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July 13, 2020

Mrs. Marlene Street - Forrest

Re: Report to Shareholders on Covid-19 Response

Dear Mrs. Street- Forrest,

We would like to take this opportunity to update our valued shareholders on the impact of the Covid -19 pandemic on our business and the steps we have taken to mitigate against emerging risk associated with the pandemic while ensuring continued value to our shareholders.

Performance since December 2019

CPJ Group had reported revenues of US\$26.45M for the quarter ending March 2020 [Q3]. However, Group sales for the latter half of March 2020 to present have been severely impacted by the unexpected shut down of hotels both onshore and offshore due to the COVID-19 global pandemic.

Unavoidably, the global shut-down has impacted the financial performance of the Group for the remaining six months of the current fiscal year, adversely affecting the strong sales and profitability the Group had achieved in the first six months of the current fiscal year.

The impact on the sales and profitability of the Company has resulted in lower than anticipated EBITDA for the fiscal year ending June 2020.

COVID-19 – turning adversity into opportunity

COVID-19 continues to have major impact on the global travel and tourism sector resulting in reduced business and leisure travel. To counter these effects, the Company since April 2020 began focusing on direct to consumer marketing, leveraging its presence on social media platforms. The Company has achieved considerable success in building a strong customer following, which has assisted the achievement of better than expected retail direct sales.

The Group has also restructured its work force, slowed down its imports and set its focus on depleting inventory at risk.

Further, the Group has embarked upon new IT initiatives to methodically and systematically upgrade key software tools and processes necessary to run an efficient supply chain business, focusing on a new release of Great Plains, new warehouse management and demand planning software to name a few.

The Group, during this period, embarked on a collection drive and managed to reduce accounts receivable from US\$15M as at end of March, to US\$6M currently. Also, it renegotiated deferment in payment terms

with its suppliers on a mutually acceptable basis. CPJ has continued to reduce its account payables which are now below US\$4M.

The Company reduced short-term loans with BNS and deferred the principal payments on long-term loans, successfully negotiated reduction in lease rentals and reduced interest outflows on all related party loans by half.

Outlook

Management is hopeful that a solution to the COVID-19 pandemic will be available soon and expects some normalcy to be restored in the usual busy season from December 2020 to March 2021 and beyond. The Group is closely monitoring the tourist movements as a result of the current pandemic situation. The Jamaican borders were open to inbound flights for tourists effective June 14, 2020. The Company expects a turnaround and an increased offtake in its sales to the hospitality industry effective July 2020. Finally, management remains committed to its strategic goal of achieving long-term shareholder value by creating scale and implementing strategic business transformation initiatives. The desired outcome is to strengthen its IT platform for growth and to accommodate the announced plans for new hotel investments and room expansion. We foresee that tourism will continue to be at the forefront of GOJ's economic strategy to lead the post-Covid recovery and will also provide the impetus for sustainable growth for the near and longer term.

Regards,



Mark Hart

Executive Chairman and Interim CEO