



Blue Power Soap Division
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Lumber Depot Division
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Chairman's Report for the 3rd Quarter ended January 31, 2017

Overall sales for the nine months of the financial year 2016/17 increased by 16%, from \$905 million to \$1,049 million while profits before and after tax saw increases of over 80%. The results reflect the achievement of improved margins in both divisions. Earnings per stock unit jumped from \$1.01 to \$1.86 for the nine-month period..

Combined sales for the quarter ended January 31, 2017 were \$371 million as compared to \$306 million for the same period last year, an increase of \$65 million or 21%. Lumber Depot division saw an increase in sales of \$31 million from \$213 million to \$244 million while the sales for the Blue Power division increased by \$34 million from \$93 million to \$127 million.

Profits before tax for the third quarter stood at \$40 million compared to \$26 million in the same period last year, an increase of 56%. Our estimated tax liability of \$5 million for the quarter reduces Net Profits to \$36 million which is 41% above last year. The contribution of Lumber Depot division to the after tax tally was \$14 million (\$8 million in 2016), while Blue Power division added \$21 million (\$17 million in 2016). Earnings per stock unit for the quarter moved up from \$0.45 to \$0.63.

Direct Blue Power export sales saw a dip in the third quarter but the overall results for the nine-month period are still positive, showing an increase of almost 12% over the previous year which produced excellent results. Our existing customers abroad continue to support us while we are also producing product for local distributors who have shown strong interest in exporting products made by us under their own brand names. Such production for non-direct export amounted to \$10.5million in the third quarter and would have lifted the statistic to \$20.67 for the quarter, an increase of 24% over the same quarter in the previous year.

The new machinery for the bathing soap section is still in transit and is expected to arrive by the end of February and will be installed in March. In the meantime, the existing line is working on a two-shift system. The production areas in both sections of the soap division are being refreshed to provide a more attractive environment for the production staff.

At the Lumber Depot division, the installation of air-conditioning in the main sales area is almost complete and will provide more comfort to both the customers and the staff while reducing the damage caused by dust to our computers and displays.

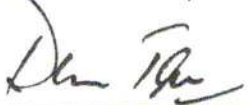
We continue to be blessed by the support of our customers, suppliers and staff which is highly appreciated.

Dhiru Tanna
Chairman
February 21, 2017


Blue Power Group Limited
Consolidated Statement of Financial Position
Nine months ended January 31, 2017

	Unaudited January 31, 2017	Unaudited January 31, 2016	Audited April 30, 2016
ASSETS:			
Non-current assets			
Property, plant and equipment	100,308,914	64,614,587	63,546,928
Deferred tax asset	456,523	-	456,513
	<u>100,765,437</u>	<u>64,614,587</u>	<u>64,003,441</u>
Current assets			
Cash and cash equivalents	261,239,368	219,948,547	258,643,148
Accounts receivable and prepayments	131,117,970	90,989,409	99,461,391
Inventories	234,552,046	222,961,929	219,122,742
Taxation recoverable	-	3,313,823	-
	<u>626,909,384</u>	<u>537,213,708</u>	<u>577,227,281</u>
Current liabilities			
Accounts payable	54,099,691	46,900,506	69,062,007
Due to related party	349,590	349,590	349,590
Current portion of long term liabilities	494,001	494,001	1,976,004
Taxation payable	12,941,412	6,487,641	5,555,470
	<u>67,884,694</u>	<u>54,231,738</u>	<u>76,943,071</u>
Net Current Assets	<u>559,024,690</u>	<u>482,981,970</u>	<u>500,284,210</u>
Total Assets Less Current Liabilities	<u>659,790,127</u>	<u>547,596,557</u>	<u>564,287,651</u>
EQUITY			
Share capital	86,900,147	86,900,147	86,900,147
Retained earnings	567,620,656	452,960,810	472,118,180
	<u>654,520,803</u>	<u>539,860,957</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>659,790,127</u>	<u>547,596,557</u>	<u>564,287,651</u>

Approved for issue by the Board of Directors on February 23, 2017 and signed on its behalf by:



Dr. Dhiru Tanna Director



Peter Millingen Director

Blue Power Group Limited
Consolidated Statement of Profit or loss and Other Comprehensive Income
Nine months ended January 31, 2017

	Unaudited 3 months to January 31, 2017	Unaudited 3 months to January 31, 2016	Unaudited 9 months to January 31, 2017	Unaudited 9 months to January 31, 2016	Audited April 30, 2016
Revenue	371,109,782	306,152,733	1,048,777,834	904,645,614	1,215,627,817
Cost of revenue	(278,343,701)	(236,724,914)	(783,873,471)	(714,074,588)	(962,515,011)
Gross profit	92,766,081	69,427,819	264,904,363	190,571,026	253,112,806
Administrative and other expenses	(55,475,405)	(48,009,336)	(165,541,625)	(136,316,562)	(181,946,827)
Other income	37,290,676	21,418,483	99,362,738	54,254,464	71,165,979
	1,474,182	2,886,844	15,350,636	8,406,392	3,736,477
Profit before net finance costs and taxation	38,764,858	24,305,327	114,713,374	62,660,856	74,902,456
Finance income	2,825,348	2,467,925	8,068,364	3,917,823	14,824,555
Finance cost	(1,177,727)	(891,080)	(3,312,862)	(3,337,183)	(4,268,054)
Net financial income	1,647,621	1,576,845	4,755,502	580,640	10,556,501
Profit for the period	40,412,479	25,882,172	119,468,876	63,241,496	85,458,957
Taxation	(4,808,873)	(610,480)	(14,361,570)	(6,324,150)	(9,384,241)
Profit attributable to members, being total comprehensive income for the period	35,603,606	25,271,692	105,107,306	56,917,346	76,074,716
Earnings per stock unit	\$ 0.63	\$ 0.45	\$ 1.86	\$ 1.01	\$ 1.35

Blue Power Group Limited
Consolidated Statement of Changes in Equity
Nine months ended January 31, 2017

	<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>-</u>	<u>56,917,346</u>	<u>56,917,346</u>
Balances as at January 31, 2016 (unaudited)	<u>86,900,147</u>	<u>452,960,810</u>	<u>539,860,957</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>-</u>	<u>105,107,306</u>	<u>105,107,306</u>
Balance as at quarter end January 31, 2017 (unaudited)	<u>86,900,147</u>	<u>567,620,656</u>	<u>654,520,803</u>

Blue Power Group Limited
Consolidated Statement of Cash Flows
Nine months ended January 31, 2017

	Unaudited January 31, 2017	Unaudited January 31, 2016	Audited April 30, 2016
Cash Flows From Operating Activities			
Profit for the quarter	105,107,306	56,917,346	76,074,716
Adjustments for:			
Interest Income	(8,068,364)	(3,917,823)	(5,517,340)
Interest expense	3,312,862	615,061	792,452
Depreciation	6,933,733	9,556,692	13,145,564
Taxation	14,361,570	6,324,150	9,384,241
Cash generated before changes in working capital	121,647,107	69,495,426	93,879,633
Inventories	(15,429,304)	26,554,317	30,393,504
Accounts receivables and prepayments	(31,656,579)	(15,614,523)	(24,086,505)
Accounts payable	(14,962,316)	(17,257,400)	4,904,101
Cash provided by operations	59,598,908	63,177,820	105,090,733
Interest paid	(3,312,862)	(615,061)	(792,452)
Interest received	8,068,364	3,917,823	5,517,340
Taxation deducted at source	(6,975,636)	(733,458)	(2,358,681)
Cash provided by operating activities	57,378,774	65,747,124	107,456,940
Cash Flows From Investing Activity			
Purchase of property, plant and equipment	(43,695,721)	(1,849,608)	(4,370,822)
Cash used by investing activity	(43,695,721)	(1,849,608)	(4,370,822)
Cash Flows From Financing Activities			
Proceeds from long -term loan	-	-	-
Related party advances received	-	-	-
Long-term loan repaid	(1,482,003)	(1,482,003)	(1,976,004)
Cash (used)/provided by Financing Activities	(1,482,003)	(1,482,003)	(1,976,004)
Net cash provided before dividends	12,201,050	62,415,513	101,110,114
Dividends paid	(9,604,830)	(8,474,850)	(8,474,850)
Net increase in cash and cash equivalents	2,596,220	53,940,663	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	\$ 261,239,368	219,948,547	258,643,148
Comprised of:			
Cash and bank balances	\$ 261,239,368	219,948,547	258,643,148

Blue Power Group Limited
Consolidated Segment Reporting
Nine months ended January 31, 2017

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	713,084,981	335,692,853	1,048,777,834
Profit from operations	33,886,324	65,476,414	99,362,738
Other income	8,902,694	6,447,942	15,350,636
Net finance income	4,740,727	14,775	4,755,502
Profit before taxation	47,529,745	71,939,131	119,468,876
Taxation	(5,691,404)	(8,670,166)	(14,361,570)
Profit for the period	41,838,341	63,268,965	105,107,306
Segment assets			
Non-current	36,847,917	63,917,520	100,765,437
Current assets	378,233,062	248,676,322	626,909,384
	415,080,979	312,593,842	727,674,821
Segment liabilities			
Current liabilities	58,586,126	9,298,568	67,884,694
Non-Current liabilities	-	5,269,324	5,269,324
	58,586,126	14,567,892	73,154,018
Other segment items:			
Capital expenditure	8,682,002	35,013,719	43,695,721
Depreciation	170,477	6,763,256	6,933,733

Blue Power Group Limited
Consolidated Segment Reporting
Nine months ended January 31, 2016

	Lumber Division	Soap Division	Total
	\$	\$	\$
Turnover	644,387,545	260,258,069	904,645,614
Profit from operations	15,410,693	38,843,771	54,254,464
Other income	5,722,925	2,683,467	8,406,392
Net finance income	523,153	57,487	580,640
Profit before taxation	21,656,771	41,584,725	63,241,496
Taxation	(2,165,677)	(4,158,473)	(6,324,150)
Profit for the period	19,491,094	37,426,252	56,917,346
Segment assets			
Non-current	30,129,120	34,485,467	64,614,587
Current assets	310,137,464	227,076,244	537,213,708
	340,266,584	261,561,711	601,828,295
Segment liabilities			
Current liabilities	42,404,089	11,827,649	54,231,738
Other segment items:			
Capital expenditure	651,100	1,198,508	1,849,608
Depreciation	2,871,920	6,684,772	9,556,692

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	<u>33,850,765</u>	<u>51,608,192</u>	<u>85,458,957</u>
Segment assets			
Non-current	28,662,925	35,340,516	64,003,441
Current assets	339,660,606	237,566,675	577,227,281
	<u>368,323,531</u>	<u>272,907,191</u>	<u>641,230,722</u>
Segment liabilities			
Current liabilities	62,380,597	14,562,474	76,943,071
Non- current liabilities	-	5,269,324	5,269,324
	<u>62,380,597</u>	<u>19,831,798</u>	<u>82,212,395</u>
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

JANUARY 31, 2017

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	11,804,592	20.89
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