



Blue Power Soap Division
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Lumber Depot Division
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Chairman's Report for the 2nd Quarter ended Oct 31, 2016

Although overall sales for the first half of the financial year 2016 increased by 13%, from \$599 million to \$678 million, profits before and after tax saw increases of over 100%. The results reflect the achievement of improved margins in both divisions and substantial financial income. Earnings per stock unit jumped from \$0.56 to \$1.23 for the half year.

Combined sales for the quarter ended October 31, 2016 were \$339 million as compared to \$297 million for the same period last year, an increase of \$42 million or 14%. Lumber Depot division saw an increase in sales of \$9 million from \$219 million to \$228 million while the sales for the Blue Power division increased by \$34 million from \$77 million to \$111 million.

Profits before tax for the second quarter stood at \$36 million compared to \$17 million in the same period last year, an increase of 120%. Our estimated tax liability of \$4 million reduces Net Profits to \$32 million which is still \$19 million or 146% more than the comparative period last year. The contribution of Lumber Depot division to the after tax tally was \$10 million (\$5 million in 2015), while Blue Power division added \$22 million (\$9 million in 2015). Earnings per stock unit for the quarter more than doubled, up from \$0.23 to \$0.57.

It is important to note that our export sales continue to perform well, having increased by 47% from \$25 million last year to \$36 million this year. We were also able to generate substantial income from our accumulated cash balances which provide a cushion against the devaluing Jamaican currency and are available to seize buying opportunities when they arise.

The reorganization of our production facilities at Victoria Avenue is progressing apace although it has not been completed as yet. The new machine for wrapping single bars of laundry soap has already been installed as a result of which we should see some of the products from this machine on the shelves for the Christmas season. The additional warehousing space has been completed and is already being utilized. At our Papine store, preparations are well under way to air-condition the main sales area to provide a more comfortable environment for customers and staff.

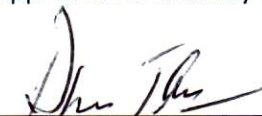
The economy is finally beginning to show some strength which bodes well for our future. Our past efforts to maintain good relations with our customers, suppliers and staff will pay positive dividends as we move forward..

Dhiru Tanna
Chairman
November 18, 2016

Blue Power Group Limited
Consolidated Statement of Financial Position
Six months ended October 31, 2016

	Unaudited October 31, 2016	Unaudited October 31, 2015	Audited April 30, 2016
ASSETS:			
Non-current assets			
Property, plant and equipment	89,098,510	66,862,328	63,546,928
Deferred tax asset	456,522	-	456,513
	<u>89,555,032</u>	<u>66,862,328</u>	<u>64,003,441</u>
Current assets			
Cash and cash equivalents	247,521,715	159,624,704	258,643,148
Accounts receivable and prepayments	140,846,010	106,123,821	99,461,391
Inventories	231,242,711	245,675,391	219,122,742
Taxation recoverable	-	2,776,977	-
	<u>619,610,436</u>	<u>514,200,893</u>	<u>577,227,281</u>
Current liabilities			
Accounts payable	73,149,634	51,523,604	69,062,007
Due to related party	349,590	349,590	349,590
Current portion of long term liabilities	988,002	988,002	1,976,004
Taxation payable	10,491,722	5,877,160	5,555,470
	<u>84,978,948</u>	<u>58,738,356</u>	<u>76,943,071</u>
Net Current Assets	<u>534,631,488</u>	<u>455,462,537</u>	<u>500,284,210</u>
Total Assets Less Current Liabilities	<u>624,186,520</u>	<u>522,324,866</u>	<u>564,287,651</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	532,017,049	427,689,119	472,118,180
	<u>618,917,196</u>	<u>514,589,266</u>	<u>559,018,327</u>
NON-CURRENT LIABILITIES			
Long-term loan	5,269,324	7,245,328	5,269,324
Deferred tax liability	-	490,272	-
	<u>5,269,324</u>	<u>7,735,600</u>	<u>5,269,324</u>
Total Equity And Non-Current Liabilities	<u>624,186,520</u>	<u>522,324,866</u>	<u>564,287,651</u>

Approved for issue by the Board of Directors on November 30, 2016 and signed on its behalf by:


 _____ Director
 Dr. Dhiru Tanna


 _____ Director
 Peter Millingen

Blue Power Group Limited
Consolidated Statement of Profit or loss and Other Comprehensive Income
Six months ended October 31, 2016

	Unaudited 3 months to October 31, 2016	Unaudited 3 months to October 31, 2015	Unaudited 6 months to October 31, 2016	Unaudited 6 months to October 31, 2015	Audited April 30, 2016
Revenue	338,969,465	296,566,050	677,668,052	598,492,881	1,215,627,817
Cost of revenue	<u>(249,205,679)</u>	<u>(239,729,120)</u>	<u>(505,529,770)</u>	<u>(477,349,675)</u>	<u>(962,515,011)</u>
Gross profit	89,763,786	56,836,930	172,138,282	121,143,206	253,112,806
Administrative and other expenses	<u>(61,129,607)</u>	<u>(42,272,447)</u>	<u>(110,066,220)</u>	<u>(88,307,225)</u>	<u>(181,946,827)</u>
	28,634,179	14,564,483	62,072,061	32,835,981	71,165,979
Other income	<u>7,524,096</u>	<u>2,978,326</u>	<u>13,876,454</u>	<u>5,519,548</u>	<u>3,736,477</u>
Profit before net finance costs and taxation	<u>36,158,274</u>	<u>17,542,809</u>	<u>75,948,515</u>	<u>38,355,529</u>	<u>74,902,456</u>
Finance income	1,393,983	173,899	5,243,016	1,449,898	14,824,555
Finance cost	<u>(1,102,467)</u>	<u>(1,143,556)</u>	<u>(2,135,135)</u>	<u>(2,446,103)</u>	<u>(4,268,054)</u>
Net financial income	<u>291,516</u>	<u>(969,657)</u>	<u>3,107,880</u>	<u>(996,205)</u>	<u>10,556,501</u>
Profit for the period	36,449,791	16,573,152	79,056,396	37,359,324	85,458,957
Taxation	<u>(4,348,309)</u>	<u>(3,531,121)</u>	<u>(9,552,697)</u>	<u>(5,713,669)</u>	<u>(9,384,241)</u>
Profit attributable to members, being total comprehensive income for the period	<u>32,101,481</u>	<u>13,042,031</u>	<u>69,503,699</u>	<u>31,645,655</u>	<u>76,074,716</u>
Earnings per stock unit	<u>\$ 0.57</u>	<u>\$ 0.23</u>	<u>\$ 1.23</u>	<u>\$ 0.56</u>	<u>\$ 1.35</u>

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Six months ended October 31, 2016

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
	\$	\$	\$
Balances as at April 30, 2015 (audited)	86,900,147	404,518,314	491,418,461
Dividends paid	-	(8,474,850)	(8,474,850)
Total comprehensive income for the quarter	-	<u>31,645,655</u>	<u>31,645,655</u>
Balances as at October 31, 2015 (unaudited)	<u>86,900,147</u>	<u>427,689,119</u>	<u>514,589,266</u>
Balances as at April 30, 2016 (audited)	86,900,147	472,118,180	559,018,327
Dividends paid		(9,604,830)	(9,604,830)
Total comprehensive income for the quarter	-	<u>69,503,699</u>	<u>69,503,699</u>
Balance as quarter end October 31, 2016 (unaudited)	<u>86,900,147</u>	<u>532,017,049</u>	<u>618,917,196</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Six months ended October 31, 2016

	Unaudited October 31, 2016	Unaudited October 31, 2015	Audited April 30, 2016
Cash Flows From Operating Activities			
Profit for the quarter	69,503,699	31,645,655	76,074,716
Adjustments for:			
Interest Income	(5,243,016)	(1,449,898)	(5,517,340)
Interest expense	2,135,135	2,446,103	792,452
Depreciation	5,776,563	6,342,040	13,145,564
Taxation	9,552,697	5,713,669	9,384,241
Cash generated before changes in working capital	81,725,077	44,697,569	93,879,633
Inventories	(12,119,969)	3,840,855	30,393,504
Accounts receivables and prepayments	(41,384,619)	(30,748,935)	(24,086,505)
Accounts payable	4,087,627	(12,634,302)	4,904,101
Cash provided by operations	32,308,116	5,155,187	105,090,733
Interest paid	(2,135,135)	(2,446,103)	(792,452)
Interest received	5,243,016	1,449,898	5,517,340
Taxation paid	(4,616,453)	(196,612)	(2,358,681)
Cash provided by operating activities	30,799,544	3,962,370	107,456,940
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(31,328,145)	(882,698)	(4,370,822)
Cash used by investing activity	(31,328,145)	(882,698)	(4,370,822)
Cash Flows From Financing Activities			
Proceeds from long -term loan	-	-	-
Related party advances received	-	-	-
Long-term loan repaid	(988,002)	(988,002)	(1,976,004)
Cash (used)/provided by Financing Activities	(988,002)	(988,002)	(1,976,004)
Net cash provided before dividends	(1,516,603)	2,091,670	101,110,114
Dividends paid	(9,604,830)	(8,474,850)	(8,474,850)
Net increase in cash and cash equivalents	(11,121,433)	(6,383,180)	92,635,264
Cash and cash equivalents at beginning of the period	258,643,148	166,007,884	166,007,884
Cash and cash equivalents at end of period	\$ 247,521,715	159,624,704	258,643,148
Comprised of:			
Cash and bank balances	\$ 247,521,715	159,624,704	258,643,148

Blue Power Group Limited
Consolidated Segment Reporting
Six months ended October 31, 2016

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	468,682,106	208,985,946	677,668,052
Profit from operations	20,112,173	41,959,888	62,072,061
Other income	8,231,031	5,645,423	13,876,454
Net finance income	2,971,079	136,801	3,107,880
Profit before taxation	31,314,283	47,742,113	79,056,396
Taxation	(3,768,425)	(5,784,272)	(9,552,697)
Profit for the period	27,545,858	41,957,840	69,503,699
Segment assets			
Non-current	29,162,141	59,936,369	89,098,510
Current assets	366,266,739	253,343,697	619,610,436
	395,428,880	313,280,066	708,708,946
Segment liabilities			
Current liabilities	58,456,698	26,522,250	84,978,948
Non-Current liabilities	-	5,269,324	5,269,324
	58,456,698	31,791,574	90,248,272
Other segment items:			
Capital expenditure	2,863,975	28,464,170	31,328,145
Depreciation	1,581,703	4,194,860	5,776,563

Blue Power Group Limited
Consolidated Segment Reporting
Six months ended October 31, 2015

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	431,110,070	167,382,811	598,492,881
Profit from operations	10,319,945	22,516,036	32,835,981
Other income	4,082,874	1,436,674	5,519,548
Net finance costs	(1,186,697)	190,492	(996,205)
Profit before taxation	13,216,122	24,143,202	37,359,324
Taxation	(1,920,244)	(3,793,425)	(5,713,669)
Profit for the period	11,295,878	20,349,777	31,645,655
Segment assets			
Non-current	30,828,871	36,033,457	66,862,328
Current assets	265,639,894	248,560,999	514,200,893
	296,468,765	284,594,456	581,063,221
Segment liabilities			
Current liabilities	38,834,050	19,904,306	58,738,356
Non-Current liabilities	490,272	7,245,328	7,735,600
	39,324,322	27,149,634	66,473,956
Other segment items:			
Capital expenditure	382,174	500,524	882,698
Depreciation	1,903,243	4,438,797	6,342,040

Blue Power Group Limited
Consolidated Segment Reporting
Year ended April 30, 2016

	Lumber Division	Soap Division	Total
	\$	\$	\$
Revenue	860,184,477	355,442,340	1,215,626,817
Profit from operations	25,802,797	45,363,182	71,165,979
Other income	2,805,554	930,923	3,736,477
Net finance income	5,242,414	5,314,087	10,556,501
Profit for the year	33,850,765	51,608,192	85,458,957
Segment assets			
Non-current	28,662,925	35,340,516	64,003,441
Current assets	339,660,606	237,566,675	577,227,281
	368,323,531	272,907,191	641,230,722
Segment liabilities			
Current liabilities	62,380,597	14,562,474	76,943,071
Non- current liabilities	-	5,269,324	5,269,324
	62,380,597	19,831,798	82,212,395
Other segment items:			
Capital expenditure	651,100	3,719,722	4,370,822
Depreciation	3,847,844	9,297,720	13,145,564

1 Identification and principal activities

Blue Power Group Limited (the company) is incorporated and domiciled in Jamaica. The registered office of the company is located at 4 Victoria Avenue, Kingston CSO. The company is listed on the Junior Market of the Jamaica Stock Exchange. The company and its two wholly-owned subsidiaries are referred to as the "group"

The main activities of the company and the group comprise the manufacture and sale of soaps and the sale of lumber, hardware supplies and other related products.

2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and comply with the relevant provisions of the Jamaican Companies Act. These financial statements are presented in Jamaica dollars.

3 Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

The group has two reportable segments, as described below, which are the group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The primary reportable segments are:

- (i) Soap division - Manufacture and sale of soaps
- (ii) Lumber division - Sale of lumber, hardware supplies and related products

The manufacturing operations are conducted at 4 Victoria Avenue, Kingston and the lumber division operations are carried out mainly at Papine in St. Andrew, Jamaica.

Transactions between business segments have been eliminated.

4 Significant accounting policies

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended April 30, 2016.

BLUE POWER GROUP LIMITED

OCTOBER 31, 2016

TOTAL SHARES OUTSTANDING: 56,499,000

DIRECTORS AND CONNECTED PARTIES REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
KENNETH BENJAMIN**	SELF	3,130,200	5.5403
FELICE CAMPBELL	SELF	0	0.0000
NOEL DAWES***	SELF	1,412,715	2.5004
CATHERINE GOODALL	SELF	0	0.0000
JEFFREY HALL (SWEE TEEN CHUA)	SELF	257,070	0.4550
PETER MILLINGEN	SELF	921,100	1.6303
DHIRU TANNA* (LAURA TANNA)	SELF	10,000	0.0177
LAURA TANNA*	SELF	0	0.0000
*ANTIBES HOLDINGS LTD	CONNECTED PARTY	28,300,800	50.0908
**SHEILA BENJAMIN MCNEIL	CONNECTED PARTY	155,265	0.2748
**GUARDSMAN GROUP	CONNECTED PARTY	687,285	1.2165
***KAREL DAWES	CONNECTED PARTY	3,807	0.0067

SENIOR MANAGERS REPORT

PRIMARY HOLDER (JOINT HOLDER)	RELATIONSHIP	UNITS	PERCENTAGE
LISA KONG	SELF	0	0.0000
VERONICA LOWE	SELF	0	0.0000

TOP 10 SHAREHOLDERS

PRIMARY HOLDER (JOINT HOLDER)	UNITS	PERCENTAGE
ANTIBES HOLDINGS LIMITED	28,300,800	50.09
MAYBERRY WEST INDIES LIMITED	11,841,370	20.96
KENNETH BENJAMIN & SISTER	3,285,465	5.82
JANE FRAY	3,095,400	5.48
NOEL DAWES	1,412,715	2.50
SILVER INVESTMENTS LIMITED	1,077,816	1.91
JPS EMPLOYEE SUPERANNUATION FUND	921,451	1.63
PETER MILLINGEN	921,100	1.63
PAM-INDIVIDUAL RETIREMENT SCHEME	891,451	1.58
GUARDSMAN GROUP LTD	687,285	1.22