impairment of investment	67,972,645	-	21,842,817
Provision for gratuity	5,487,555	3,600,000	8,668,251
Operating profit before working capital changes	52,695,441	86,519,810	150,889,160
(Increase)/decrease in trade and other receivables	(43,543,863)	(39,883,540)	(6,987,089)
(Increase)/decrease in amounts due from related parties	(30,776,297)	(45,277,332)	16,408,410
Increase/(decrease) in trade and other payables	36,334,282	(368,940)	4,082,397
Increase/(decrease) in amounts due to related parties	-	(1,360,403)	(1,360,403)
Cash generated from/ (used in) operations	14,709,563	(370,405)	163,032,475
Interest paid	(412,635)	(316,518)	(2,335,771)
Income tax paid	-	-	(938,743)
Employee benefits paid	(170,850)	-	-
Net cash / (used in) operating activities	14,126,078	(686,923)	159,757,961
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	40,460,476	41,364,068	85,731,746
Investments in subsidiaries	-	(199,999,900)	(357,219,280)
(Investments)/ disposal in other investments	10,693,153	95,870,621	93,404,450
Acquisition of intangible assets	-	(90,000)	-
Proceed from disposal of property, plant & equipment	-	-	(90,000)
Acquisition of property, plant & equipment	(1,494,212)	(1,174,776)	(2,014,095)
Net cash used in investing activities	49,659,417	(64,029,987)	(180,187,179)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	(168,932,026)	(141,898,035)	(141,898,035)
Net cash from / (used in) financing activities	(168,932,026)	(141,898,035)	(141,898,035)
Net increase/(decrease) in cash and cash equivalents	(105,146,531)	(206,614,945)	(162,327,253)
Cash and cash equivalents at the beginning of the period	731,712,191	894,039,444	894,039,444
Cash and cash equivalents at the end of the period	626,565,660	687,424,499	731,712,191
Cash and cash equivalents			
Cash in hand & bank	626,565,660	687,424,499	731,712,191
Bank overdraft	-	-	-
	626,565,660	687,424,499	731,712,191

Figures in brackets indicate deductions.

SUNSHINE HOLDINGS PLC

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER

	Investment		Healthcare		Agri		Consumer Goods		Energy		Management Services		Others		Intragroup		Group	
	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016	Rs. 2017	Rs. 2016
REVENUE	141,027,762	257,305,117	3,960,074,445	4,039,774,289	3,766,411,864	3,307,435,340	2,410,491,619	1,896,557,863	104,072,424	44,656,615	-	-	-	-	(54,000,000)	(62,920,800)	10,328,078,114	9,484,808,424
RESULT																		
Profit from operating activities	(27,159,959)	82,763,687	245,233,571	283,912,669	742,840,857	663,933,039	147,148,084	180,403,156	45,047,793	7,638,108	135,035,267	185,715,054	127,092,307	-	(123,009,121)	(250,916,073)	1,292,228,799	1,153,449,640
Net finance cost	40,047,841	41,047,550	(10,695,919)	(11,077,463)	(8,397,662)	(34,081,239)	(21,477,213)	9,435,521	(30,307,250)	(6,873,285)	5,916,717	(2,385,254)	-	(3,452,516)	-	-	(24,903,486)	(7,386,696)
Share of equity investee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	663,576	-	663,576
Income tax expense	-	(979,892)	(79,095,337)	(83,378,575)	8,995,000	(82,000,000)	(25,178,724)	(26,267,373)	(22,373)	-	(1,898,062)	(1,396,555)	-	-	(20,846,916)	(27,724,943)	(118,106,312)	(221,747,338)
Profit for the year	12,887,882	122,831,345	155,452,315	189,456,631	743,378,195	547,851,800	100,492,147	163,571,304	14,718,170	764,823	139,053,922	181,933,245	127,092,307	(3,452,516)	(143,855,937)	(277,977,440)	1,149,219,001	924,979,192
Discontinued operation	-	-	-	-	-	-	-	-	(195,103,938)	10,433,135	-	-	-	-	-	-	(195,103,938)	10,433,135
Other comprehensive income	-	-	6,875,218	-	32,275,268	-	-	-	76,425	-	-	-	-	-	-	-	39,226,911	-
Total comprehensive income	12,887,882	122,831,345	162,327,533	189,456,631	775,653,463	547,851,800	100,492,147	163,571,304	14,794,595	764,823	139,053,922	181,933,245	(68,011,631)	6,980,619	(143,855,937)	(277,977,440)	993,341,974	935,412,327

OTHER INFORMATION

Segment assets	2,867,789,273	2,899,628,571	4,275,698,231	4,146,242,668	10,062,514,558	8,517,905,605	1,734,407,469	1,179,639,475	1,489,290,515	1,260,206,111	2,123,962,226	2,055,634,195	497,098,554	594,055,146	(3,668,715,288)	(3,431,102,167)	19,382,045,538	17,222,209,604
Equity & reserves	2,758,439,451	2,639,887,981	2,367,769,615	2,220,788,849	6,624,621,454	5,442,401,796	931,826,509	915,280,007	595,459,937	462,722,552	2,070,285,090	1,955,153,080	266,645,624	337,803,627	(3,249,134,008)	(3,181,602,012)	12,365,913,672	10,992,436,880
Total liabilities	109,349,822	59,740,590	1,907,928,616	1,925,452,819	3,437,893,104	3,075,503,809	802,590,960	264,359,468	893,830,578	797,463,559	53,677,136	100,481,115	230,452,930	256,251,519	(419,581,280)	(249,500,155)	7,016,131,866	6,229,772,724
Depreciation	1,851,018	1,411,866	98,167,501	46,428,182	172,612,120	153,377,057	30,270,043	32,410,593	33,077,273	15,616,543	-	-	8,075,352	8,218,139	(350,960)	(350,960)	303,502,347	257,111,420
Capital expenditure	1,494,212	1,264,776	41,139,485	102,438,558	930,593,707	402,759,424	8,421,543	22,828,558	52,730,508	129,970,328	-	-	-	3,201,589	-	-	1,034,378,455	662,462,233

Figures in brackets indicate deductions.

SUNSHINE HOLDINGS PLC

DISCONTINUED OPERATION

	Period ended 30th September 2017 Rs.	Period ended 30th September 2016 Rs.
Revenue	45,126,325	192,225,255
Cost of sales	(109,770,762)	(150,946,721)
Gross profit	(64,644,437)	41,278,534
Other income	(89,098,250)	3,902,841
Administration expenses	(32,421,554)	(17,688,112)
Selling & distribution expenses	(1,681,613)	(4,171,072)
Results from operating activities	(187,845,854)	23,322,191
Finance income	4,351	1,431,806
Finance cost	(7,262,435)	(10,183,979)
Net finance cost	(7,258,084)	(8,752,173)
Profit before tax	(195,103,938)	14,570,018
Income tax expense	-	(4,136,883)
Profit for the period	(195,103,938)	10,433,135

"Subsequent to the CSE announcements on 16th June 2017 and 30th August 2017, the board of directors of Sunshine Packaging Lanka Limited, fully owned subsidiary of Sunshine Holdings PLC, decided to discontinue the manufacturing operations with effect from 31st August 2017, and to classify its land and buildings as an investment property and stated at fair value."

NOTES TO THE ACCOUNTS

1 Corporate information

Sunshine Holdings PLC (the "Company") is a Company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on Colombo Stock Exchange of Sri Lanka. The address of the Company's registered office is no. 60, Dharmapala Mawatha, Colombo 03.

The Group is primarily involved in the importing and selling of pharmaceuticals, managing portfolio of investments, cultivation and marketing of tea, rubber, palm oil and related products, manufacturing and selling of food and tea cans and generation of power.

2 Interim consolidated financial statements

The Interim Financial Statements for the six months ended 30th September 2017, 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 six months ended 30th September 2017, were authorised for issue by the Board of Directors on 07th November 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 2016/17. 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 into consideration that substantive rights that give the ability to direct the activities of the subsidiaries.

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

5.2 Property, Plant & equipments**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 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."

5.4 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.

5.5 Other long term investments

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

5.6 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.

NOTES TO THE ACCOUNTS

5.7 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 raise 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 recognised 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 has arisen since the reporting date which would require adjustment to or disclosure in the financial statements.

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

No. of shares as at	30th September 2017	31st March 2017	30th September 2016
Ordinary shares	136,492,280	135,140,986	135,140,986

9 Dividend

	Year ended 31st March		
	2017	2016	2015
Dividend paid (Rs)	168,926,233	141,898,035	128,383,937
No of ordinary shares	135,140,986	135,140,986	135,140,986
Dividend per share (cash)	1.25	1.05	0.95
Dividend per share (scrip)	0.50	-	-

10 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 2017.

11 Assets and liabilities vested with Hatton Plantations Ltd

The board of directors of Watawala Plantations PLC resolved at its meeting held on 29 June 2017 that the Up country tea business segment to be vested by operation of law in terms of the "Arrangement" permitted under Section 256 of the Companies Act No 7 of 2007 and a disclosure was made to the Colombo Stock Exchange on 30th June 2017. Consequently the proposed "Arrangement" was supported in the High Court of the Western Province(Exercising Civil Jurisdiction) held in Colombo on 20th July 2017 in Case No HC(CIVIL)/28/2017 CO and the Honourable judge being satisfied on the material placed before the Court, made orders to the following effect;

- The Company was directed to publish the notice giving due notification of the proposed Arrangement;
- A Company under the name of 'Hatton Plantations Limited' be incorporated;
- The Company convene an Extra Ordinary General Meeting of its shareholders in terms of Sec.256(2) (b) of the Companies Act to approve the proposed Arrangement.

Accordingly, an Extra Ordinary General Meeting was held on 21st August 2017 and all other necessary requirements were satisfied.

The aforesaid Case in relation to the proposed Arrangement was heard in the High Court of the Western Province (Exercising Civil Jurisdiction) held on 26th September 2017 and the Honourable Judge of the High Court made order interms of paragraphs (d),(e),(f),(g),(h),(i) and (j) of the prayer to the Petition that the operational assets and liabilities of the upcountry tea business segment of Watawala Plantations PLC shall be vested by operation of law in Hatton Plantations Ltd as at 30th September 2017.

Based on legal, accounting and tax advice obtained from independent consultants ,by the Watawala Plantations PLC, the financial statements of Watawala Plantations PLC and Hatton Plantations Ltd were prepared as at the arrangement date 30th September 2017 to reflect the financial results and financial position consequent to the arrangement. Further it was established that Watawala Plantations PLC and Hatton Plantations Limited are both subsidiaries of Sunshine Holdings PLC subsequent to the "Arrangement as at 30th September 2017

12 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.

NOTES TO THE ACCOUNTS

SHAREHOLDER INFORMATION

Market price per share	Six months ended	Six months ended	Audited
	30th September 2017	30th September 2016	Year ended 31st March 2017
	Rs.	Rs.	Rs.
Highest price	63.50	58.80	58.80
Lowest price	54.00	50.00	45.00
Last traded price	56.50	53.50	46.10

TWENTY (20) LARGEST SHAREHOLDERS AS AT

Name	30th September 2017		31st March 2017	
	No of Shares Held	%	No of Shares Held	%
Lamurep Investments Limited	67,343,470	49.34%	43,408,220	32.12%
Deepcar Limited	25,856,000	18.94%	25,600,000	18.94%
SBI Ven Holdings Pte Limited	14,998,500	10.99%	14,850,000	10.99%
Sampath Bank/Dr. T. Senthilvel	13,160,596	9.64%	15,501,605	11.47%
Ceylon Property Development Limited	3,030,000	2.22%	3,000,000	2.22%
J.B. Cocoshell (Pvt) Limited	2,312,663	1.69%	250,000	0.18%
GF Capital Global Limited	1,677,155	1.23%	1,561,540	1.16%
Hatton National Bank PLC A/C No 05	676,357	0.50%	669,661	0.50%
Nuwara Eliya Property Developers (pvt) Ltd	581,013	0.43%	575,261	0.43%
Deutsche Bank AG as Trustee to Candor Opportunitie	555,500	0.41%	550,000	0.41%
Mr.V.Govindasamy	447,763	0.33%	443,330	0.33%
Pershing LLC S/A Aerbach Grauson & Co	325,508	0.24%	322,286	0.24%
Cocoshell Activated Carbon Company Limited	288,555	0.21%	-	0.00%
Deutsche Bank AG Singapore Branch	280,000	0.21%	-	0.00%
Mr. R. Maheswaran	252,500	0.18%	250,000	0.18%
Miss A. Radhakrishnan	252,500	0.18%	250,000	0.18%
Miss M.P. Radhakrnan	252,500	0.18%	250,000	0.18%
Seylan Bank Ltd/ Govindasamy Ramanan	231,912	0.17%	-	0.00%
E.W. Balasuriya & Co. (Pvt) Limited	184,970	0.14%	183,139	0.14%
Mr. A.Tirathdas	150,500	0.11%	-	0.00%
Sub Total	132,857,962	97.34%	107,665,042	79.67%
Others	3,634,318	2.66%	27,475,944	20.33%
Total	136,492,280	100.00%	135,140,986	100.00%

PUBLIC SHARE HOLDING

	As at 30th September 2017	As at 31st March 2017
The percentage of shares held by the public	48.07%	7.01%
Number of shareholders representing public holding	1,568	1,376

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

	As at 30th September 2017	As at 31st March 2017
Mr.V.Govindasamy - Group Managing Director	447,763	443,330
Mr.G.Sathasivam	3,030	1,000
Mr.S.G.Sathasivam	1,010	1,000
Mr.B.A.Hulangamuwa	57,524	56,955
Mr.A.Talwatte	1,010	1,000

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. S.G. Sathasivam
Mr. Harsha Abeywickrama
Ms. R. Kobbekaduwa
Mr. A. Talwatte
Mr. Amal Cabraal

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 Limited

Credit Ratings

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