

CARGO Handlers Ltd.

2nd Quarter Financial Statements

March 31, 2016

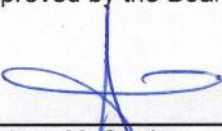
Cargo Handlers Limited

Statement of Financial Position

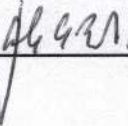
6 months ending March 31, 2016

	Unaudited Mar 2016 \$	Unaudited Mar 2015 \$	Audited Sept 2015
Non-Current Assets			
Property, plant & equipment	56,716,038	57,123,778	53,818,109
Related Companies	3,160,564	8,426,878	19,528,581
	59,876,602	65,550,656	73,346,690
Current Assets			
Receivables	77,764,475	46,688,539	50,870,709
Taxation recoverable	725,973	577,906	668,603
Cash	191,494,940	138,279,297	151,035,320
	269,985,387	185,545,742	202,574,633
Current Liabilities			
Payables	26,931,108	16,801,997	14,671,839
Directors' current accounts	40,322	68,959	288,959
Borrowings	177,310	40,822	465,544
	27,148,739	16,911,779	15,426,342
Net Current Assets/(Liabilities)	242,836,648	168,633,963	187,148,291
	<u>302,713,250</u>	<u>234,184,619</u>	<u>260,494,980</u>
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	232,757,321	187,647,171	203,086,946
	276,105,126	230,994,976	246,434,751
Non-Current Liability			
Deferred tax liability	1,479,459	889,643	1,479,459
Related Companies	25,128,665	2,300,000	12,580,770
	26,608,124	3,189,643	14,060,229
	<u>302,713,250</u>	<u>234,184,619</u>	<u>260,494,980</u>

Approved by the Board of Directors and signed on its behalf by:



Andrew McCarthy Director



John Byles Director

Cargo Handlers Limited

Statement of Comprehensive Income

6 months ending March 31, 2016

	3 months to Mar 2016	3 months to Mar 2015	6 months to Mar 2016	6 months to Mar 2015
	\$	\$	\$	\$
Revenue	87,234,990	61,412,950	153,297,552	123,546,641
Other income	1,678,661	2,326,305	4,172,514	2,667,380
Administrative expenses	(3,427,452)	(3,540,168)	(6,708,963)	(7,225,099)
Other operating expenses	<u>(30,830,178)</u>	<u>(22,534,275)</u>	<u>(61,402,994)</u>	<u>(41,946,458)</u>
Operating Profit	54,656,021	37,664,812	89,358,109	77,042,463
Interest Income	425,156	1,088,478	1,174,578	2,069,349
Finance costs	<u>(188,611)</u>	<u>(203,254)</u>	<u>(334,101)</u>	<u>(441,012)</u>
Profit before Taxation	54,892,566	38,550,036	90,198,586	78,670,800
Taxation	<u>(11,822,632)</u>	-	<u>(11,822,632)</u>	-
Net Profit, being Total Comprehensive Income for period September 30	<u>43,069,934</u>	<u>38,550,036</u>	<u>78,375,954</u>	<u>78,670,800</u>
Earnings Per Share (EPS)	1.15	1.03	2.09	2.10

Cargo Handlers Limited

Statement of Changes in Equity
6 months ending March 31, 2016

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2014	37,465,830	43,175,494	172,311	156,672,900	200,020,705
Net profit, being total comprehensive income for the period	-	-	-	78,586,402	78,586,402
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(47,612,132)	(47,612,132)
Balance at 31 March 2015	37,465,830	43,175,494	172,311	187,647,171	230,994,976
Balance at 30 September 2015	37,465,830	43,175,494	172,311	203,086,946	246,434,751
Net profit, being total comprehensive income for the period	-	-	-	78,375,954	78,375,954
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(48,705,579)	(48,705,579)
Balance at 31 March 2016	37,465,830	43,175,494	172,311	232,757,321	276,105,126

Cargo Handlers Limited

Statement of Cash Flows

6 months ending March 31, 2016

	Mar 2016	Mar 2015
	\$	\$
Cash Flows from Operating Activities		
Net Profit	78,375,954	78,586,402
Items not affecting cash:		
Unrealised exchange (gain)/loss	(1,679,536)	(2,203,434)
Depreciation	3,791,942	3,364,924
Bad debt written off	75,055	-
Interest income	(1,174,578)	(2,069,349)
Interest expense	334,101	441,012
	<u>79,722,937</u>	<u>78,119,555</u>
Changes in operating assets and liabilities:		
Receivables	(26,507,255)	36,688
Payables	12,259,269	(6,472,176)
Directors' current accounts	(248,637)	(2,702,046)
Cash (used in)/provided by operating activities	65,226,315	68,982,022
Income tax paid/recoverable	(57,370)	(52,565)
Net cash (used in)/provided by operating activities	<u>65,168,945</u>	<u>68,929,457</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(6,689,872)	(147,096)
Investments	-	-
Interest received	1,174,578	2,069,349
Cash provided by investing activities	<u>(5,515,294)</u>	<u>1,922,253</u>
Cash Flows from Financing Activities		
Related Companies	28,915,912	19,994,002
Interest paid	(334,101)	(441,012)
Bank overdraft	177,310	40,822
Dividends	(48,705,579)	(47,612,132)
Cash provided by financing activities	<u>(19,946,458)</u>	<u>(28,018,320)</u>
(Decrease)/Increase in net cash and cash equivalents	39,707,193	42,833,390
Effect of exchange rate on net cash and cash equivalents	1,217,971	2,203,434
Cash and cash equivalents at beginning of year	<u>150,569,776</u>	<u>93,242,473</u>
Cash and cash equivalents for period ending Mar 31	<u><u>191,494,940</u></u>	<u><u>138,279,297</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 March 2016

1. Identification and Principal Activity

The Company is incorporated and domiciled in Jamaica and has its registered office at Montego Freeport Shopping Centre, Montego Bay. The Company's principal activity is the provision of stevedoring services.

The Company is a publicly listed company having its listing on the Junior Market of the Jamaica Stock Exchange.

2. Basis of preparation

The interim financial statements for the period March 31, 2016 have been prepared in accordance with and in compliance with financial reporting standards. These interim financial statements were presented in accordance with IAS 34 "Interim Financial Reports", and follows the same accounting policies and method of computation that were used in the annual audit financial statements September 30, 2015

3. Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on March 28, 2010. Consequently, the company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the share remain listed for at least 15 years.

Years 1 to 5	100%
Years 6 to 10	50%

4. Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average number of shares for the period was calculated as follows:

	Three months ended March 31, 2015	Three Months ended March 31, 2015	Three Months ended March 31, 2016	Three Months ended March 30, 2015
Issued ordinary shares at beginning of period	37,465,830	37,465,830	37,465,830	37,465,830
Effect of shares issued during the period				
Weighted average number of ordinary shares held during the period	37,465,830	37,465,830	37,465,830	37,465,830

Cargo Handlers Limited

Selected Notes to the Financial Statements
Period Ending 31 March 2016

Management Discussions and Analysis

Cargo Handlers Limited's stevedoring business continues to perform well and the results for the quarter to March 31, 2016 gave an indication of that. Increased business from cruise vessels performing home-port operations in Montego Bay drove total revenues for the period to *\$87.2M* which was *\$25.8M* or *42%* above the corresponding period last year.

Expense for the period was up and reflected an *\$8.1M* or *31%* increase against the corresponding period driven mainly by salaries in relation to the correlating increase in stevedoring activities. Resulting profit in the amount of *\$54.8M* was *\$16.4M* or *42%* above the *\$38.4M* that was realized for the corresponding period in 2015. Cargo Handlers Limited being in their sixth year on the Junior Stock Exchange, is now subject to pay 50% of the corporate income tax rate thus bringing net profit for the period to *\$35M*.

The Port of Montego Bay's containerized cargo thru-put for the period remained steady as this continues to be buoyed by robust demand within the local hospitality industry. The apparent growth spurts of the Cruise Lines' seasonal home-port operations in Montego Bay, is an indication of their confidence in the logistics solutions that can be obtained here in Western Jamaica.

The foregoing has been positively impacting our core activities and this augurs well in light of what may be perceived as competition from a post-embargo Cuba. Regardless, the proximity of our neighbour to the north will at the very least, make itinerary planning for these Cruise Lines that much easier and more attractive, thus making the region more marketable on a whole.

Cargo Handlers Limited is excited by these prospects given our current posture and along with our now established petroleum haulage division, we remain confident in the abilities of our staff and their commitment to the continued success of the Company.

TOP TEN (10) STOCKHOLDERS

As at 31 March 2016

NAME

1.	Antony Hart	11,324,264
2.	Jane Fray	11,291,198
3.	Mark Hart	10,991,198
4.	Cargo Handlers Trust	4,159,170
5.	Mayberry Managed Clients Accounts	554,988
6.	Mayberry Investments Ltd. Pension Scheme	342,992
7.	Rosemarie McIver	276,119
8.	Nigel O. Coke	261,539
9.	Robert Chin	258,000
10.	Apcx Pharmacy	195,551

Directors' and Senior Officers' Interests

The interests of the Directors and Senior Officers, holding office at the end of the quarter, along with their connected persons*, in the ordinary stock units of the Company were as follows:

Directors Holdings

Antony Hart	11,324,264
Jane Fray	11,291,198
Mark Hart	10,991,198
Theresa Chin	760,022

Senior Management Holdings

Theresa Chin	760,022
Christopher Hurge	40,000

* Persons deemed to be connected with a director/senior manager are:

- A. The director's/senior manager's husband or wife.
- B. The director's/senior manager's minor children (these include step-children) and dependents, and their spouses.
- C. The director's /senior manager's partners.
- D. Bodies corporate of which the director/senior manager and or persons connected with him together have control.