

**CONSOLIDATED BAKERIES (JAMAICA) LTD**  
**Unaudited Financial Statements For the**  
**three Months Ended 31 March 2013**

---

|   |             |
|---|-------------|
| <b>Statement of comprehensive income</b>            | <b>1</b>    |
| <b>Statement of financial position</b>              | <b>2</b>    |
| <b>Statement of changes in shareholders' equity</b> | <b>3</b>    |
| <b>Statement of cash flows</b>                      | <b>4</b>    |
| <b>Notes to the interim financial information</b>   | <b>5-10</b> |

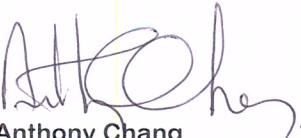
**CONSOLIDATED BAKERIES (JAMAICA) LTD**  
**Unaudited Statement Of Comprehensive Income**  
**For the three Months ended 31 March 2013**

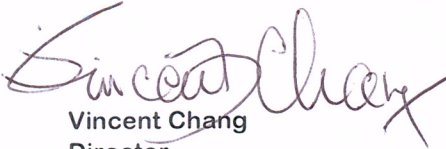
|                                     | <u>Notes</u> | Unaudited 3<br>months ended<br>March 31 2013 | Unaudited 3<br>months ended<br>March 31 2012 |
|-------------------------------------|--------------|--|--|
| Revenue                             |              | 172,033,387                                  | 139,967,678                                  |
| Cost of Sales                       |              | 109,191,507                                  | 86,701,186                                   |
| Gross Profit                        |              | 62,841,880                                   | 53,266,492                                   |
| Other Income                        |              | 722,832                                      | 3,460  |
|                                     |              | 63,564,712                                   | 53,269,952                                   |
| Operating Expenses                  |              | 50,481,158                                   | 43,611,388                                   |
| Profit from operations              |              | 13,083,554                                   | 9,658,564                                    |
| Unrealized Gain on Foreign Exchange |              | 2,542,614                                    | 100,968                                      |
| Finance costs                       |              | (1,378,758)                                  | (750,005)                                    |
| Profit before Taxation              |              | 14,247,410                                   | 9,009,527                                    |
| Taxation                            | 4            | -  | (4,508,090)                                  |
| Total Comprehensive Income          |              | 14,247,410                                   | 4,501,437                                    |
| Earnings per Share                  | 9            | 0.06   | 0.38   |

**CONSOLIDATED BAKERIES (JAMAICA) LTD**  
**Unaudited Statement Of Financial Position**  
**As at 31 March 2013**

|   | Notes | As at<br>March 31, 2013   | As at<br>March 31, 2012   | As at<br>December 31, 2012 |
|---|-------|---------------------------|---------------------------|----------------------------|
| <b>ASSETS:</b>                          |       |                           |                           |                            |
| <b>NON-CURRENT ASSETS:</b>              |       |                           |                           |                            |
| Property , Plant & Equipment            | 5     | 379,090,463               | 373,055,187               | 374,962,934                |
|   |       | <u>379,090,463</u>        | <u>373,055,187</u>        | <u>374,962,934</u>         |
| <b>CURRENT ASSETS:</b>                  |       |                           |                           |                            |
| Inventories                             |       | 18,240,216                | 7,178,012                 | 16,513,962                 |
| Accounts Receivables                    | 6c    | 73,523,277                | 41,659,904                | 43,018,199                 |
| Owed by Related Parties                 | 7     | 19,346,277                | 20,941,817                | 25,643,141                 |
| Investments                             | 6c    | 64,951,474                | -                         | 33,000,000                 |
| Cash & Cash Equivalent                  | 6c    | 26,240,644                | 27,079,789                | 65,362,973                 |
|   |       | <u>202,301,888</u>        | <u>96,859,522</u>         | <u>183,538,275</u>         |
| <b>TOTAL ASSETS</b>                     |       | <u><u>581,392,352</u></u> | <u><u>469,914,709</u></u> | <u><u>558,501,209</u></u>  |
| <b>EQUITIES &amp; LIABILITIES</b>       |       |                           |                           |                            |
| Share Capital                           |       | 90,726,664                | 120,000                   | 90,726,664                 |
| Capital Reserve                         |       | 20,825,532                | 20,825,532                | 20,825,532                 |
| Revaluation Reserves                    |       | 330,854,047               | 330,854,047               | 330,854,047                |
| Retained Earnings                       |       | 42,823,461                | 29,401,229                | 28,576,051                 |
|   |       | <u>485,229,704</u>        | <u>381,200,808</u>        | <u>470,982,294</u>         |
| <b>NON-CURRENT LIABILITIES</b>          |       |                           |                           |                            |
| Long Term Loan                          | 8     | 6,965,776                 | 19,267,193                | 9,488,857                  |
| <b>CURRENT LIABILITIES</b>              |       |                           |                           |                            |
| Current Portion of long Term Debt       | 8     | 12,544,789                | 6,850,440                 | 12,544,789                 |
| Payables & Accruals                     |       | 41,319,984                | 35,734,630                | 35,359,735                 |
| Bank Overdraft                          | 6c    | 28,924,045                | 11,946,892                | 18,049,422                 |
| Tax                                     |       | 6,408,054                 | 14,914,746                | 12,076,112                 |
|   |       | <u>89,196,872</u>         | <u>69,446,708</u>         | <u>78,030,058</u>          |
| <b>TOTAL EQUITIES &amp; LIABILITIES</b> |       | <u><u>581,392,352</u></u> | <u><u>469,914,709</u></u> | <u><u>558,501,209</u></u>  |

Approved by the Board of Directors on May 31, 2013 and signed on its behalf by:

  
 Anthony Chang  
 Director

  
 Vincent Chang  
 Director

**CONSOLIDATED BAKERIES (JAMAICA) LTD**  
 Unaudited Statement Of Changes in Shareholders' equity  
 For the three Months ended 31 March 2013

|                                 | <u>Share<br/>Capital</u> | <u>Revaluation<br/>Reserve</u> | <u>Capital<br/>Reserve</u> | <u>Retained<br/>Earnings</u> | <u>Total</u>       |
|---------------------------------|--------------------------|--------------------------------|----------------------------|------------------------------|--------------------|
| Balance at December 31,<br>2011 | 120,000                  | 330,854,047                    | 20,825,532                 | 24,899,792                   | 376,699,371        |
| Total Comprehensive<br>Income   | -                        | -                              | -                          | 4,501,437                    | 4,501,437          |
| Balance at March 31, 2012       | <u>120,000</u>           | <u>330,854,047</u>             | <u>20,825,532</u>          | <u>29,401,229</u>            | <u>381,200,808</u> |
| Balance at December 31,<br>2012 | 90,726,664               | 330,854,047                    | 20,825,532                 | 28,576,051                   | 470,982,294        |
| Total Comprehensive<br>Income   | -                        | -                              | -                          | 14,247,410                   | 14,247,410         |
| Balance at March 31, 2013       | <u>90,726,664</u>        | <u>330,854,047</u>             | <u>20,825,532</u>          | <u>42,823,461</u>            | <u>485,229,704</u> |



CONSOLIDATED BAKERIES (JA.) LTD  
 Unaudited Statement Of Cash Flow  
 For the three Months ended 31 March 2013

|  | Unaudited 3<br>months ended<br>March 31, 2013 | Unaudited 3<br>months ended<br>March 31, 2012 |
|--|---|---|
| <b><u>Cash Flows from Operating Activities</u></b>       |   |   |
| Net Profit   | 14,247,410                                    | 9,009,527                                     |
| Items not affecting cash resources:                      |   |   |
| Depreciation   | 2,890,053                                     | 2,506,265                                     |
|  | <u>17,137,463</u>                             | <u>11,515,792</u>                             |
| <b><u>(Increase)/Decrease in Current Assets</u></b>      |   |   |
| Related Parties  | 6,296,864                                     | 3,038,370                                     |
| Inventories  | (1,726,254)                                   | 529,741                                       |
| Receivables  | (30,505,078)                                  | (5,596,042)                                   |
| <b><u>Increase/(Decrease) in Current Liabilities</u></b> |   |   |
| Trade Payables   | 5,960,249                                     | 12,928,288                                    |
| Taxation   | (5,668,058)                                   | (1,515,033)                                   |
| Net cash provided by operating activities                | <u>(8,504,813)</u>                            | <u>20,901,115</u>                             |
| <b><u>Cash Flows from Investing Activities</u></b>       |   |   |
| Investments  | (31,951,474)                                  | -   |
| Purchase of Fixed Assets                                 | (7,017,582)                                   | (4,066,702)                                   |
| Net cash used in investing activities                    | <u>(38,969,056)</u>                           | <u>(4,066,702)</u>                            |
| <b><u>Cash Flows from Financing Activities</u></b>       |   |   |
| Loan   | (2,523,080)                                   | 12,911,942                                    |
| Net cash flows from financing activities                 | <u>(2,523,080)</u>                            | <u>12,911,942</u>                             |
| Net cash generated this quarter                          | (49,996,950)                                  | 29,746,355                                    |
| Cash and cash equivalents at beginning of year           | 47,313,551                                    | (14,613,459)                                  |
| Cash and cash equivalents at end of quarter              | <u>(2,683,401)</u>                            | <u>15,132,896</u>                             |
| <b><u>Represented By:</u></b>                            |   |   |
| Cash and Cash Equivalents                                | 26,240,644                                    | 27,079,789                                    |
| Bank Overdraft   | (28,924,045)                                  | (11,946,892)                                  |
|  | <u>(2,683,401)</u>                            | <u>15,132,896</u>                             |

**CONSOLIDATED BAKERIES (JAMAICA) LTD**

Notes to the Financial Statements

For the three Months ended 31 March 2013

---

**1 Identification and Principal Activities****Consolidated Bakeries ( Jamaica) Ltd - "The Company"**

- a) The Company is incorporated under the Jamaica Companies Act and up to November 2012 was a wholly owned subsidiary of Chang Brothers Limited which is also a wholly owned Jamaican Company incorporated under the Jamaica Companies Act. In December 2012 the percentage shareholding of Chang Brothers Ltd was reduced to 76.3% due to the following:

Re-registration of the Company and Stock Exchange Listing.

On a resolution passed at an extraordinary general meeting the shareholders of the Company approved the following action. Re-registration of the company as a public company under the Companies Act 2004 and adoption of new Articles of incorporation.

The company had its application to the Junior Stock Exchange approved after its successful public share offer of ordinary shares in December 2012.

- b) Activities

The main activities of the company are the manufacture, wholesale and retail of edible baked products.

**2 Reporting Currency**

Except as otherwise indicated the amounts in these financial statements are expressed in Jamaican Dollars which is the primary currency in the country in which the Company operates.

**3 Significant Accounting Policies****Statements of Compliance**

These interim financial statements for the three months ended 31 March, 2013 have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). These interim financial statements were prepared in accordance with IAS 34 'Interim financial reporting', and follow the same accounting policies and methods of computation that were used in the annual audited financial statements for the year ended December 31, 2012.

**CONSOLIDATED BAKERIES (JA.) LTD**

Notes to the Financial Statements

For the three Months ended 31 March 2013

**4 Tax Status**

Under the Income Tax Act (Jamaica Stock Junior Market Remission Notice 20100) 100% of the Company's income tax liability will be granted a remission for the next 5 years and 50% of the income tax liability will be granted a remission for an additional 10 years, provided the Company remains on the Stock Exchange during that period.

| <u>Income Taxes</u>               | Unaudited 3<br>months ended<br>March 31 2013 | Unaudited 3<br>months ended<br>March 31 2012 |
|-----------------------------------|--|--|
| <b>Income Taxes</b>               |  |  |
| Profit before Taxation            | 14,247,410                                   | 9,009,527                                    |
| Taxation at effective tax rate    | -  | (4,508,090)                                  |
| <b>Total Comprehensive Income</b> | <b>14,247,410</b>                            | <b>4,501,437</b>                             |

The 3 months ended 31 March 2012 taxation figure has been arrived at using a effective tax rate of 50% for the year 2012.

**5 Property, Plant & Equipment**

|  | 3 Months ended<br>March 31, 2013 | 3 Months ended<br>March 31, 2012 |
|--|----------------------------------|----------------------------------|
| Cost as at January 1,                        | 471,187,024                      | 457,174,885                      |
| Acquisitions                                 | 7,017,582                        | 4,066,702                        |
| Disposals                                    | -                                | -                                |
| Accumulated depreciation and<br>amortization | (99,114,143)                     | (88,186,400)                     |
| Net book Value as at March 31,               | <b>379,090,463</b>               | <b>373,055,187</b>               |



**CONSOLIDATED BAKERIES (JA.) LTD**  
Notes to the Financial Statements  
For the three Months ended 31 March 2013

---

**6 Financial Risk**

a) Interest rate risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in market interest rates. The Company is exposed to interest rate risk regarding its loans, savings accounts and bank overdraft.

b) Liquidity Risk

Liquidity risk refers to the difficulty The Company faces in raising funds to meet its commitments associated with its Financial instruments. As at March 31, 2013 The Company did not face any liquidity risks.

c) Credit risk

Credit risk is the risk that arises when one party fails to discharge its financial obligation, thus resulting in the other party suffering a financial loss. The Company is exposed to credit risk in respect of its receivables from both other companies and from individuals.

The maximum exposure to Interest rate and Credit risk as at March 31, 2013 is represented by the following:

|                           | <b>3 Months ended<br/>March 31, 2013</b> | <b>3 Months ended<br/>March 31, 2012</b> | <b>Audited year ended<br/>December 31, 2012</b> |
|---------------------------|--|--|---|
| Cash and Cash Equivalents | 26,240,644                               | 27,079,789                               | 65,362,973                                      |
| Investments               | 64,951,474                               | -  | 33,000,000                                      |
| Owed by related parties   | 19,346,277                               | 20,941,817                               | 25,643,141                                      |
| Receivables               | 73,523,277                               | 41,659,904                               | 43,018,199                                      |
| Bank Overdraft            | 28,924,045                               | 11,946,892                               | 18,049,422                                      |



**CONSOLIDATED BAKERIES (JA.) LTD**

Notes to the Financial Statements

For the three Months ended 31 March 2013

**7 Related Parties**

Related parties are those parties that possess the ability to control or exercise significant influence over the Companies Operational or Financial decisions. Amounts owed are as follows:

|                           | <b>3 Months ended<br/>March 31, 2013</b> | <b>3 Months ended<br/>March 31, 2012</b> | <b>Audited year ended<br/>December 31, 2012</b> |
|---------------------------|--|--|---|
| Parent Company            | -  | 400,387                                  | 1,989,427                                       |
| Directors' Account        | 11,720,024                               | 8,377,472                                | 12,000,024                                      |
| Poly Cello Packaging Ltd. | 7,626,253                                | 12,163,958                               | 11,653,690                                      |
|                           | <b>19,346,277</b>                        | <b>20,941,817</b>                        | <b>25,643,141</b>                               |

**8 Loan Liability**

|                  | <b>3 Months ended<br/>March 31, 2013</b> | <b>3 Months ended<br/>March 31, 2012</b> | <b>Audited year ended<br/>December 31, 2012</b> |
|------------------|--|--|---|
| Current Amount   | 12,544,789                               | 6,850,440                                | 12,544,789                                      |
| Long Term Amount | 6,965,776                                | 19,267,193                               | 9,488,857                                       |
| <b>Total</b>     | <b>19,510,565</b>                        | <b>26,117,633</b>                        | <b>22,033,645</b>                               |

CONSOLIDATED BAKERIES (JA.) LTD  
Notes to the Financial Statements  
For the three Months ended 31 March 2013

---

**9 Earnings per share**

The earnings per share have been arrived at by dividing the total Comprehensive Income by the total number of shares in issue as at the end of the respective period.

|                 | <b>Three Months<br/>ended March 31,<br/>2013</b> | <b>Three Months<br/>ended March<br/>31, 2012</b> |
|-----------------|--|--|
| Ordinary Shares | 222,709,171                                      | 12,000,000                                       |

**CONSOLIDATED BAKERIES (JA.) LTD**  
**Notes to the Financial Statements**  
**For the three Months ended 31 March 2013**

---

**10 Shareholders' Information**

**10 Largest Shareholders at March 31, 2013**

|  |             |
|--|-------------|
| Chang Brothers Limited                   | 170,886,910 |
| JCSD Trustee Services LTD - SIGMA OPTIMA | 2,650,000   |
| David Chang                              | 2,200,000   |
| National Supply CO. LTD                  | 2,128,000   |
| Sunfisher Corp.                          | 1,183,000   |
| David J. Hall                            | 1,087,558   |
| Bruce Terrier                            | 1,064,000   |
| Stocks and Securities LTD - MANAGED A/C  | 1,053,875   |
| Anand James                              | 1,000,000   |
| Vicsol Services LTD                      | 985,000     |

**Shareholding of Directors at March 31, 2013**

|                     |            |
|---------------------|------------|
| Vincent Chang       | 45,748,745 |
| Anthony Chang       | 37,304,399 |
| Nicola Chang Murphy | 18,690,956 |
| Noel DaCosta        | 800,000    |
| Philmore Ogle       | 800,000    |
| Keith Collister     | 800,000    |
| Thomas Chin         | 200,000    |

**Shareholding of Senior Managers at March 31, 2013**

|                 |       |
|-----------------|-------|
| Rondene DaCosta | 1,000 |
|-----------------|-------|