



SUNSHINE HOLDINGS PLC

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED
30 June 2022**

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder, The Group recorded a consolidated revenue of LKR 11.7 billion for the quarter ended 30th June 2022, up by LKR 4.4 billion (59.5% YoY). The Group revenue which predominantly includes revenue from Healthcare, Consumer goods and Agribusiness sectors, which contributed 49.8%, 33.2% and 15.8% respectively. In April 2022, Sunshine Tea (Pvt) Ltd which is a tea export business was acquired by the Group and its performance is consolidated under Consumer Goods sector w.e.f. 1st April 2022.

Healthcare sector recorded YoY growth of 45.9% against last year, whilst the Agri sector revenue was up by 31.9%. Consumer goods sector recorded a 109.0% increase in revenue compared to last year, driven by the acquisition of Sunshine Tea (Pvt) Ltd. Organic growth was 33.8%.

Gross profit margin for the quarter stood at 29.7%, which is a decrease of 392 basis points against the corresponding quarter last year. The gross profit improved by LKR 1.0 billion up 40.9% YoY compared to the previous year. The Group EBIT closed at LKR 1,995 million, an increase of 51.2% YoY. Group PAT amounted to LKR 1,599 million in 1QFY23 compared to LKR 1,040 million reported during same quarter last year. Profit attributable to equity shareholders (PATMI) closed at LKR 1,042 million for 1QFY23, an increase of 84.6% YoY.

Healthcare

Healthcare sector recorded a revenue of LKR 5.8 billion during 1QFY23, a significant increase of 45.9% YoY backed by the price increases to reflect the depreciation of the Rupee, despite volume contraction. EBIT for the sector was LKR 743 million. The Healthcare sector Profit After Tax (PAT) increased by 59.9% YoY to LKR 432 million.

Pharmaceuticals segment witnessed panic buying for chronic care products during 1QFY23 and the demand for wellness and covid related products was challenged.

Medical devices segment had revenue growth owing to price increases despite the pressure on volume due to lower occupancies at Hospitals and reduced demand for lab tests.

Healthguard retail segment was adversely affected by reduced footfall and gross margin due to consumer focus on essential medicines compared to wellness products. The business recorded a marginal growth in revenue as volumes contracted significantly.

Lina, the Pharma manufacturing business, experienced revenue degrowth mainly due to lower government sales and gross margins declined as a result of the change in product/customer mix coupled with the impact of exchange rate fluctuation.

Consumer Goods

Consumer Goods sector reported a 109.0% YoY increase in revenue to close at LKR 3.9 billion in 1QFY23. Excluding the new addition, revenue growth stood at 7.6%. Gross margins were impacted by the rising cost of raw materials. However, EBIT margin has improved by 404 bps YoY. The PAT of the sector increased by LKR 235 million (384.0% YoY) compared to the same period last year.

The local business faced challenges mainly due to disruption in distribution owing to social unrest and fuel shortages. Tea category experienced a volume contraction in 1QFY23 compared to 1QFY22. While the Confectionery category revenue grew significantly, supported by price increases. Our Consumer brands Zesta, Watawala, Ran Kahata and Daintee continued to maintain and grow market shares.

The export business contribution in terms of revenue and PAT for the quarter stood at LKR 1,885 million and LKR 224 million respectively.

Agribusiness

Agribusiness sector revenue increased by 31.9% YoY during 1QFY23 compared to the corresponding quarter last year. The EBIT decreased by 27 million (3.5% contraction YoY) owing to increased cost of bought crop and reduction in crop volumes YoY. Reduction in crop is due to the unavailability of fertilizer for the last two years.

PAT of the Agri sector closed at LKR 734 million for 1QFY23, up by LKR 10 million compared to the same quarter last year, while Dairy business recorded a net loss of LKR 40 million in 1QFY23 compared to a net profit of 18 million during the same quarter last year. Net loss is dairy is mainly stemming from increased feed cost, despite increase in farm gate price.

Outlook

As a Group, we have been facing a multitude of challenges in some of our core sectors and will continue to do so in the short to medium term due to the negative economic impact caused by the political instability and prevalent adverse macroeconomic fundamentals.

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

August 05, 2022

Colombo

CONDENSED STATEMENT OF COMPREHENSIVE INCOME - GROUP

| | Unaudited | | | Audited |
|--|------------------------------------|------------------------------------|--------------|----------------------------------|
| | Quarter ended 30th June 2022 | Quarter ended 30th June 2021 | Change | Year ended 31st March 2022 |
| | LKR | LKR | % | LKR |
| Continuing operations | | | | |
| Revenue | 11,718,663,224 | 7,347,580,018 | 59 | 32,166,208,979 |
| Cost of sales | (8,238,141,252) | (4,877,291,864) | 69 | (21,927,172,553) |
| Gross profit | 3,480,521,972 | 2,470,288,154 | 41 | 10,239,036,426 |
| Other income | 77,721,788 | 68,858,386 | 13 | 563,541,787 |
| Selling & distribution expenses | (835,894,718) | (597,988,052) | 40 | (2,327,421,928) |
| Administration expenses | (727,286,142) | (621,555,305) | 17 | (2,766,082,470) |
| (Loss)/Gain on disposal of subsidiaries/Associates | - | - | - | (2,705,775) |
| Results from operating activities | 1,995,062,900 | 1,319,603,183 | 51 | 5,706,368,040 |
| Finance income | 289,588,015 | 29,579,854 | 879 | 366,448,549 |
| Finance cost | (276,926,055) | (70,204,101) | 294 | (375,706,666) |
| Net finance cost | 12,661,960 | (40,624,247) | (131) | (9,258,117) |
| Share of profit/ (loss) of equity accounted investees | - | (54,022) | (100) | (436,572) |
| Impairment of Goodwill | - | - | - | (50,000,000) |
| Profit before tax | 2,007,724,860 | 1,278,924,914 | 57 | 5,646,673,351 |
| Income tax expense | (408,382,701) | (238,500,097) | 71 | (650,001,269) |
| Profit for the period | 1,599,342,159 | 1,040,424,817 | 54 | 4,996,672,082 |
| Other comprehensive income | | | | |
| Equity investments at FVOCI – net change in fair value | - | - | - | (65,125,525) |
| Exchange gain/(Loss) on foreign operation translation | 4,244,332 | 418,007 | 915 | 9,505,900 |
| Remeasurement of retirement benefit liability | - | - | - | 132,572,210 |
| Tax on other comprehensive income | - | - | - | (6,574,130) |
| Total other comprehensive income for the period | 4,244,332 | 418,007 | 915 | 70,378,455 |
| Total comprehensive income for the period | 1,603,586,491 | 1,040,842,824 | 54 | 5,067,050,537 |
| Profit attributable to: | | | | |
| Owners of the parent company | 1,041,503,969 | 564,346,528 | 85 | 2,720,742,972 |
| Non-controlling interest | 557,838,190 | 476,078,289 | 17 | 2,275,929,110 |
| Other comprehensive income attributable to: | | | | |
| Owners of the parent company | 4,244,332 | 418,007 | 915 | 31,420,887 |
| Non-controlling interest | - | - | - | 38,957,568 |
| Total comprehensive income for the period | 1,603,586,491 | 1,040,842,824 | 54 | 5,067,050,537 |
| Basic earnings per share | 2.12 | 1.15 | | 5.53 |

Figures in brackets indicate deductions.

The above figures are not audited

n/m- not meaningful

CONDENSED STATEMENT OF COMPREHENSIVE INCOME - COMPANY

| | Unaudited | | | Audited |
|--|---------------------------------|---------------------------------|-------------|----------------------------------|
| | Quarter ended 30th June 2022 | Quarter ended 30th June 2021 | Change % | Year ended 31st March 2022 |
| | LKR | LKR | | LKR |
| Revenue | 136,944,894 | 65,359,463 | 110 | 1,075,338,436 |
| Cost of sales | - | - | n/m | - |
| Gross profit | 136,944,894 | 65,359,463 | 110 | 1,075,338,436 |
| Other income | 108,840,581 | 87,166,505 | 25 | 400,666,055 |
| Administration expenses | (126,065,244) | (96,619,830) | 30 | (588,900,644) |
| Impairment of investment in equity-accounted investee | - | - | - | (436,572) |
| Gain on disposal of subsidiaries | - | - | - | 59,173,066 |
| Results from operating activities | 119,720,231 | 55,906,138 | 114 | 945,840,341 |
| Finance income | 27,283,423 | 11,708,099 | 133 | 96,334,771 |
| Finance cost | (11,339,360) | (3,366,605) | 237 | (3,890,181) |
| Net finance cost | 15,944,063 | 8,341,494 | 91 | 92,444,590 |
| Profit before tax | 135,664,294 | 64,247,632 | 111 | 1,038,284,931 |
| Income tax expense | 1,567,817 | 1,040,114 | 51 | (15,452,669) |
| Profit for the period | 137,232,110 | 65,287,746 | 110 | 1,022,832,262 |
| Other comprehensive income | | | | |
| Equity investments at FVOCI – net change | - | - | - | (65,125,525) |
| Defined benefit plan actuarial gain/(loss) | - | - | - | 13,070,842 |
| Income tax on other comprehensive income | - | - | - | 12,412,284 |
| Total other comprehensive income for the period | - | - | - | (39,642,399) |
| Total comprehensive income for the period | 137,232,110 | 65,287,746 | 110 | 983,189,863 |
| Basic earnings per share from continuing operations | 0.28 | 0.13 | | 2.08 |

Figures in brackets indicate deductions.

The above figures are not audited

n/m- not meaningful

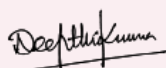
STATEMENT OF FINANCIAL POSITION - GROUP

| | Unaudited As at 30th June 2022 LKR | Adjusted As at 31st March 2022 LKR |
|--|---|---|
| ASSETS | | |
| Non current assets | | |
| Property, plant and equipment | 6,361,828,005 | 4,787,019,935 |
| Intangible assets | 376,575,922 | 385,928,439 |
| Leasehold right to bare land | 253,135,000 | 235,995,000 |
| Biological assets | 3,685,953,000 | 3,675,946,000 |
| Investment property | 1,031,009,015 | 1,030,093,525 |
| Other investments | 747,787,763 | 741,513,041 |
| Deferred tax assets | 61,150,320 | 59,582,503 |
| Goodwill on Acquisition | 1,830,072,041 | 1,526,648,376 |
| Total non-current assets | 14,347,511,067 | 12,442,726,819 |
| Current assets | | |
| Biological assets-growing crops on bearer plants | 71,671,000 | 71,671,000 |
| Inventories | 10,594,721,507 | 6,483,619,355 |
| Other investments | 137,345,000 | 717,726,603 |
| Current tax assets | 70,002,684 | 56,763,982 |
| Trade & other receivables | 8,579,068,337 | 6,105,636,443 |
| Amounts due from related parties | 113,151,391 | 10,655,319 |
| Cash & cash equivalent | 2,738,186,603 | 3,264,723,523 |
| Total current assets | 22,304,146,522 | 16,710,796,225 |
| Total assets | 36,651,657,588 | 29,153,523,044 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Stated capital | 4,240,394,447 | 1,641,715,247 |
| Reserves | 287,600,577 | 274,560,725 |
| Retained earnings | 10,894,718,749 | 10,741,353,809 |
| Equity attributable to owners of the company | 15,422,713,773 | 12,657,629,781 |
| Non-controlling interests | 3,623,779,899 | 5,450,236,264 |
| Total equity | 19,046,493,672 | 18,107,866,045 |
| Non-current liabilities | | |
| Loans and borrowings | 2,310,004,540 | 1,663,343,846 |
| Employee benefits | 664,967,998 | 615,771,635 |
| Deferred income and capital grants | 40,853,000 | 41,442,000 |
| Deferred tax | 547,255,906 | 501,523,157 |
| Total non-current liabilities | 3,563,081,445 | 2,826,317,338 |
| Current liabilities | | |
| Trade and other payables | 9,512,215,021 | 5,633,690,534 |
| Amounts due to related parties | - | 57,537,862 |
| Current tax liabilities | 548,536,562 | 615,764,549 |
| Loans and borrowings | 2,068,540,219 | 994,833,215 |
| Bank overdraft | 1,912,790,671 | 917,513,501 |
| Total current liabilities | 14,042,082,472 | 8,219,339,661 |
| Total equity and liabilities | 36,651,657,588 | 29,153,523,044 |
| Net asset value per share (Rs.) | 31.35 | 25.73 |

Figures in brackets indicate deductions.

The above figures are not audited

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



Group Chief Financial Officer

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

Approved and signed for and on behalf of the Board,



Chairman
August 05, 2022
Colombo



Group Managing Director

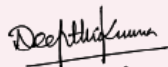
STATEMENT OF FINANCIAL POSITION - COMPANY

| | Unaudited | Adjusted |
|--|----------------------|----------------------|
| | As at | As at |
| | 30th June 2022 | 31st March 2022 |
| | LKR | LKR |
| ASSETS | | |
| Non-current assets | | |
| Property, Plant and Equipment | 43,356,309 | 13,663,640 |
| Intangible assets | 23,710,959 | 25,028,235 |
| Investment in subsidiaries | 7,248,733,185 | 3,210,053,985 |
| Other investments | 673,434,763 | 669,200,042 |
| Deferred tax assets | 61,074,488 | 59,506,672 |
| Total non-current assets | 8,050,309,705 | 3,977,452,574 |
| Current assets | | |
| Inventories | 1,505,000 | - |
| Current tax assets | 14,318,672 | 14,318,672 |
| Trade & other receivables | 194,398,890 | 136,729,581 |
| Amounts due from related parties | 256,596,816 | 242,331,063 |
| Other Short Term Investments | - | 202,812,603 |
| Cash & cash equivalent | 204,850,266 | 1,208,295,019 |
| Total current assets | 671,669,644 | 1,804,486,938 |
| Total assets | 8,721,979,349 | 5,781,939,512 |
| EQUITY AND LIABILITIES | | |
| Stated capital | 4,240,394,447 | 1,641,715,247 |
| Reserves | 266,257,122 | 266,257,121 |
| Retained earnings | 3,555,183,926 | 3,663,938,630 |
| Equity attributable to owners of the company | 8,061,835,495 | 5,571,910,998 |
| Non-controlling interests | - | - |
| Total equity | 8,061,835,495 | 5,571,910,998 |
| Non-current liabilities | | |
| Loans and borrowings | 15,448,849 | - |
| Employee benefits | 116,435,768 | 113,135,768 |
| Total non-current liabilities | 131,884,618 | 113,135,768 |
| Current liabilities | | |
| Trade and other payables | 362,701,490 | 38,787,178 |
| Amounts due to related parties | 11,382 | 8,398 |
| Current tax liabilities | 8,812,370 | 58,097,170 |
| Loans and borrowings | 156,305,999 | - |
| Bank overdraft | 427,996 | - |
| Total current liabilities | 528,259,237 | 96,892,746 |
| Total equity and liabilities | 8,721,979,349 | 5,781,939,512 |
| Net asset value per share (Rs.) | 16.39 | 11.33 |

Figures in brackets indicate deductions.

The above figures are not audited

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



Group Chief Financial Officer

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

Approved and signed for and on behalf of the Board,



Chairman
August 05, 2022
Colombo



Group Managing Director

CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

FOR THE QUARTER ENDED 30TH JUNE 2022

| | Attributable to owners of the company | | | | | | | Non-controlling interest | Total equity |
|---|---------------------------------------|----------------------------------|------------------|---------------------------------------|-----------------------|-----------------------|------------------------|--------------------------|--------------|
| | Stated capital | Reserve on exchange gain or loss | General reserve | Fair value gain / loss reserve on AFS | Retained earnings | Total | | | |
| In LKR | | | | | | | | | |
| Balance as at 31st March 2021 | 1,641,715,247 | 4,224,153 | 1,257,725 | 334,204,372 | 8,551,561,683 | 10,532,963,180 | 4,808,856,243 | 15,341,819,423 | |
| Adjustment for Surcharge tax | - | - | - | - | (320,064,608) | (320,064,608) | - | (320,064,608) | |
| Adjusted Balance as at 01st April 2021 | 1,641,715,247 | 4,224,153 | 1,257,725 | 334,204,372 | 8,231,497,075 | 10,212,898,572 | 4,808,856,243 | 15,021,754,815 | |
| Profit from continuing operations for the three months | | | | | 564,346,527 | 564,346,527 | 476,078,289 | 1,040,424,816 | |
| Total other comprehensive income for the three months | | | | | 418,007 | 418,007 | - | 418,007 | |
| Total comprehensive income for the three months | | | | | 564,764,534 | 564,764,534 | 476,078,289 | 1,040,842,823 | |
| Impact on loss of effective shareholding of 4.12% in Watawala Dairy Ltd | - | - | - | - | 267,098,595 | 267,098,595 | 88,841,405 | 355,940,000 | |
| Dividend paid to owners for 2020/21 | | | | | (224,331,155) | (224,331,155) | (157,117,657) | (381,448,812) | |
| | | | | | 42,767,440 | 42,767,440 | (68,276,252) | (25,508,812) | |
| Balance as at 30th June 2021 | 1,641,715,247 | 4,224,153 | 1,257,725 | 334,204,372 | 8,839,029,049 | 10,820,430,546 | 5,216,658,280 | 16,037,088,826 | |
| Total Comprehensive Income | | | | | | | | | |
| Profit for the nine months | | | | | 2,156,396,445 | 2,156,396,445 | 1,799,850,821 | 3,956,247,266 | |
| Total other comprehensive income for the nine months | | | | | (65,125,525) | 96,128,405 | 31,002,880 | 38,957,568 | |
| Total comprehensive income for nine months | | | | | (65,125,525) | 2,252,524,850 | 2,187,399,325 | 1,838,808,389 | |
| Disposal of NCI - Waltrim Energy Ltd | - | - | - | - | - | - | (345,322,392) | (345,322,392) | |
| Acquisition of 30% NCI in Sunshine Energy (Private) Limited | - | - | - | - | (125,868,935) | (125,868,935) | (274,131,065) | (400,000,000) | |
| Transactions with NCI | | | | | | | 10,000,000 | 10,000,000 | |
| Dividend paid to owners for 2020/21 | | | | | (224,331,155) | (224,331,155) | (995,776,948) | (1,220,108,103) | |
| | | | | | (350,200,090) | (350,200,090) | (1,605,230,405) | (1,955,430,495) | |
| Balance as at 31st March 2022 | 1,641,715,247 | 4,224,153 | 1,257,725 | 269,078,847 | 10,741,353,809 | 12,657,629,781 | 5,450,236,264 | 18,107,866,045 | |
| Total Comprehensive Income | | | | | | | | | |
| Profit for three months | - | - | - | - | 1,041,503,969 | 1,041,503,969 | 557,838,190 | 1,599,342,159 | |
| Total other comprehensive income for three months | - | - | - | - | 4,244,332 | 4,244,332 | - | 4,244,332 | |
| Total comprehensive income for three months | - | - | - | - | 1,045,748,301 | 1,045,748,301 | 557,838,190 | 1,603,586,491 | |
| Acquisition of 28% in Sunshine Healthcare Lanka Limited | - | - | - | - | (633,356,694) | (633,356,694) | (1,965,322,506) | (2,598,679,200) | |
| Share Issue to Akbar Brothers (Private) Limited | 2,598,679,200 | - | - | - | - | 2,598,679,200 | - | 2,598,679,200 | |
| Dividend to owners for 2021/22 | - | - | - | - | (245,986,815) | (245,986,815) | (418,972,050) | (664,958,865) | |
| | 2,598,679,200 | - | - | - | (879,343,508) | 1,719,335,692 | (2,384,294,557) | (664,958,865) | |
| Balance as at 30th June 2022 | 4,240,394,447 | 4,224,153 | 1,257,725 | 269,078,847 | 10,907,758,602 | 15,422,713,774 | 3,623,779,898 | 19,046,493,672 | |

Figures in brackets indicate deductions.

The above figures are not audited

STATEMENT OF CHANGES IN EQUITY - COMPANY

FOR THE QUARTER ENDED 30TH JUNE 2022

| In LKR | Stated capital | Fair value gain or loss reserve on AFS | General reserve | Retained earnings | Total |
|--|----------------------|--|------------------|----------------------|----------------------|
| Balance as at 31st March 2021 | 1,641,715,247 | 330,124,922 | 1,257,725 | 3,495,157,198 | 5,468,255,092 |
| Adjustment for Surcharge tax | | | | (30,871,646) | (30,871,646) |
| Adjusted Balance as at 01st April 2021 | 1,641,715,247 | 330,124,922 | 1,257,725 | 3,464,285,552 | 5,437,383,446 |
| Total comprehensive income for the period | | | | | |
| Profit for the three months | | | | 65,287,746 | 65,287,746 |
| Total other comprehensive income for the three months | | | | - | - |
| Total comprehensive income for the three months | | | | 65,287,746 | 65,287,746 |
| Dividend paid to owners - 2020/21 | | | | (224,331,155) | (224,331,155) |
| Balance as at 30th June 2021 | 1,641,715,247 | 330,124,922 | 1,257,725 | 3,305,242,143 | 5,278,340,037 |
| Total comprehensive income for the period | | | | | |
| Profit for the nine months | | | | 957,544,516 | 957,544,516 |
| Total other comprehensive income for the nine months | | (65,125,525) | | 25,483,126 | (39,642,399) |
| Total comprehensive income for the nine months | | (65,125,525) | | 983,027,642 | 917,902,117 |
| Transaction with NCI (SEL) | | | | (400,000,000) | (400,000,000) |
| Dividend paid to owners - 2020/21 | | | | (224,331,155) | (224,331,155) |
| Balance as at 31st March 2022 | 1,641,715,247 | 264,999,397 | 1,257,725 | 3,663,938,630 | 5,571,910,999 |
| Total comprehensive income for the period | | | | | |
| Profit for the three months | - | - | - | 137,232,110 | 137,232,110 |
| Total other comprehensive income for the three months | - | - | - | - | - |
| Total comprehensive income for the three months | - | - | - | 137,232,110 | 137,232,110 |
| Issue of shares to Akbar Brothers (Private) Limited | 2,598,679,200 | | | | 2,598,679,200 |
| Dividend to owners - 2021/22 | - | - | - | (245,986,815) | (245,986,815) |
| Balance as at 30th June 2022 | 4,240,394,447 | 264,999,397 | 1,257,725 | 3,555,183,926 | 8,061,835,495 |

Figures in brackets indicate deductions.

The above figures are not audited

STATEMENT OF CASH FLOWS - GROUP

| | Unaudited Quarter ended 30th June 2022 LKR | Unaudited Quarter ended 30th June 2021 LKR | Audited Year ended 31st March 2022 LKR |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | 2,007,724,860 | 1,278,924,914 | 5,646,673,351 |
| Adjustments for; | | | |
| Interest Income | (54,216,114) | (29,579,854) | (366,448,548) |
| Profit on Disposal of Property, Plant & Equipment | (3,680,000) | - | (51,766,277) |
| Loss/(gain) on disposal of associates | - | - | (44,565) |
| Impairment of investment in associates | - | - | 436,572 |
| Biological assets-growing crops on bearer plants | - | - | (18,983,000) |
| Impairment of GW | - | - | 50,000,000 |
| Impairment losses and write downs on Biological assets | - | 39,303,000 | - |
| Fair value changes in Defferred consideration | - | - | (7,688,504) |
| Fair value changes in livestock | - | (30,073,000) | 6,013,000 |
| Interest Expense | (209,384,403) | 70,204,101 | 375,706,666 |
| Depreciation of Property, Plant and Equipment | 188,148,907 | 140,208,372 | 644,735,023 |
| Amortization of Intangible Assets | 20,753,214 | 18,570,867 | 52,863,375 |
| Depreciation of mature planations | 47,768,000 | - | 180,851,000 |
| Provision/(Reversal) for Bad and Doubtful Debts | 143,707,680 | - | 90,581,040 |
| Provision/ (Reversal) of impairment of inventories | 58,717,157 | - | 21,616,406 |
| Profit/(loss) of equity investee | - | 54,023 | - |
| Amortisation of Defferred Income | (589,000) | (12,638,000) | (50,554,000) |
| Amortization of Lesehold land right | 3,035,000 | 3,931,000 | 11,298,000 |
| Fair value gain/loss on investments | 6,252,522 | (1,831,726) | 13,989,045 |
| Provision for Gratuity excluding acturial gain/loss | 24,484,680 | 25,351,700 | 108,571,309 |
| Rent Concession | - | - | (14,221,066) |
| Fair value gain/loss on Consumer Biological Assets | - | 1,200,000 | (1,328,000) |
| Loss/ (Gain) on disposal of Subsidiary | - | - | 2,750,340 |
| Fair value gain on investment property | - | - | (241,076,323) |
| Operating profit before working capital changes | 2,232,722,503 | 1,503,625,397 | 6,453,974,842 |
| (Increase)/decrease in inventories | (2,900,329,649) | 47,312,746 | (1,360,072,765) |
| (Increase)/decrease in trade and other receivables | (1,708,311,594) | (158,531,666) | (1,278,898,724) |
| (Increase)/decrease in amounts due from related parties | (69,962,359) | (4,023,430) | (10,180,318) |
| Increase/(decrease) in trade and other payables | 3,095,733,011 | 244,498,853 | 1,872,280,098 |
| Increase/(decrease) in amounts due to related parties | (65,727,797) | (5,750,251) | 94,380,919 |
| Cash generated from/ (used in) operations | 584,124,116 | 1,627,131,649 | 5,771,484,053 |
| Interest paid | (160,564,469) | (48,155,087) | (283,774,220) |
| Income tax paid | (444,683,590) | (155,555,985) | (870,194,920) |
| Gratuity paid | (17,272,113) | (14,124,987) | (74,001,816) |
| Net cash generated from / (used in) operating activities | (38,396,057) | 1,409,295,590 | 4,543,513,097 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest Received | 52,175,114 | 18,914,388 | 356,021,548 |
| (Investments)/ Disposal in Other Investments | (10,487,243) | 64,516,806 | (101,136,712) |
| (Investments)/ Disposal in Short term Investments | 580,381,603 | - | (397,365,156) |
| (Investments)/ Disposal in gratuity fund | 1,000 | (167,000,000) | 87,800,000 |
| Additions to Bearer plants | (34,321,000) | - | (169,818,000) |
| Acquisition of live stock | (34,543,000) | (14,386,000) | (225,695,000) |
| Acquisition of PPE | (504,626,672) | (153,051,083) | (918,782,371) |
| Acquisition of Intangible Assets | (1,759,092) | (15,582,541) | (189,734,470) |
| Disposal/ (Additions) to Consumable biological assets | - | (1,200,000) | - |
| Proceeds from Disposal of PPE | 6,130,005 | 5,910,309 | 66,368,185 |
| Proceeds from sales of livestock | 11,089,000 | 917,000 | 25,821,000 |
| Disposal of investment in associates | - | - | 900,000 |
| Acquisition of Noncontrolling interest in Subsidiaries | - | - | (400,000,000) |
| Acquisition of Subsidiaries (net of cash) | (1,563,683,780) | - | - |
| Disposal of Subsidiary (net of cash) | - | 876,256,138 | 645,479,827 |
| Defferred consideration paid | - | - | (70,337,910) |
| Net Proceeds from Disposal of Biological Assets | - | - | 402,000 |
| Acquisition of Investment property | (915,490) | - | (19,518,058) |
| Net cash generated from / (used in) Investing activities | (1,500,559,556) | 615,295,017 | (1,309,595,117) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts of Interest Bearing Borrowings | 3,176,639,317 | 615,173,449 | 4,731,267,603 |
| Proceeds from share Issued by subsidiaries to NCI | - | - | 355,940,000 |
| Advance received from NCI (APHL) | - | - | 10,000,000 |
| Repayments of Interest Bearing Borrowings | (2,534,350,491) | (1,760,224,388) | (6,025,277,528) |
| Payment to lease creditor | 35,567,229 | (35,748,488) | (65,024,043) |
| Dividend Paid | (664,958,865) | (381,448,812) | (1,601,556,914) |
| Net cash from / (used in) financing activities | 12,897,191 | (1,562,248,239) | (2,594,650,883) |
| Net increase/(decrease) in cash and cash equivalents | (1,526,058,422) | 462,342,368 | 639,267,097 |
| Cash and cash equivalents at the beginning of the period | 2,347,210,022 | 1,648,348,509 | 1,698,437,024 |
| Effect of exchange rate changes on cash and cash equivalents | 4,244,332 | 418,007 | 9,505,900 |
| Cash and cash equivalents at the end of the period | 825,395,932 | 2,111,108,884 | 2,347,210,022 |
| Cash and cash equivalents | | | |
| Cash in hand & bank | 2,738,186,603 | 2,909,028,685 | 3,264,724,123 |
| Bank overdraft | (1,912,790,671) | (797,919,801) | (917,513,501) |
| | 825,395,932 | 2,111,108,884 | 2,347,210,622 |

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

STATEMENT OF CASH FLOWS - COMPANY

| | Unaudited Quarter ended 30th June 2022 LKR | Unaudited Quarter ended 30th June 2021 LKR | Audited Year ended 31st March 2022 LKR |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | 135,664,294 | 64,247,632 | 1,038,284,931 |
| Adjustments for; | | | |
| Interest income | (27,283,423) | (11,708,099) | (96,682,596) |
| Interest expense | 11,339,360 | 3,366,605 | 3,890,181 |
| Impairment of Investment in Associate | - | - | 436,572 |
| Fair value gain/ loss in quoted shares and unit trust | 643,258 | (1,831,726) | 13,989,044 |
| Depreciation of Property, Plant and Equipment | 6,387,057 | 5,544,674 | 22,585,396 |
| Amortization of Intangible Assets | 1,317,276 | - | 1,317,276 |
| Profit on sale of property, plant & equipment | - | - | (8,625,000) |
| Loss/ (Gain) on disposal of a Subsidiary | - | - | (59,173,066) |
| Loss / (Profit) on sale of investments | 3,691,350 | - | - |
| Loss/ (Gain) on disposal of associate | - | - | (44,565) |
| Provision for gratuity | 3,300,000 | 3,300,000 | 20,309,048 |
| Operating profit before working capital changes | 135,059,172 | 62,919,086 | 936,287,221 |
| (Increase)/decrease in trade and other receivables | (57,669,309) | (105,603,361) | (64,151,801) |
| (Increase)/Decrease in Inventory | 1,505,000 | - | - |
| (Increase)/decrease in amounts due from related parties | (14,265,751) | 3,550,097 | 92,783,968 |
| Increase/(decrease) in trade and other payables | 323,914,309 | 116,011,932 | 8,755,725 |
| Increase/(decrease) in amounts due to related parties | 2,984 | 15,535 | 8,398 |
| Cash generated from/ (used in) operations | 388,546,404 | 76,893,289 | 973,683,511 |
| Interest paid | (2,460,985) | (2,990,036) | (3,890,181) |
| Income tax paid | (49,284,796) | (19,710,657) | (53,549,791) |
| Employee benefits paid | - | - | (202,586) |
| Net cash generated from / (used in) operating activities | 336,800,623 | 54,192,596 | 916,040,953 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 8,839,499 | 8,965,633 | 96,334,771 |
| Acquisition of non-controlling interest in subsidiary | - | - | (400,000,000) |
| Investments in subsidiaries | (1,440,000,000) | - | - |
| (Investments)/ Disposal of associates | - | - | 900,000 |
| Investments in debentures | - | - | (100,000,000) |
| Disposal of Subsidiary (net of cash) | - | - | 735,836,457 |
| (Investments)/ Disposal in Short term Investments | 200,000,000 | - | (202,812,603) |
| (Investments)/ disposal in other investments | 1,917,914 | - | - |
| Acquisition of intangible assets | - | - | (18,789,851) |
| Proceed from disposal of property, plant & equipment | - | - | 16,800,000 |
| Acquisition of property, plant & equipment | (503,000) | (170,000) | (11,393,121) |
| Net cash used in investing activities | (1,229,745,587) | 8,795,633 | 116,875,653 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipts of interest bearing borrowings | 590,000,000 | - | - |
| Repayment of interest bearing borrowings | (450,000,000) | (767,969,737) | (768,701,275) |
| Payment of lease liabilities | (4,964,892) | (4,317,300) | (16,369,056) |
| Dividend paid | (245,986,815) | (224,331,155) | (448,662,310) |
| Net Cash generated from / (used in) Financing Activities | (110,951,707) | (996,618,192) | (1,233,732,641) |
| Net increase/(decrease) in cash and cash equivalents | (1,003,896,670) | (933,629,963) | (200,816,035) |
| Cash and cash equivalents at the beginning of the period | 1,208,295,019 | 1,280,666,314 | 1,409,110,452 |
| Cash and cash equivalents at the end of the period | 204,398,349 | 347,036,351 | 1,208,294,417 |
| Cash and cash equivalents | | | |
| Cash in hand & bank | 204,826,345 | 350,165,796 | 1,208,294,417 |
| Bank overdraft | (427,996) | (3,129,445) | - |
| | 204,398,349 | 347,036,351 | 1,208,294,417 |

Figures in brackets indicate deductions.

The above figures are not audited

SEGMENTAL ANALYSIS

FOR THE THREE MONTHS ENDED 30TH JUNE 2022

| | Investment and Management | | | | | | | | | | | | | | | |
|------------------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|----------|---------------------|------------------|------------------|------------------------|----------------------|----------------------|----------------------|
| | Services | | Healthcare | | Agri | | Consumer Goods | | Energy | | Rental business | | Intragroup | | Group | |
| | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| REVENUE | 1,344,441,238 | 518,170,592 | 5,835,386,073 | 4,000,190,429 | 1,851,889,000 | 1,404,116,000 | 3,885,742,778 | 1,859,587,912 | - | 11,035,765 | 11,175,479 | 10,101,524 | (1,209,971,344) | (455,622,204) | 11,718,663,224 | 7,347,580,018 |
| RESULT | | | | | | | | | | | | | | | | |
| Profit from operating activities | 1,326,734,667 | 508,305,665 | 742,923,128 | 400,516,214 | 756,600,000 | 783,685,000 | 366,123,103 | 100,018,673 | - | (29,427,564) | 10,178,346 | 9,316,323 | (1,207,496,344) | (452,811,129) | 1,995,062,901 | 1,319,603,183 |
| Net finance cost | 17,446,416 | 8,851,646 | 2,627,422 | (23,936,046) | 9,049,000 | (13,261,000) | (7,724,137) | (15,746,301) | - | 6,460,222 | (8,736,741) | (2,992,769) | - | - | 12,661,960 | (40,624,248) |
| Share of equity accounted investee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment of Goodwill | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Income tax expense | (441,097) | (62,353,444) | (313,370,989) | (106,280,680) | (31,934,000) | (46,677,000) | (62,636,614) | (23,170,434) | - | - | - | (18,539) | - | - | (408,382,701) | (238,500,097) |
| Profit for the year | 1,343,739,985 | 454,803,868 | 432,179,561 | 270,299,489 | 733,715,000 | 723,747,000 | 295,762,352 | 61,101,938 | - | (22,967,342) | 1,441,605 | 6,305,015 | (1,207,496,344) | (452,811,129) | 1,599,342,160 | 1,040,478,838 |
| Other comprehensive income | | | | | | | 4,244,332 | 418,007 | - | - | - | - | - | - | 4,244,332 | 418,007 |
| Total comprehensive income | 1,343,739,985 | 454,803,868 | 432,179,561 | 270,299,489 | 733,715,000 | 723,747,000 | 300,006,684 | 61,519,945 | - | (22,967,342) | 1,441,605 | 6,305,015 | (1,207,496,344) | (452,811,129) | 1,603,586,493 | 1,040,896,845 |

OTHER INFORMATION

| | Investment and Management | | | | | | | | | | | | | | | |
|--------------------------|---------------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------|-----------------|--------------------|--------------------|------------------------|----------------------|-----------------------|-----------------------|
| | Services | | Healthcare | | Agri | | Consumer Goods | | Energy | | Rental business | | Intragroup | | Group | |
| | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR |
| | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 | 30th June 2022 | 31st March 2022 |
| Segment assets | 12,983,526,799 | 8,896,555,893 | 16,188,218,094 | 12,982,144,709 | 9,611,501,000 | 8,891,696,000 | 7,790,936,704 | 3,875,988,074 | - | - | 1,242,922,861 | 1,237,896,555 | (11,165,446,870) | (6,730,757,583) | 36,651,657,588 | 29,153,523,647 |
| Equity & reserves | 12,320,691,465 | 8,655,130,742 | 6,863,514,138 | 6,607,204,731 | 6,206,916,000 | 7,099,671,000 | 2,390,985,709 | 1,627,151,406 | - | - | 950,079,596 | 948,637,990 | (9,685,693,236) | (6,509,865,215) | 19,046,493,672 | 18,427,930,654 |
| Total liabilities | 662,835,334 | 241,425,152 | 9,324,703,956 | 6,374,939,978 | 3,404,585,000 | 1,792,025,000 | 5,399,950,995 | 2,248,836,668 | - | - | 292,843,266 | 289,258,565 | (1,479,751,151) | (220,891,503) | 17,605,163,917 | 10,725,593,860 |
| | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR | LKR |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Depreciation | 3,586,480 | 5,544,674 | 69,397,907 | 48,807,061 | 238,560,000 | 43,965,000 | 53,613,228 | 38,721,319 | - | 2,918,345 | - | - | - | - | 365,157,615 | 139,956,399 |
| Capital expenditure | 503,000 | 170,000 | 51,673,599 | 12,712,331 | 619,368,000 | 132,496,000 | 38,512,195 | 7,548,752 | - | 124,000 | - | - | - | - | 710,056,793 | 153,051,083 |

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

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, marketing of tea, palm oil and related products.

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

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 to be amalgamated with Sunshine Holdings PLC in accordance with the provisions of part VIII of the Companies Act, No. 7 of 2007 with Sunshine Holdings PLC as the surviving entity.

2. Interim condensed financial statements

The Interim Condensed Financial Statements for the period ended 30th June 2022, includes the "Company" referring to Sunshine Holdings PLC as the holding Company and the "Group" comprise the Company and subsidiary companies of Sunshine Consumer Lanka Limited and its subsidiaries, Sunshine Healthcare Lanka Limited and its subsidiaries, Sunshine Packaging Lanka Limited and its subsidiary, Sunshine 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 June 2022.

3. Approval of financial statements

The Interim Condensed Financial Statements of the Group and the Company for the period ended 30th June 2022, were authorised for issue by the Board of Directors on 5th August 2022.

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 2021/22. 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 2022.

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 2022.

5.1. Standards Issued but not yet Effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 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 2022. 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

NOTES TO THE ACCOUNTS (Cont...)

bearer biological assets. The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of Sri Lanka Accounting Standard LKAS 16 - Property Plant and Equipment as per the ruling issued by Institute of Chartered Accountants of Sri Lanka.

Consumable biological assets

Timber plantation is classified as consumable biological assets and is measured on initial recognition and at the end of each reporting period at fair value less cost to sell. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs. The fair value of trees younger than five years cannot be reliably estimated and are carried at cost less impairment. The cost includes direct material, direct labour and appropriate proportion of directly attributable overheads. Gains or losses arising on initial recognition of timber plantations at fair values less costs to sell and from the change in fair values less costs of plantations at each reporting date are included in profit or loss for the period in which they arise. All costs incurred in maintaining the assets are included in Profit or Loss for the period in which they arise.

Livestock

Livestock is measured at their fair value less estimated point of sale costs. Changes in fair value of livestock are recognised in the income statement.

5.6. Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day to- day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are evaluated at least every 3 years by an accredited external, independent valuer. Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

5.7 Inventories

Inventories other than produce stock and nurseries are stated at the lower of cost or net realisable value, after making due allowances for obsolete and slow moving items. The Group uses weighted average cost formula and actual cost in assigning the cost of inventories. The cost includes expenses in acquiring stocks, production and conversion cost and other costs incurred in bringing them to their existing location and condition.

6. Revenue

Nature of timing of satisfaction of performance obligations, including significant payment terms and Revenue recognition under SLFRS 15 (applicable from 1 April 2018).

SLFRS 15 - Revenue from contracts with customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group recognises revenue when a customer obtains control of the goods or services. Judgement is used to determine the timing of transfer of control - at a point in time or over time.

a) Investments

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. This is now under the scope of SLFRS 9.

b) Plantation

Customers obtain the control of the produce after the customer acknowledgement at the dispatch point. Revenue is recognized point in time, at the time of dispatch after the customer acknowledgement.

c) Consumer

Customers obtain control of the goods sold when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control is at a point in time.

d) Healthcare

Customers obtain control of the goods sold when the goods are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control is at a point in time.

e) 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. Disposal of a Subsidiary

On September 22, 2021, Sunshine Energy (Private) Limited, a subsidiary of the Company, has disposed its subsidiary Sky Solar (Private) Limited for total consideration of LKR 265Mn.

7.2. Change In NCI

On September 27, 2021, the Company has acquired the remaining stake of 30% in Sunshine Energy (Private) Limited from SBI Ven Holdings Pte Limited for the purchase consideration of Rs. 400 million. As a result of this transaction effective shareholdings of Sunshine Energy (Private) Limited has increased from 70% to 100% .

7.3. Amalgamation

The Company has completed the process of obtaining the legal clearance from the registrar of Companies for the amalgamation of Sunshine Energy (Private) Limited, a fully owned subsidiary with the Company. The Amalgamation Certificate has been obtained on January 28, 2022 and accordingly, the Books of the Sunshine Energy (Private) Limited amalgamated with the Company Books.

7.3. 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).

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.

| 30 June 2022 | Classification | GROUP | | | | | COMPANY | | | | |
|---|-----------------------------|-----------------------|-------------------|-----------------------|--------------------|-----------------------|--------------------|-------------------|--------------------|--------------------|--------------------|
| | | Carrying amount | Fair value | | | | Carrying amount | Fair value | | | |
| | | | Level 1 | Level 2 | Level 3 | Total | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets measured at Fair value | | | | | | | | | | | |
| Investment in Unquoted Shares | Fair value through OCI | 440,308,417 | - | - | 440,308,417 | 440,308,417 | 440,308,417 | - | - | 440,308,417 | 440,308,417 |
| Investment in Quoted Shares | Fair value through P&L | 15,113,350 | 15,113,350 | - | - | 15,113,350 | 15,113,350 | 15,113,350 | - | - | 15,113,350 |
| Investment Fund | Fair value through P&L | 74,353,000 | - | 74,353,000 | - | 74,353,000 | - | - | - | - | - |
| | | 529,774,767 | 15,113,350 | 74,353,000 | 440,308,417 | 529,774,767 | 455,421,767 | 15,113,350 | - | 440,308,417 | 455,421,767 |
| Financial Assets not measured at Fair value | | | | | | | | | | | |
| Trade and other receivables ** | Amortized cost | 8,579,068,337 | - | 8,579,068,337 | - | 8,579,068,337 | 194,398,890 | - | 194,398,890 | - | 194,398,890 |
| Investment in Debentures | Amortized cost | 218,012,997 | - | 218,012,997 | - | 218,012,997 | 218,012,997 | - | 218,012,997 | - | 218,012,997 |
| Amounts due from related parties ** | Amortized cost | 113,151,391 | - | 113,151,391 | - | 113,151,391 | 256,596,816 | - | 256,596,816 | - | 256,596,816 |
| Cash & cash equivalents ** | Amortized cost | 2,738,186,603 | - | 2,738,186,603 | - | 2,738,186,603 | 204,850,266 | - | 204,850,266 | - | 204,850,266 |
| | | 11,648,419,327 | - | 11,648,419,327 | - | 11,648,419,327 | 873,858,969 | - | 873,858,969 | - | 873,858,969 |
| Financial Liabilities not measured at Fair value | | | | | | | | | | | |
| Loans and borrowings *** | Other financial liabilities | 4,378,544,759 | - | 4,378,544,759 | - | 4,378,544,759 | 156,305,999 | - | 156,305,999 | - | 156,305,999 |
| Bank overdraft ** | Other financial liabilities | 1,912,790,671 | - | 1,912,790,671 | - | 1,912,790,671 | 427,996 | - | 427,996 | - | 427,996 |
| Trade and other payables ** | Other financial liabilities | 9,512,215,021 | - | 9,512,215,021 | - | 9,512,215,021 | 362,701,490 | - | 362,701,490 | - | 362,701,490 |
| Amounts due to related parties ** | Other financial liabilities | - | - | - | - | - | 11,382 | - | 11,382 | - | 11,382 |
| | | 15,803,550,450 | - | 15,803,550,450 | - | 15,803,550,450 | 519,446,866 | - | 519,446,866 | - | 519,446,866 |

| 31 March 2022 | Classification | GROUP | | | | | COMPANY | | | | |
|---|-----------------------------|----------------------|------------|----------------------|-------------|----------------------|----------------------|------------|----------------------|-------------|----------------------|
| | | Carrying amount | Fair value | | | | Carrying amount | Fair value | | | |
| | | | Level 1 | Level 2 | Level 3 | Total | | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets measured at Fair value | | | | | | | | | | | |
| Investment in Unquoted Shares | Fair value through OCI | 440,308,417 | - | - | 440,308,417 | 440,308,417 | 440,308,417 | - | - | 440,308,417 | 440,308,417 |
| Investment in Quoted Shares | Fair value through P&L | 21,365,872 | 21,365,872 | - | - | 21,365,872 | 21,365,872 | 21,365,872 | - | - | 21,365,872 |
| Derivative instruments | Fair value through P&L | 72,313,000 | - | 72,313,000 | - | 72,313,000 | - | - | - | - | - |
| Investment Fund | Fair value through P&L | 533,987,289 | 21,365,872 | 72,313,000 | 440,308,417 | 533,987,289 | 461,674,289 | 21,365,872 | - | 440,308,417 | 461,674,289 |
| | | 9,262,101,152 | - | 9,262,101,152 | - | 9,262,101,152 | 1,997,694,021 | - | 1,997,694,021 | - | 1,997,694,021 |
| Financial Assets not measured at Fair value | | | | | | | | | | | |
| Trade and other receivables ** | Amortized cost | 5,061,469,954 | - | 5,061,469,954 | - | 5,061,469,954 | 136,729,581 | - | 136,729,581 | - | 136,729,581 |
| Investment in Debentures | Amortized cost | 207,525,753 | - | 207,525,753 | - | 207,525,753 | 207,525,753 | - | 207,525,753 | - | 207,525,753 |
| Short term investment | Amortized cost | 717,726,603 | - | 717,726,603 | - | 717,726,603 | 202,812,603 | - | 202,812,603 | - | 202,812,603 |
| Amounts due from related parties ** | Amortized cost | 10,655,319 | - | 10,655,319 | - | 10,655,319 | 242,331,065 | - | 242,331,065 | - | 242,331,065 |
| Cash & cash equivalents ** | Amortized cost | 3,264,723,523 | - | 3,264,723,523 | - | 3,264,723,523 | 1,208,295,019 | - | 1,208,295,019 | - | 1,208,295,019 |
| | | 9,262,101,152 | - | 9,262,101,152 | - | 9,262,101,152 | 1,997,694,021 | - | 1,997,694,021 | - | 1,997,694,021 |
| Financial Liabilities not measured at Fair value | | | | | | | | | | | |
| Loans and borrowings *** | Other financial liabilities | 2,658,177,061 | - | 2,658,177,061 | - | 2,658,177,061 | - | - | - | - | - |
| Bank overdraft ** | Other financial liabilities | 917,513,501 | - | 917,513,501 | - | 917,513,501 | - | - | - | - | - |
| Trade and other payables ** | Other financial liabilities | 4,023,660,697 | - | 4,023,660,697 | - | 4,023,660,697 | 38,787,181 | - | 38,787,181 | - | 38,787,181 |
| Amounts due to related parties ** | Other financial liabilities | 57,537,862 | - | 57,537,862 | - | 57,537,862 | 8,398 | - | 8,398 | - | 8,398 |
| | | 7,656,889,121 | - | 7,656,889,121 | - | 7,656,889,121 | 38,795,579 | - | 38,795,579 | - | 38,795,579 |

** 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. An

NOTES TO THE ACCOUNTS (Cont...)

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 30 June 2022 and 31 March 2022 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 2022.

During the reporting period ended 30 June 2022 and 31 March 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

8.3. Concentration on Credit Risk

The Group's concentration on Credit Risk as at 30 June 2022 remain the same as at 31 March 2021.

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.

Surcharge Tax liability has been recognised as an opening adjustment to the 1 April 2021 retained earnings in the statement of Changes in Equity as per the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka. According to the said Act, the surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment which commenced on 1 April 2020.

10. Comparatives

The presentation and classification of the Financial Statements of the previous periods have been amended, where relevant, for better presentation and to be comparable with those of the current period.

11. Events after the reporting date

No circumstance has arisen since the reporting date which would require adjustment to or disclosure in the Financial Statements.

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

| No. of shares as at | 30th June 2022 | 31st March 2022 |
|---------------------|----------------|-----------------|
| Ordinary shares* | 491,973,629 | 448,662,309 |

* As resolved in the Extra Ordinary General Meeting held, with effect from May 30, 2022, The Company completed the acquisition of Three Million Eighty Nine Thousand One Hundred and Fifty Nine (3,089,159) shares held by Akbar Brothers (Private) Limited in Sunshine Healthcare Lanka Limited ("SHL"), which amounts to 28% of the total issued shares of SHL, at a total consideration of Sri Lanka Rupees Two Billion Five Hundred and Ninety Eight Million Six Hundred and Seventy Nine Thousand Two Hundred (LKR 2,598,679,200), which was paid to the Selling Shareholder by way of a share swap, through the issue of Forty Three Million Three Hundred Eleven Thousand Three Hundred Twenty (43,311,320) ordinary voting shares of SHP to the Selling Shareholder.

13. Dividend

| | Quarter ended 30th June 2022* 2022/23 | Year ended 31st March |
|---------------------------|---------------------------------------|-----------------------|
| Dividend (Rs) | 245,986,815 | 224,331,155 |
| No of ordinary shares | 491,973,629 | 448,662,309 |
| Dividend per share (cash) | 0.50 | 0.50 |

* Proposed final dividend of LKR 0.50 per share provided in the Interim financial statement Quarter ended 30th June 2022

14. Commitments & contingencies

There has not been significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2022.

15. Net Assets per share

Net assets per share has been calculated, for all periods, based on the number of shares issued as at the reporting date.

16. The interim Financial Statements are not audited.

SHAREHOLDER INFORMATION

| Market price per share | Year ended 30th June 2022 | Audited Year ended 31st March 2022 |
|------------------------|------------------------------|--|
| | Rs. | Rs. |
| Highest price | 42.00 | 71.40 |
| Lowest price | 25.00 | 35.00 |
| Last traded price | 28.60 | 36.60 |

TWENTY (20) LARGEST SHAREHOLDERS AS AT

| Name | 30th June 2022 | | 31st March 2022 | |
|---|-------------------|---------|-------------------|---------|
| | No of Shares Held | % | No of Shares Held | % |
| 1 Lamurep Investments Limited Account No.04 & 01 | 271,454,139 | 55.18% | 271,454,139 | 60.50% |
| 2 Akbar Brothers Pvt Ltd A/C No 1 | 49,241,855 | 10.01% | 1,261,003 | 0.28% |
| 3 Deepcar Limited | 45,574,076 | 9.26% | 44,866,231 | 10.00% |
| 4 Ceylon Property Development Limited | 10,915,876 | 2.22% | 10,915,876 | 2.43% |
| 5 Mr.V.Govindasamy | 6,079,500 | 1.24% | 6,079,500 | 1.36% |
| 6 Hatton National Bank Plc/Subramaniam Vasudevan | 4,308,270 | 0.88% | 4,366,918 | 0.97% |
| 7 Nuwara Eliya Property Developers (Pvt) Ltd | 4,153,250 | 0.84% | 4,153,250 | 0.93% |
| 8 Sampath Bank Plc/Mr. Gerard Shamil Niranjana Peiris & Mrs. Indrani Roshani Peiris | 2,795,999 | 0.57% | 2,919,617 | 0.65% |
| 9 Mr. K.A.S.R.Nissanka | 2,501,180 | 0.51% | 2,501,180 | 0.56% |
| 10 Citibank Newyork S/A Norges Bank Account 2 | 2,376,134 | 0.48% | 2,376,134 | 0.53% |
| 11 Seylan Bank Plc/Capital Trust Holdings Limited | 2,344,547 | 0.48% | 2,344,547 | 0.52% |
| 12 Rubber Investment Trust Ltd A/C No 01 | 2,097,307 | 0.43% | - | 0.00% |
| 13 Hatton National Bank Plc/Ratnasabapathy Iyer Shanmugasarma | 1,677,551 | 0.34% | 1,851,339 | 0.41% |
| 14 Hatton National Bank Plc-Senfin Growth Fund | 1,619,084 | 0.33% | 2,019,084 | 0.45% |
| 15 Perera And Sons Bakers Pvt Limited | 1,500,000 | 0.30% | 1,500,000 | 0.33% |
| 16 Gf Capital Global Limited | 1,102,154 | 0.22% | 1,102,154 | 0.25% |
| 17 Code-Gen International Pvt Ltd | 1,100,000 | 0.22% | 1,100,000 | 0.25% |
| 18 Dfcc Bank Plc/L.C.A. Lankeshwara | 1,100,000 | 0.22% | 1,200,000 | 0.27% |
| 19 Capital Trust Holdings Ltd | 1,069,934 | 0.22% | 1,056,532 | 0.24% |
| 20 Commercial Bank Of Ceylon Plc/Metrocorp (Pvt) Ltd | 1,063,400 | 0.22% | 1,150,000 | 0.26% |
| Sub Total | 414,074,256 | 84.17% | 364,217,504 | 81.18% |
| Others | 77,899,373 | 15.83% | 84,444,805 | 18.82% |
| Total | 491,973,629 | 100.00% | 448,662,309 | 100.00% |

PUBLIC SHARE HOLDING

| | Requirement by CSE | As at 30th June 2022 | Requirement by CSE | As at 31st March 2022 |
|--|--------------------------|----------------------|--------------------------|-----------------------|
| Option | 3 | 3 | 3 | 3 |
| Float adjusted market capitalization | Above Rs.5,000,000,000/- | 5,820,943,423 | Above Rs.5,000,000,000/- | 5,863,953,566 |
| The percentage of shares held by the public | 7.5% | 41.37% | 7.5% | 35.71% |
| Number of shareholders representing public holding | 500 | 8,520 | 500 | 5,331 |

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

| | As at 30th June 2022 | As at 31st March 2022 |
|---|-------------------------|--------------------------|
| 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. H. D. Abeywickrama
Mr. A. Talwatte
Mr. S. Shishoo
Ms. Shalini Ratwatte
Mr. Sudarshan Jain
Ms. Wedage Yasanthi Ruvini Fernando
Mr. S. Renganathan - Appointed w.e.f 27th May 2022

Secretaries

Corporate Services (Private) Limited
No. 216, De Seram Place,
Colombo 10
Tel: 011 4 605 100

Auditors

KPMG
Chartered Accountants
32A, Sri Mohamed Macan Marker Mawatha,
Colombo 03

Lawyers

F J & G de Saram (Attorney- at -Law)
No.216, de Saram Place
Colombo 10

Nithya Partners
Attorneys-at-Law
No. 97/A, Galle Road
Colombo 03

Bankers

Hatton National Bank PLC
National Development Bank PLC
MCB Bank Limited
Standard Chartered Bank Ltd.
Seylan Bank PLC
Nations Trust Bank PLC
Commercial Bank PLC
DFCC Bank PLC

Credit Ratings

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