



SUNSHINE HOLDINGS PLC

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

The Group recorded a consolidated revenue of LKR 51.9 billion for the year ended 31st March 2023 (FY23), up 61.3% YoY. The Group revenue, which includes revenue from Healthcare, Consumer goods and Agribusiness sectors, contributed 46.1%, 36.6% and 16.9% 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.

Gross profit margin for the period stood at 26.0%, a contraction of 580 basis points against the corresponding period last year. The gross profit improved by LKR 3.3 billion up 31.9% YoY compared to the previous year, driven by revenue growth. The Group EBIT closed at LKR 7.0 billion, an increase of 24.3% YoY. Group PAT amounted to LKR 3.6 billion in FY23 compared to LKR 4.9 billion reported during the last year. The finance cost for the year amounted to LKR 1.7 billion, including interest on lease liabilities LKR 58 million and exchange loss of 228 million, compared to LKR 376 million during the last year. The increase is owing to higher interest rates, higher facility utilization, and the addition of the tea export business.

Reported profit after tax (PAT) for FY23 stood at LKR 3,617 million, down 26.5% YoY. However, after adjusting for impairment chargers and deferred tax impact, the adjusted PAT stood at LKR 4,761 million for FY23, compared to LKR 4,849 million in FY22. Profit attributable to equity shareholders (PATMI) closed at LKR 2.3 billion for FY23, a decrease of 16.8% YoY.

Financial Snapshot

	4QFY23	Vs 4QFY22	Vs 3QFY23
Healthcare	6,284	38.0%	4.2%
Consumer	4,921	141.0%	-10.9%
Agri	2,119	47.1%	2.4%
Other	2	-90.3%	-83.7%
Revenue	13,326	65.4%	-2.3%
Gross Profit	3,320	57.2%	15.1%
GP Margin	24.9%	-1.3%	3.8%
EBIT	1,179	-6.1%	-20.9%
EBIT Margin	8.8%	-6.7%	-2.1%
Net Finance Cost	(359)	n/m	-7.5%
Income Tax Expense	(837)	597.5%	142.6%
PAT	(162)	n/m	n/m

Healthcare

Healthcare revenue for FY23 grew 36.7% YoY, driven by price increases to reflect LKR currency depreciation. The sector showcased revenue growth in Pharma and Medical Devices Division (SMD) segments despite continued pressure on volumes.

Improvement in EBIT Margin in the Healthcare sector is predominantly owing to price increases reflected in FY23. However, the impact was partially offset by the margin contraction in the Retail segment.

In the Pharma segment, revenue growth of 42.6% YoY is primarily driven by price increases despite volume de-growth due to challenges in consumer purchasing power. Medical devices segment grew 39.4% YoY owing to price increases despite the contraction in volume due to the drop in consumption.

Healthguard retail segment was adversely affected by reduced footfall and gross margin contracted due to consumer focus on essential medicines compared to wellness products. The business recorded a de-growth of 2.2% YoY in revenue both in terms of value and volume during FY23.

Lina Manufacturing - the Pharma manufacturing business, experienced revenue growth of 88.1% YoY, mainly driven by increase in prices and higher volumes. Gross margins improved as a result of the change in product mix coupled with the impact of exchange rate fluctuation. Commencement of commercial operations in the Metered Dose Inhalers (MDI) plant in July 2022 was a significant milestone for the business.

Consumer Goods

The Consumer sector reported revenue of LKR 19.0bn in FY23, with an increase of 135.6% YoY compared to the corresponding period last year and accounted for

36.6% of group revenue for the period. The revenue increase was predominantly driven by the addition of export business. Organic revenue growth of the sector stood at 37.0% YoY, driven by price increases to reflect higher input cost. Our Consumer brands Zesta, Watawala, Ran Kahata and Daintee continued to grow market shares, despite challenging consumer sentiment.

Tea category experienced a volume contraction of 18.2% YoY in FY23 and a value growth of 33.8% YoY. Confectionery segment revenue grew by 57.8% YoY, supported by price increases, despite a volume contraction of 22.4% YoY.

Gross margins were impacted by the rising cost of raw materials, fuel, and other utilities. EBIT margin decreased in FY23 to 6.0%, against 7.2% last year. EBIT margin excluding export business stood at 5.1% for FY23.

PAT from the Consumer segment increased by 9.4% YoY, despite a 51.2% YoY contraction in the local business PAT, to stand at LKR 524m for FY23. Export business contributed LKR 290m to the bottom line in FY23.

Agribusiness

The Agribusiness sector reported revenue increase of 35.4% YoY during FY23. This growth was predominantly due to increase in Palm oil NSA in line with global commodity trends, despite drop in volumes during the period. The EBIT decreased mainly due to the increased cost of bought crop, higher fertilizers cost, reduction in crop volumes, together with increased feed cost in the Dairy segment.

Palm oil production was at 12,651MT for FY23 cf. 12,597MT in FY22. PAT for FY23 amounted to LKR 2,332m which has contracted by 32.6% YoY mainly due to the increased deferred tax expense resulting from the change in tax rate.

Dairy business recorded a net loss of LKR 315 million in FY23 compared to a net profit of LKR 28 million during the last year. Net loss in dairy is mainly stemming from increased feed cost, despite increase in farm gate selling price. The volume growth in dairy segment was adversely impacted due to inconsistency in feed mix stemming from the scarcity of feed in the market, due to low domestic maize production, which further caused an increase in feed cost and thus contracting the GP margins for FY23.

The company secured over 800 acres of land in April 2022, for cultivation of maize and other fodder crops. Cultivation commenced in October 2022.

Outlook

In Healthcare we are closely monitoring the changes in exchange rate which is sensitive on our margins. With high levels of inflation and tighter fiscal measures, consumer spending power is going to be the key challenge over the next few quarters. Forex liquidity in the market has improved since June 2022.

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

Compression of gross margin is expected due to increase in prices on key raw material inputs during the next quarter. Price increases on selected categories, and cost reduction initiatives are expected to mitigate the negative impact on GP margin. The Segment would continue to invest behind its brands selectively to maintain the domestic businesses. We will continue to drive distribution synergies in the retail channels.

In Agribusiness, we expect NSA to be challenged in 1QFY24, in line with global pricing, while expecting improved volumes compared to the previous quarter. In the dairy segment, the average herd was 1,802 during FY23 with 830 milking cows. The company expects to improve milk yield by maintaining consistent feed via its own cultivation of maize and fodder crops.

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
25th May 2023
Colombo

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

	Unaudited		Change %	Unaudited		Change %
	Year ended 31st March 2023	Audited Year ended 31st March 2022		Quarter ended 31st March 2023	Quarter ended 31st March 2022	
	LKR	LKR		LKR	LKR	
Continuing operations						
Revenue	51,886,754,055	32,166,208,979	61	13,325,358,198	8,057,532,938	65
Cost of sales	(38,380,521,327)	(21,927,172,553)	75	(10,005,173,342)	(5,946,040,238)	68
Gross profit	13,506,232,728	10,239,036,426	32	3,320,184,856	2,111,492,700	57
Other income	154,821,017	563,541,787	(73)	(35,915,028)	312,640,340	(111)
Selling & distribution expenses	(3,381,440,200)	(2,327,421,928)	45	(977,576,837)	(318,501,392)	207
Administration expenses	(3,278,685,078)	(2,766,082,470)	19	(1,127,685,043)	(850,037,173)	33
(Loss)/Gain on disposal of subsidiaries/Associates	-	(2,705,775)	-	-	44,565	-
Results from operating activities	7,000,928,467	5,706,368,040	23	1,179,007,948	1,255,639,040	(6)
Finance income	477,805,538	366,448,549	30	(115,356,032)	236,632,067	(149)
Finance cost	(1,463,801,472)	(375,706,666)	290	(243,820,071)	(143,101,163)	70
Net finance cost	(985,995,934)	(9,258,117)	10,550	(359,176,104)	93,530,904	(484)
Share of profit/ (loss) of equity accounted investees	-	(436,572)	(100)	-	-	-
Impairment of Goodwill	(354,294,888)	(50,000,000)	-	(144,294,888)	(50,000,000)	-
Profit before tax	5,660,637,645	5,646,673,351	-	675,536,956	1,349,169,944	(50)
Income tax expense	(2,043,786,492)	(650,001,269)	214	(837,324,779)	120,438,504	(795)
Profit for the period	3,616,851,153	4,996,672,082	(28)	(161,787,823)	1,469,608,448	(111)
Other comprehensive income						
Equity investments at FVOCI – net change in fair value	(130,397,353)	(65,125,525)	100	(134,582,047)	(65,125,525)	107
Exchange gain/(Loss) on foreign operation translation	711,246	9,505,900	(93)	(3,473,448)	8,604,628	(140)
Remeasurement of retirement benefit liability	(129,252,040)	132,572,210	(197)	(133,436,734)	132,572,210	(201)
Tax on other comprehensive income	84,626,264	(6,574,130)	(1,387)	80,441,571	(6,574,130)	(1,324)
Total other comprehensive income for the period	(174,311,883)	70,378,455	(348)	(191,050,658)	69,477,183	(375)
Total comprehensive income for the period	3,442,539,270	5,067,050,537	(32)	(352,838,481)	1,539,085,631	(123)
Profit attributable to:						
Owners of the parent company	2,263,929,612	2,720,742,972	(17)	56,880,935	900,409,309	(94)
Non-controlling interest	1,352,921,541	2,274,240,824	(41)	(218,668,756)	519,199,140	(142)
Other comprehensive income attributable to:						
Owners of the parent company	(123,719,189)	31,420,887	(494)	(127,903,883)	30,519,615	(519)
Non-controlling interest	(50,592,693)	40,645,854	-	-	38,957,568	-
Total comprehensive income for the period	3,442,539,270	5,067,050,537	(32)	(289,691,704)	1,489,085,632	(119)
Basic earnings per share	4.67	6.06		0.12	2.01	

Figures in brackets indicate deductions.
The above figures are not audited
n/m- not meaningful

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

	Unaudited		Audited		Unaudited	
	Period ended	Period ended	Change	Quarter ended	Quarter ended	Change
	31st March	31st March		31st March	31st March	
	LKR	LKR	%	LKR	LKR	%
Revenue	1,381,728,100	1,075,338,436	28	552,505,424	391,592,849	41
Cost of sales	-	-	-	-	-	n/m
Gross profit	1,381,728,100	1,075,338,436	28	552,505,424	391,592,849	41
Other income	472,625,386	400,666,055	18	117,296,423	35,888,714	227
Administration expenses	(697,725,934)	(588,900,644)	18	(229,194,041)	(156,684,798)	46
Impairment of investment in equity-accounted investee	-	(436,572)	-	-	(436,572)	-
Gain on disposal of subsidiaries	-	59,173,066	-	-	59,173,066	-
Results from operating activities	1,156,627,552	945,840,341	22	440,607,807	329,533,259	34
Finance income	122,205,987	96,334,771	27	37,026,110	35,952,584	3
Finance cost	(27,758,750)	(3,890,181)	614	173,705	(35,581)	(588)
Net finance cost	94,447,237	92,444,590	2	37,199,816	35,917,003	4
Profit before tax	1,251,074,790	1,038,284,931	20.5	477,807,622	365,450,262	31
Income tax expense	(738,303)	(15,452,669)	(95)	39,296,621	(15,787,849)	(349)
Profit for the period	1,250,336,487	1,022,832,262	22	517,104,243	349,662,413	48
Other comprehensive income						
Equity investments at FVOCI – net change	(130,397,353)	(65,125,525)	-	(130,397,353)	(65,125,525)	-
Defined benefit plan actuarial gain/(loss)	1,482,428	13,070,842	-	1,482,428	13,070,842	-
Income tax on other comprehensive income	46,927,936	12,412,284	-	46,927,936	12,412,284	-
Total other comprehensive income for the period	(81,986,990)	(39,642,399)		(81,986,990)	(39,642,399)	
Total comprehensive income for the period	1,168,349,497	983,189,863	19	435,117,253	310,020,014	40
Basic earnings per share from continuing operations	2.58	2.28		1.07	0.78	

Figures in brackets indicate deductions.

The above figures are not audited

n/m- not meaningful

STATEMENT OF FINANCIAL POSITION - GROUP

	Unaudited	Audited
	As at 31st	As at 31st
	March 2023	March 2022
	LKR	LKR
ASSETS		
Non current assets		
Property, plant and equipment	6,735,558,992	4,787,019,935
Intangible assets	349,108,828	385,928,439
Leasehold right to bare land	243,876,000	235,995,000
Biological assets	3,503,610,000	3,675,946,000
Investment property	627,528,864	1,030,093,525
Other investments	519,016,640	741,513,041
Deferred tax assets	320,098,700	59,582,503
Goodwill on Acquisition	1,387,106,153	1,526,648,376
Total non-current assets	13,685,904,177	12,442,726,819
Current assets		
Biological assets-growing crops on bearer plants	86,126,000	71,671,000
Inventories	9,861,120,677	6,483,619,355
Other investments	1,084,019,802	717,726,603
Current tax assets	139,070,076	56,763,982
Trade & other receivables	7,892,295,240	6,105,636,443
Amounts due from related parties	149,442,584	10,655,319
Cash & cash equivalent	3,110,102,165	3,264,723,523
Total current assets	22,322,176,545	16,710,796,225
Total assets	36,008,080,722	29,153,523,044
EQUITY AND LIABILITIES		
Equity		
Stated capital	4,240,394,447	1,641,715,247
Reserves	191,802,554	274,560,725
Retained earnings	11,348,320,878	11,061,418,417
Equity attributable to owners of the company	15,780,517,879	12,977,694,389
Non-controlling interests	3,456,591,979	5,450,236,264
Total equity	19,237,109,858	18,427,930,653
Non-current liabilities		
Loans and borrowings	1,911,005,882	1,663,343,846
Employee benefits	883,411,983	615,771,635
Deferred income and capital grants	41,602,425	41,442,000
Deferred tax	1,404,405,895	501,523,157
Total non-current liabilities	4,240,426,185	2,826,317,338
Current liabilities		
Trade and other payables	6,423,945,204	5,633,690,534
Amounts due to related parties	55,000,000	57,537,862
Current tax liabilities	555,159,304	295,699,941
Loans and borrowings	3,387,971,366	994,833,215
Bank overdraft	2,108,468,805	917,513,501
Total current liabilities	12,530,544,679	7,899,275,053
Total equity and liabilities	36,008,080,722	29,153,523,044
Net asset value per share (Rs.)	32.08	28.93

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
May 25, 2023
Colombo



Group Managing Director

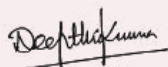
STATEMENT OF FINANCIAL POSITION - COMPANY

	Unaudited	Adjusted
	As at 31st March 2023	As at 31st March 2022
	LKR	LKR
ASSETS		
Non-current assets		
Property, Plant and Equipment	25,522,851	13,663,640
Intangible assets	19,759,131	25,028,235
Investment in subsidiaries	7,248,733,185	3,210,053,985
Other investments	465,733,640	669,200,042
Deferred tax assets	121,248,837	59,506,672
Total non-current assets	7,880,997,645	3,977,452,574
Current assets		
Inventories	1,882,767	-
Current tax assets	74,195,225	58,245,732
Trade & other receivables	28,133,470	92,802,521
Amounts due from related parties	233,868,531	242,331,066
Other Short Term Investments	225,000,000	202,812,603
Cash & cash equivalent	814,024,863	1,208,295,019
Total current assets	1,377,104,856	1,804,486,940
Total assets	9,258,102,501	5,781,939,514
EQUITY AND LIABILITIES		
Equity		
Stated capital	4,240,394,447	1,641,715,247
Reserves	184,270,132	266,257,122
Retained earnings	4,638,236,073	3,694,810,277
Equity attributable to owners of the company	9,062,900,652	5,602,782,645
Non-controlling interests	-	-
Total equity	9,062,900,652	5,602,782,646
Non-current liabilities		
Loans and borrowings	3,469,652	-
Employee benefits	141,256,252	113,135,768
Total non-current liabilities	144,725,903	113,135,768
Current liabilities		
Trade and other payables	34,157,523	38,787,181
Amounts due to related parties	12,424	8,398
Current tax liabilities	-	27,225,520
Loans and borrowings	16,305,999	-
Bank overdraft	-	-
Total current liabilities	50,475,946	66,021,099
Total equity and liabilities	9,258,102,501	5,781,939,514
Net asset value per share (Rs.)	18.42	12.49

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
May 25, 2023
Colombo



Group Managing Director

CONDENSED STATEMENT OF CHANGES IN EQUITY - GROUP

FOR THE YEAR ENDED 31ST MARCH 2023

In LKR	Attributable to owners of the company							Non-controlling interest	Total equity
	Stated capital	Reserve on exchange gain or loss	General reserve	Fair value gain or loss reserve on AFS	Retained earnings	Total			
Balance as at 01st April 2021	1,641,715,247	4,224,153	1,257,725	334,204,373	8,551,561,683	10,532,963,180	4,808,856,243	15,341,819,423	
Total Comprehensive Income									
Profit for the year	-	-	-	-	2,720,742,972	2,720,742,972	2,275,929,110	4,996,672,082	
Total other comprehensive income for the year	-	-	-	(65,125,525)	96,546,413	31,420,888	38,957,568	70,378,456	
Total comprehensive income for the year	-	-	-	(65,125,525)	2,817,289,385	2,752,163,860	2,314,886,678	5,067,050,538	
Disposal of NCI - Waltrim Energy Ltd	-	-	-	-	-	-	(345,322,392)	(345,322,392)	
Impact on loss of effective shareholding of 4.12% in Watawala Dairy Ltd	-	-	-	-	267,098,594	267,098,594	88,841,405	355,939,999	
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	-	-	-	-	(448,662,310)	(448,662,310)	(1,152,894,605)	(1,601,556,915)	
	-	-	-	-	(307,432,651)	(307,432,651)	(1,673,506,657)	(1,980,939,308)	
Balance as at 31st March 2022	1,641,715,247	4,224,153	1,257,725	269,078,848	11,061,418,417	12,977,694,389	5,450,236,264	18,427,930,653	
Balance as at 01st April 2022	1,641,715,247	4,224,153	1,257,725	269,078,848	11,061,418,417	12,977,694,389	5,450,236,264	18,427,930,653	
Adjustment for Surcharge tax					(550,652,526)	(550,652,526)	(102,758,616)	(653,411,142)	
Adjusted Balance as at 01st April 2022	1,641,715,247	4,224,153	1,257,725	269,078,848	10,510,765,891	12,427,041,863	5,347,477,648	17,774,519,511	
Total Comprehensive Income									
Profit for the year	-	-	-	-	2,263,929,612	2,263,929,612	1,352,921,541	3,616,851,153	
Total other comprehensive income for the year	-	711,246	-	(83,469,418)	(40,961,017)	(123,719,189)	(50,592,693)	(174,311,882)	
Total comprehensive income for the year	-	711,246	-	(83,469,418)	2,222,968,595	2,140,210,424	1,302,328,848	3,442,539,271	
Acquisition of 2.59% of Watawala Plantation PLC shares	-	-	-	-	(291,033,858)	(291,033,858)	(170,746,657)	(461,780,514)	
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	
Capital Infusion in Watawala Dairy Ltd	-	-	-	-	(14,777,626)	(14,777,626)	14,777,626	-	
WHT payment on dividend distribution from SHL	-	-	-	-	(97,500,000)	(97,500,000)	-	(97,500,000)	
Transactions with NCI	-	-	-	-	-	-	196,000,000	196,000,000	
Dividend to owners for 2021/22	-	-	-	-	(245,986,815)	(245,986,815)	(1,370,681,596)	(1,616,668,410)	
	2,598,679,200	-	-	-	(1,282,654,992)	1,316,024,208	(3,295,973,134)	(1,979,948,924)	
Balance as at 31st March 2023	4,240,394,447	4,935,399	1,257,725	185,609,430	11,451,079,494	15,883,276,494	3,353,833,362	19,237,109,858	

Figures in brackets indicate deductions.

The above figures are not audited

STATEMENT OF CHANGES IN EQUITY - COMPANY

FOR THE YEAR ENDED 31st March 2022

In LKR	Stated capital	Fair value gain or loss reserve on AFS	General reserve	Retained earnings	Total Restated*
Balance as at 01st April 2021	1,641,715,247	330,124,922	1,257,725	3,495,157,198	5,468,255,092
Total comprehensive income for the year					
Profit for the year	-	-	-	1,022,832,262	1,022,832,262
Total other comprehensive income for the year	-	(65,125,525)	-	25,483,126	(39,642,399)
Total comprehensive income for the year	-	(65,125,525)	-	1,048,315,388	983,189,863
Transaction with NCI (SEL)	-	-	-	(400,000,000)	(400,000,000)
Dividend paid to owners - 2020/21	-	-	-	(448,662,310)	(448,662,310)
Balance as at 31st March 2022	1,641,715,247	264,999,397	1,257,725	3,694,810,277	5,602,782,646
Balance as at 01st April 2022	1,641,715,247	264,999,397	1,257,725	3,694,810,277	5,602,782,646
Adjustment for Surcharge tax	-	-	-	(60,923,874)	(60,923,874)
Adjusted Balance as at 01st April 2022	1,641,715,247	264,999,397	1,257,725	3,633,886,403	5,541,858,772
Total comprehensive income for the year					
Profit for the year	-	-	-	1,250,336,487	1,250,336,487
Total other comprehensive income for the year	-	(81,986,990)	-	-	(81,986,990)
Total comprehensive income for the year	-	(81,986,990)	-	1,250,336,487	1,168,349,496
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 31st March 2023	4,240,394,447	183,012,407	1,257,725	4,638,236,075	9,062,900,654

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

STATEMENT OF CASH FLOWS - GROUP

	Unaudited Year ended 31st March 2023	Audited Year ended 31st March 2022
	LKR	LKR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	5,660,637,644	5,646,673,351
Adjustments for;		
Interest Income	(477,805,538)	(366,448,548)
Profit on Disposal of Property, Plant & Equipment	(25,721,787)	(51,766,277)
Loss/(gain) on disposal of associates	-	-
Impairment of investment in associates	-	-
Write-off of Intangible assets	(458,241)	-
Biological assets-growing crops on bearer plants	(14,455,000)	(19,718,000)
Impairment of Goodwill	354,294,888	50,000,000
Impairment losses and write downs on Biological assets	-	735,000
Fair value changes in Deferred consideration	-	(7,688,504)
Fair value changes in livestock	157,440,000	6,013,000
Finance Expense	1,463,801,472	375,706,666
Depreciation of Property, Plant and Equipment	787,998,007	644,735,023
Amortization of Intangible Assets	87,054,575	52,863,375
Depreciation of mature plantations	196,741,000	180,851,000
Provision/(Reversal) for Bad and Doubtful Debts	175,819,482	90,581,040
Provision/(Reversal) of impairment of inventories	154,756,026	21,616,406
Profit/(loss) of equity investee	-	436,572
Amortisation of Deferred Income	(2,358,000)	(50,554,000)
Amortization of Leasehold land right	100,932,000	11,298,000
Fair value gain/loss on investments	39,988,717	13,989,045
Provision for Gratuity excluding actuarial gain/loss	162,858,592	108,571,309
Rent Concession	(4,605,009)	(14,221,066)
Fair value gain/loss on Consumer Biological Assets	(10,486,000)	(1,328,000)
Loss/ (Gain) on disposal of Subsidiary	-	2,705,775
Fair value gain on investment property	-	(241,076,323)
Operating profit before working capital changes	8,806,432,829	6,453,974,843
(Increase)/decrease in inventories	(2,262,767,688)	(1,360,072,765)
(Increase)/decrease in trade and other receivables	(1,053,650,299)	(1,278,898,724)
(Increase)/decrease in amounts due from related parties	(106,253,553)	(10,180,318)
Increase/(decrease) in trade and other payables	6,142,540	1,872,280,098
Increase/(decrease) in amounts due to related parties	(10,727,797)	94,380,919
Cash generated from/ (used in) operations	5,379,176,033	5,771,484,053
Interest paid	(1,362,249,975)	(283,774,220)
Income tax paid	(1,944,112,615)	(870,194,320)
Gratuity paid	(66,454,077)	(74,001,816)
Net cash generated from / (used in) operating activities	2,006,359,366	4,543,513,697
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	477,805,538	356,021,548
(Investments)/ Disposal in Other Investments	72,714,179	(101,136,712)
(Investments)/ Disposal in Short term Investments	(366,293,199)	(397,365,156)
(Investments)/ Disposal in gratuity fund	19,030,000	87,800,000
Additions to Bearer plants	(64,052,000)	(169,818,000)
Acquisition of live stock	(165,176,000)	(225,695,000)
Acquisition of PPE	(1,502,498,464)	(918,782,371)
Acquisition of Intangible Assets	(40,135,119)	(189,734,470)
Disposal/ (Additions) to Consumable biological assets	-	-
Proceeds from Disposal of PPE	472,160,102	66,368,185
Proceeds from sales of livestock	57,870,000	25,821,000
Disposal of investment in associates	-	900,000
Acquisition of Noncontrolling interest in Subsidiaries	(461,780,514)	(400,000,000)
Acquisition of Subsidiaries (net of cash)	(1,563,683,780)	-
Disposal of Subsidiary (net of cash)	-	645,479,827
Deferred consideration paid	-	(70,337,910)
Net Proceeds from Disposal of Biological Assets	-	402,000
Acquisition of Investment property	(13,292,864)	(19,518,058)
Net cash generated from / (used in) Investing activities	(3,077,332,122)	(1,309,595,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of Interest Bearing Borrowings	13,702,041,420	4,731,267,603
Proceeds from share Issued by subsidiaries to NCI	196,000,000	355,940,000
Advance received from NCI (APHL)	-	10,000,000
Repayments of Interest Bearing Borrowings	(12,467,822,958)	(6,025,277,528)
Payment to lease creditor	(88,865,190)	(65,024,043)
Dividend Paid	(1,616,668,411)	(1,601,556,914)
Net cash from / (used in) financing activities	(275,315,139)	(2,594,650,882)
Net increase/(decrease) in cash and cash equivalents	(1,346,287,896)	639,267,698
Cash and cash equivalents at the beginning of the year	2,347,210,022	1,698,437,024
Effect of exchange rate changes on cash and cash equivalents	711,234	9,505,900
Cash and cash equivalents at the end of the year	1,001,633,360	2,347,210,622
Cash and cash equivalents		
Cash in hand & bank	3,110,102,165	3,264,724,123
Bank overdraft	(2,108,468,805)	(917,513,501)
	1,001,633,360	2,347,210,622

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

STATEMENT OF CASH FLOWS - COMPANY

	Unaudited Year ended 31st March 2023	Audited Year ended 31st March 2022
	LKR	LKR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	1,251,074,790	1,038,284,931
Adjustments for;		
Interest income	(91,625,711)	(96,682,596)
Interest expense	28,972,835	3,890,181
Impairment of Investment in Associate	-	436,572
Fair value gain/ loss in quoted shares and unit trust	354,871	13,989,044
Depreciation of Property, Plant and Equipment	30,318,618	22,585,396
Amortization of Intangible Assets	-	1,317,276
Profit on sale of property, plant & equipment	-	(8,625,000)
Loss/ (Gain) on disposal of a Subsidiary	-	(59,173,066)
Loss/ (Gain) on disposal of associate	-	(44,565)
Provision for gratuity	29,602,911	20,309,048
Operating profit before working capital changes	1,248,698,315	936,287,221
(Increase)/decrease in trade and other receivables	108,596,111	(64,151,801)
(Increase)/Decrease in Inventory	(1,882,767)	-
(Increase)/decrease in amounts due from related parties	8,462,534	92,783,968
Increase/(decrease) in trade and other payables	(64,506,208)	8,755,725
Increase/(decrease) in amounts due to related parties	4,026	8,398
Cash generated from/ (used in) operations	1,299,372,011	973,683,511
Interest paid	(24,914,330)	(3,890,181)
Income tax paid	(103,701,935)	(53,549,189)
Employee benefits paid	-	(202,586)
Net cash generated from / (used in) operating activities	1,170,755,746	916,041,555
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	67,152,493	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
Mature/Investments in debentures	100,000,000	(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	(225,000,000)	-
Acquisition of intangible assets	-	(18,789,851)
Proceed from disposal of property, plant & equipment	-	16,800,000
Acquisition of property, plant & equipment	(1,332,000)	(11,393,121)
Net cash used in investing activities	(1,299,179,507)	116,875,653
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts of interest bearing borrowings	771,000,000	-
Repayment of interest bearing borrowings	(771,000,000)	(768,701,275)
Payment of lease liabilities	(19,859,581)	(16,369,056)
Dividend paid	(245,986,815)	(448,662,310)
Net Cash generated from / (used in) Financing Activities	(265,846,396)	(1,233,732,641)
Net increase/(decrease) in cash and cash equivalents	(394,270,156)	(200,815,433)
Cash and cash equivalents at the beginning of the year	1,208,295,019	1,409,110,452
Cash and cash equivalents at the end of the year	814,024,863	1,208,295,019
Cash and cash equivalents		
Cash in hand & bank	814,024,863	1,208,295,019
Bank overdraft	-	-
	814,024,863	1,208,294,417

Figures in brackets indicate deductions.

The above figures are not audited

SEGMENTAL ANALYSIS

FOR THE YEAR ENDED 31ST MARCH 2023

	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
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE	3,526,466,702	2,433,771,823	23,924,434,589	17,501,042,847	8,768,041,000	6,474,661,000	19,010,565,094	8,068,809,062	-	20,891,694	35,164,222	41,291,783	(3,377,917,552)	-2,374,259,230	51,886,754,055	32,166,208,979
RESULT																
Profit from operating activities	3,299,610,396	2,317,702,153	2,973,221,562	1,630,888,224	2,930,745,000	3,346,775,000	1,187,746,016	577,747,526	-	-64,849,718	30,055,050	261,651,671	(3,420,449,556)	-2,363,546,815	7,000,928,466	5,706,368,042
Net finance cost	90,456,393	75,668,614	(636,701,462)	(9,186,045)	22,743,000	(14,973,000)	(427,755,263)	(67,034,567)	-	25,727,474	(34,738,602)	(19,460,594)	-	-	(985,995,933)	(9,258,118)
Share of equity accounted investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(436,572)	-	(436,572)
Impairment of Goodwill	-	-	(354,294,888)	(50,000,000)	-	-	-	-	-	-	-	-	-	-	(354,294,888)	(50,000,000)
Income tax expense	(313,868,036)	-202,772,081	(773,401,527)	-502,050,793	(621,699,000)	125,997,000	(236,502,432)	-31,532,757	-	-8,859,268	(98,315,497)	-30,783,370	-	-	(2,043,786,492)	(650,001,269)
Profit for the year	3,076,198,752	2,190,598,686	1,208,823,685	1,069,651,386	2,331,789,000	3,457,799,000	523,488,320	479,180,202	-	(47,981,512)	(102,999,049)	211,407,707	(3,420,449,556)	(2,363,983,387)	3,616,851,153	4,996,672,083
Discontinued operations																
Other comprehensive income	(81,986,990)	-	(460,368)	19,635,608	(82,151,000)	53,301,000	(9,713,525)	37,003,406	-	-	-	-	-	-	(174,311,883)	109,940,014
Total comprehensive income	2,994,211,762	2,190,598,686	1,208,363,317	1,089,286,994	2,249,638,000	3,511,100,000	513,774,796	516,183,608	-	(47,981,512)	(102,999,049)	211,407,707	(3,420,449,556)	(2,363,983,387)	3,442,539,270	5,106,612,097
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
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Segment assets	12,979,902,782	8,896,555,893	14,809,533,591	12,982,144,709	8,865,548,000	8,891,696,000	8,570,907,825	3,875,988,074	-	-	1,247,623,579	1,237,896,555	(10,465,435,055)	(6,730,758,186)	36,008,080,722	29,153,523,647
Equity & reserves	12,602,911,012	8,655,130,742	6,995,726,411	6,607,204,731	6,502,988,000	7,099,671,000	2,491,431,016	1,627,151,406	-	-	845,638,942	948,637,990	(10,201,585,523)	(6,509,865,215)	19,237,109,858	18,427,930,654
Total liabilities	376,991,768	241,425,152	7,813,807,178	6,374,939,978	2,362,560,000	1,792,025,000	6,079,476,811	2,248,836,668	-	-	401,984,639	289,258,565	(263,849,534)	(220,892,972)	16,770,970,863	10,725,593,860
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Depreciation	32,849,624	24,032,378	305,220,909	298,292,834	451,228,000	391,590,000	234,695,572	168,800,784	-	6,164,056	-	-	-	-	1,023,994,105	888,880,052
Capital expenditure	40,756,652	3,837,461	280,566,790	303,910,519	900,361,000	836,383,000	695,134,006	315,461,352	-	5,250,921	-	-	-	-	1,916,818,449	1,464,843,253

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, Sri Lanka.

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

The Registrar General of Companies on January 28, 2022 issued the certificate of Amalgamation in terms of section 244(1) (a) of the Companies Act, No. 7 of 2007 that Sunshine Energy (Pvt) Limited 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 Year ended 31st March 2023, includes the "Company" referring to Sunshine Holdings PLC as the holding Company and the "Group" comprise the Company and subsidiary companies of Sunshine Consumer Lanka Limited and its subsidiaries, Sunshine Healthcare Lanka Limited 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 31st March 2023.

3. Approval of financial statements

The Interim Condensed Financial Statements of the Group and the Company for the year ended 31st March 2023, were authorised for issue by the Board of Directors on 25th May 2023.

4. Basis of preparation

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards with effect from 01st January 2014 (SLFRS/LKAS). There were no changes to the accounting policies and methods of computation since the publication of the Annual Report 2022/23. Further, these Financial Statements have been prepared in compliance with the requirement of the Sri Lanka Accounting Standard - LKAS 34 on "Interim Financial Reporting."

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's annual Consolidated Financial Statements as at 31 March 2023.

Previous period figures and phrases have been rearranged wherever necessary to conform to the current presentation.

5. Significant Accounting Policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 March 2023.

5.1. Standards Issued but not yet Effective

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

5.2. Basis of Consolidation

Subsidiaries are those entities controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits

from its activities. In assessing control, the Group takes in to consideration that substantive rights that give the ability to direct the activities of the subsidiaries.

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

5.3. Use of judgements and estimates

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

5.4. Property, Plant & equipment

Recognition and measurement

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses if any, whilst land is measured at fair value.

De-recognition

The carrying amount of an item of Property, plant & equipment is de-recognised on disposal; or when no future economic benefits are expected from its use. Gains and losses on de-recognition are recognised in income statement and gains are not classified as revenue. When re-valued assets are sold, any related amount included in the revaluation reserve is transferred to Retained Earnings.

Depreciation

Depreciation is recognised in income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant & equipment.

5.4.1 Impairment

The Board of Directors has assessed the potential impairment loss of the property, plant and equipment as at 31 March 2023. Based on the assessment, no impairment provision is required to be made in the financial statements as at the reporting date.

5.5. Biological assets

The Group recognise the biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and fair value or cost of the assets can be measured reliably.

Bearer biological assets

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

Consumable biological assets

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

NOTES TO THE ACCOUNTS (Cont...)

values less costs of plantations at each reporting date are included in profit or loss for the period in which they arise. All costs incurred in maintaining the assets are included in Profit or Loss for the period in which they arise.

Livestock

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

5.6. Investment properties

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

5.7 Inventories

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

6. Revenue

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

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

a) Investments

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

b) Plantation

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

c) Consumer

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

d) Healthcare

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

e) Sunshine Tea

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

f) Rent income

This includes rental income earned from renting out investment property owned by the Subsidiary. Revenue is recognized over time as the rent income is recognized on a straight line basis over the term of the agreement.

6.1 Disaggregation of Revenue from Contracts with Customers

The disaggregation of revenue has been provided under segmental analysis.

7. Investments in subsidiaries

"Quoted and unquoted investments in shares held on long term basis by the Company and Group are stated at cost less provision for diminution in value of investments.

7.1. 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% .

On May 31, 2022, SHL has acquired 100% stake of APHL by a share swap from SUN for the purchase consideration of Rs. 2,599 million. As a result of this transactions Group's effective shareholding of the SHL has increase from 72.0 % to 100%.

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

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

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.

7.4. 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.

31 March 2023	Classification	GROUP					COMPANY				
		Carrying amount	Fair value			Total	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
Financial Assets measured at Fair value											
Investment in Unquoted Shares	Fair value through OCI	309,911,065	-	-	309,911,065	309,911,065	-	-	-	309,911,065	309,911,065
Investment in Quoted Shares	Fair value through P&L	21,011,001	21,011,001	-	-	21,011,001	21,011,001	-	-	-	21,011,001
Investment Fund	Fair value through P&L	53,283,000	-	53,283,000	-	53,283,000	-	-	-	-	-
		384,205,066	21,011,001	53,283,000	309,911,065	384,205,066	330,922,066	21,011,001		- 309,911,065	330,922,066
Financial Assets not measured at Fair value											
Trade and other receivables **	Amortized cost	7,892,295,240	-	7,892,295,240	-	7,892,295,240	28,133,470	-	28,133,470	-	28,133,470
Investment in Debentures	Amortized cost	104,173,150	-	104,173,150	-	104,173,150	104,173,150	-	104,173,150	-	104,173,150
Amounts due from related parties **	Amortized cost	149,442,584	-	149,442,584	-	149,442,584	233,868,531	-	233,868,531	-	233,868,531
Cash & cash equivalents **	Amortized cost	3,110,102,165	-	3,110,102,165	-	3,110,102,165	814,024,863	-	814,024,863	-	814,024,863
		11,256,013,139	-	11,256,013,139	-	11,256,013,139	1,180,200,014	-	1,180,200,014	-	1,180,200,014
Financial Liabilities not measured at Fair value											
Loans and borrowings ***	Other financial liabilities	5,298,977,248	-	5,298,977,248	-	5,298,977,248	19,775,651	-	19,775,651	-	19,775,651
Bank overdraft **	Other financial liabilities	2,108,468,805	-	2,108,468,805	-	2,108,468,805	-	-	-	-	-
Trade and other payables **	Other financial liabilities	6,423,945,204	-	6,423,945,204	-	6,423,945,204	34,157,523	-	34,157,523	-	34,157,523
Amounts due to related parties **	Other financial liabilities	55,000,000	-	55,000,000	-	55,000,000	12,424	-	12,424	-	12,424
		13,886,391,257	-	13,886,391,257	-	13,886,391,257	53,945,598	-	53,945,598	-	53,945,598

31 March 2022	Classification	GROUP					COMPANY				
		Carrying amount	Fair value			Total	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
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
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
Investment Fund	Fair value through P&L	72,313,000	-	72,313,000	-	72,313,000	-	-	-	-	-
		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
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.

NOTES TO THE ACCOUNTS (Cont...)

An analysis of the fair value measurement of financial and non-financial assets and liabilities are provided below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
When available, the Company and Group measures the fair value of an instrument using active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an ask price), without any deduction for transaction costs. A market is regarded as active if transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
This category includes instruments valued using:
 - (a) quoted prices in active markets for similar instruments,
 - (b) quoted prices for identical or similar instruments in markets that are considered to be less active, or
 - (c) other valuation techniques in which almost all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

8.2.a Valuation techniques and significant unobservable inputs

The following valuation techniques used in measuring Level 2 and Level 3 fair values at 31 March 2023 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 2023.

During the reporting period ended 31 March 2023 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 31 March 2023 remain the same as at 31 March 2022.

9. Utilisation of private placement proceeds

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

Surcharge Tax Act No. 14 of 2022 was enacted on 8 April 2022 and is applicable to the Sunshine Group as the collective taxable income of companies belonging to the Group, calculated in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, exceeds Rs. 2,000 Mn, for the year of assessment

2020/21. The liability is computed at the rate of 25% on the taxable income of the individual Group companies, net of dividends from subsidiaries.

Total Surcharge Tax liability of Rs. 653.4 Mn and Rs.60.9 Mn has been recognised for the Group and the Company respectively as an opening adjustment to the 1 April 2022 retained earnings in the statement of Changes in Equity as per the Addendum to the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka.

10. Comparatives

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

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

No. of shares as at	31st March 2023	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.

12. Dividend

	Period ended 31st March	
	2023	2022
	2021/22 (Final)	2021/22 (Interim)
Dividend paid (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

13. Commitments & contingencies

There has not been significant change in the nature of the contingent liabilities, which were disclosed in the Annual Report for the year ended 31st March 2023.

14. Income tax

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

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

15. Earnings per share

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

16. 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.

17. The interim Financial Statements are not audited.

SHAREHOLDER INFORMATION

Market price per share	Period ended	Audited
	31st March 2023	Year ended 31st March 2022
	Rs.	Rs.
Highest price	46.50	71.40
Lowest price	34.00	35.00
Last traded price	45.00	36.60

TWENTY (20) LARGEST SHAREHOLDERS AS AT

S/N Name	31st March 2023		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 SBIVEN Holdings PTE LTD	13,752,369	2.80%	-	0.00%
5 Ceylon Property Development Limited	10,915,876	2.22%	10,915,876	2.43%
6 Citibank Newyork S/A Norges Bank Account 2	6,971,908	1.42%	2,376,134	0.53%
7 Thread Capital (Private) Limited	6,167,304	1.25%	-	0.00%
8 Mr.V.Govindasamy	6,079,500	1.24%	6,079,500	1.36%
9 MR. B.W.Kundanmal	2,745,922	0.56%	-	0.00%
10 Hatton National Bank PLC /Subramaniam Vasudevan	2,586,609	0.53%	4,366,918	0.97%
11 Rubber Investment Trust Ltd A/C No 01	2,097,307	0.43%	-	0.00%
12 Perera And Sons Bakers Pvt Limited	1,500,000	0.30%	1,500,000	0.33%
13 Ceylon Guardian Investment Trust PLC A/C # 02	1,494,277	0.30%	-	0.00%
14 Union Assurance PLC - Universal Life Fund	1,481,161	0.30%	-	0.00%
15 Amaliya Private Limited	1,148,392	0.23%	-	0.00%
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 Commercial Bank Of Ceylon PLC/Metrocorp (Pvt) Ltd	1,063,400	0.22%	1,150,000	0.26%
19 DFCC Bank PLC/L.C.A. Lankeshwara	1,000,000	0.20%	1,200,000	0.27%
19 DFCC Bank PLC A/C NO.02	1,000,000	0.20%	-	0.00%
20 Bank Of Ceylon No.1 Account	949,010	0.19%	-	0.00%
Sub Total	432,458,161	87.93%	347,371,955	77.42%
Others	59,515,468	12.10%	101,290,354	22.58%
Total	491,973,629	100.00%	448,662,309	100.00%

PUBLIC SHARE HOLDING

	Requirement by CSE	As at 31st March 2023	Requirement by CSE	As at 31st March 2022
Option	3	3	3	3
Float adjusted market capitalization	Above Rs.5,000,000,000/-	6,940,517,971	Above Rs.5,000,000,000/-	5,863,953,566
The percentage of shares held by the public	7.5%	31.35%	7.5%	35.71%
Number of shareholders representing public holding	500	7,369	500	5,331

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

	As at 31st March 2023	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 - Resigned w.e.f 24th May 2023
Mr. A. Talwatte
Mr. S. Shishoo
Ms. Shalini Ratwatte - Resigned w.e.f 31st March 2023
Mr. Sudarshan Jain
Ms. Ruvini Fernando
Mr. S. Renganathan
Mr. Tyeabally Akbarally
Mr. Reyaz Mihular - Appointed on 6th April 2023

Secretaries

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

Auditors

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

Lawyers

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

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

Bankers

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

Credit Ratings

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