

# MAYBERRY JAMAICAN EQUITIES

## Q1 2020

### UNAUDITED FINANCIAL RESULTS



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# MANAGING DIRECTOR'S COMMENTARY ON FINANCIAL RESULTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2020  
(represented in US\$)

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The Board of Directors of the company is pleased to share its Unaudited 1st Quarter 2020 financial results for the months January – March 2020.

## **INVESTMENT ENVIRONMENT**

The company currently holds stock in over 32 companies listed on the Main and Junior Markets of the Jamaica Stock Exchange (JSE).

For the period January to March 2020, the JSE Main Market Index declined by 121,221 points or 31.9% from 500,463 to 379,242 points. When compared to year on year March 2019, units fell by 9,035 or 2.3%. Local and global stock markets were impacted negatively in the last month of the financial quarter since the outbreak of the Novel Coronavirus (COVID-19) which was declared a global pandemic by the World Health Organization on March 9, 2020. The JSE Junior Market reported similar downward trends and closed March 2020 at 2,304 points when compared to 3,092 points for March 2019 and 3,088 points as at January 2020, a 25.4% decline.

The economic impact of COVID-19 continues to evolve, and the Government of Jamaica and the Bank of Jamaica have implemented initial measures to facilitate the smooth functioning of the local financial market. Of note, the Net International Reserves closed at US\$3.2 billion which can support approximately 23.2 estimated weeks of imports of goods and services.



## PORTFOLIO HIGHLIGHTS

Total volumes purchased for the first quarter of 2020 amounted to 288 million units whereas total volumes sold amounted to 30 million units, making MJE a net purchaser of stocks for this period.

PERIOD	PURCHASES VOLUME 2020	PURCHASES VOLUME 2019	CHANGE	SALES VOLUME 2020	SALES VOLUME 2019	CHANGE
Q1	288,038,884	30,622,743	257,416,141	29,857,030	10,604,663	19,252,367

**Price movements for the Top 10 stocks in the portfolio since the beginning of the quarter were:**

COMPANIES	PRICE CHANGE	HOLDINGS
SUPREME VENTURES LIMITED	-46.6%	47%
DERRIMON TRADING COMPANY LIMITED	-29.2%	7%
WIGTON WIND FARM	-28.3%	6%
LASCO FINANCIAL SERVICES LIMITED	-35.4%	6%
CARIBBEAN CEMENT COMPANY LTD	-47.2%	5%
JAMAICA BROILERS GROUP LIMITED	-25.4%	5%
CARIBBEAN PRODUCERS JAMAICA LIMITED	-56.5%	4%
BLUE POWER GROUP LIMITED	-16.3%	4%
JMMB GROUP LIMITED	-19.2%	2%
LASCO DISTRIBUTORS LIMITED	-10.1%	2%

Local equity prices trended downwards in the first financial quarter due to local and global economic conditions.



## FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	3 Months ended 31 March 2020 (US\$'000)	3 Months ended 31 March 2019 (US\$'000)	Change (US\$'000)	% Change
Total Assets	87,925	150,222	(62,297)	-41.5%
Total Liabilities	18,009	19,146	1,137	5.9%
Stockholders' Equity	69,916	131,077	(61,160)	-46.7%
Net Book Value Per Share	\$0.06	\$0.11	-\$0.05	-46.7%

Total assets declined to US\$88M for the 1st quarter of 2020 compared to US\$150M for the comparative quarter of 2019. This represents a US\$62M decrease or 41% in our asset base due mainly to reduced values of quoted equities, particularly:

- Wigton Wind Farm Limited
- Jamaica Teas Limited
- Honey Bun Limited
- Jamaica Broilers Group Limited
- Caribbean Cement Company Limited
- Lasco Distributors Limited
- Blue Power Group Limited
- Main Event Entertainment Group Limited
- Supreme Ventures Limited

For the 1st quarter, Total Liabilities decreased by US\$1.1M to US\$18M or 5.9%. This resulted primarily from reductions in Accounts Payables, Debt in Security issue and Deferred Tax, which was partially offset by increases in Loans, Due to parent company and Due to related party.

## SHAREHOLDERS' EQUITY

Total Shareholders' Equity as at March 31, 2020 had a balance of US\$70M, moving from US\$131M at the end of the March 2019.

Retained earnings for Q1 2020 declined to US\$29.6M from US\$30.6M and Fair value reserves of US\$19.8M moved from US\$80M, when compared to Q1 2019.



## NET ASSET VALUE (NAV)

Net Book Value per share moved to J\$7.88, a J\$5.88 reduction over the corresponding period in 2019, due to a reduction in Investments of US\$58M.

## OVERALL PERFORMANCE

MJE's revenue, at the end of the first quarter for 2020, declined by US\$7.7M when compared to Q1 2019. The downward trend in the local equities market, due to the impact of the global pandemic, negatively impacted the performance of the company. Despite overall lower expenses the company reported losses of US\$8.2M; US\$7M higher than losses in Q1 2019. This resulted in Loss per share (LPS) of (US\$0.01), compared to (US\$0.001) for the same period in 2019. This was mainly due to the revaluation of the equities classified as Fair Value through Profit or Loss (FVPL).

## TOTAL COMPREHENSIVE LOSS

Total comprehensive loss for Q1 amounted to US\$52.7M, compared to a profit of US\$32M for the corresponding quarter of 2019; a decline of US\$85M. This was due to a decrease in the Equity Reserve, resulting from price movements for stocks held in the current portfolio.

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	3 Months ended 31 March 2020 (US\$'000)	3 Months ended 31 March 2019 (US\$'000)	Change (US\$'000)	% Change
Net Interest Income and Other Revenues	-8,091	(344)	(7,747)	-2255.2%
Operating Expenses	243	921	678	73.6%
Profit before Taxation	-8,334	(1,264)	(7,070)	-559.3%
Net Profit	(8,247)	(1,251)	(6,996)	-559.1%
Other Comprehensive Income	-44,484	33,356	(77,839)	-233.4%
Total Comprehensive Income	-52,731	32,104	(84,835)	-264.2%
Earnings Per Share	(0.01)	(0.001)	(0.01)	-559.1%



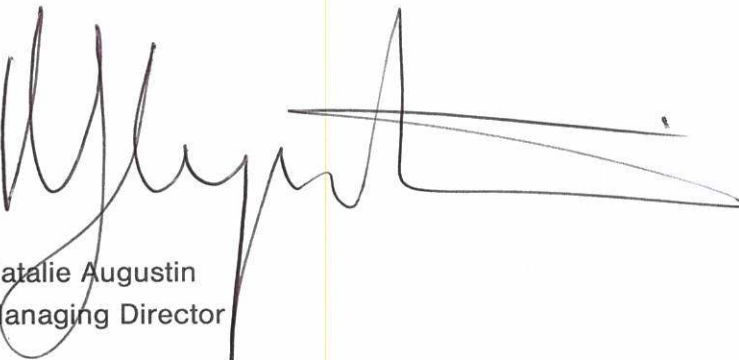
## TOTAL REVENUES

Net Revenues for the period of January to March 2020 declined by US\$7.7M over the corresponding period last year. This decrease was primarily driven by an Unrealised loss in revaluation of financial instruments of US\$8M, in addition to a decline in Net Interest Income. This was partially offset by an improvement in net trading gains of US\$318K and higher foreign exchange gains of US\$192K.

## OPERATING EXPENSES

Total Operating expenses were contained and decreased by US\$678K or 74% when compared to the corresponding quarter in 2019. This was due primarily to reduced incentive and management fees for Investment management services.

Mayberry Jamaican Equities Limited takes this opportunity to thank all our shareholders and Board of Directors for your trust and support. We urge you to keep safe in these times and to follow the guidelines stipulated by the health officials in your various jurisdictions.



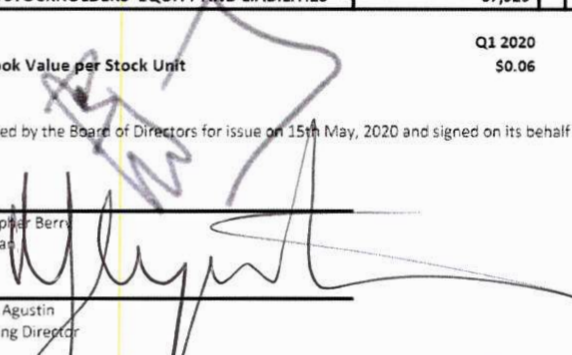
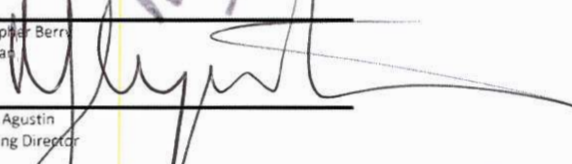
Natalie Augustin  
Managing Director



**STATEMENT OF PROFIT OR LOSS**
**FOR THE PERIOD ENDED MARCH 31, 2020**

	UNAUDITED 3 Months ended 31 March 2020 US\$'000	UNAUDITED 3 Months ended 31 March 2019 US\$'000	AUDITED 12 Months ended 31 DECEMBER 2019 US\$'000
<b>Net Interest Income and Other Revenues</b>			
Interest income	6	29	166
Interest expense	(326)	(375)	(1,345)
<b>Net Interest income</b>	<b>(320)</b>	<b>(346)</b>	<b>(1,179)</b>
Dividend Income	63	645	2,759
Net Trading Gains/(Losses)	360	42	334
Unrealised (loss)/gain on investment revaluation	(8,271)	(570)	400
Net Foreign Exchange Gain / (Loss)	77	(115)	225
	<b>(8,091)</b>	<b>(344)</b>	<b>2,539</b>
<b>Operating Expenses:</b>			
Other operating expenses	243	921	3,967
	<b>243</b>	<b>921</b>	<b>3,967</b>
<b>Share of Profits in Associate</b>	-	-	-
<b>Operating profit/(loss) before Asset tax</b>	<b>(8,334)</b>	<b>(1,264)</b>	<b>(1,428)</b>
<b>Asset Tax</b>	-	-	-
<b>Profit/(Loss) before Taxation</b>	<b>(8,334)</b>	<b>(1,264)</b>	<b>(1,428)</b>
Taxation (charge) / credit	87	13	(45)
<b>NET LOSS/PROFIT</b>	<b>(8,247)</b>	<b>(1,251)</b>	<b>(1,473)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Financial Reserve	(44,484)	33,356	35,061
<b>Other Comprehensive Income, Net of Tax</b>	<b>(44,484)</b>	<b>33,356</b>	<b>35,061</b>
<b>TOTAL COMPREHENSIVE LOSS/INCOME</b>	<b>(52,731)</b>	<b>32,104</b>	<b>33,588</b>
<b>Number of Shares in issue</b>	<b>1,201,149</b>	<b>1,201,149</b>	<b>1,201,149</b>
<b>Earnings per share</b>	<b>(0.01)</b>	<b>(0.001)</b>	<b>(0.001)</b>

**STATEMENT OF FINANCIAL POSITION**
**AS AT MARCH 31, 2020**

	UNAUDITED MARCH 31, 2020	UNAUDITED MARCH 31, 2019	AUDITED DECEMBER 31, 2019
	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>			
CASH AND CASH EQUIVALENTS	3,320	1,891	4,084
INVESTMENTS	84,075	142,452	144,395
INTEREST RECEIVABLE	-	-	-
TAXATION RECOVERABLE	16	6	-
DUE FROM PARENT COMPANY	-	5,511	1,611
INTANGIBLE ASSET	412	336	443
OTHER RECEIVABLES	101	25	147
<b>TOTAL ASSETS</b>	<b>87,925</b>	<b>150,222</b>	<b>150,679</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
DUE TO PARENT COMPANY	1,576	-	-
DEFERRED TAX	117	797	700
INTEREST PAYABLE	12	63	28
DEBT IN SECURITY ISSUE	-	17,312	-
LOANS	16,164	-	16,669
ACCOUNTS PAYABLES	25	973	3,086
DUE TO RELATED COMPANY	114	-	-
TAXATION PAYABLE	-	-	38
<b>TOTAL LIABILITIES</b>	<b>18,009</b>	<b>19,146</b>	<b>20,520</b>
<b>STOCKHOLDERS EQUITY</b>			
SHARE CAPITAL	20,555	20,556	20,556
PREFERENCE SHARES	1	-	-
FAIR VALUE RESERVE	19,781	79,878	68,893
RETAINED EARNINGS	29,579	30,642	40,710
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	69,916	131,077	130,159
NON-CONTROLLING INTERESTS - 10%	-	-	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>69,916</b>	<b>131,077</b>	<b>130,159</b>
<b>TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES</b>	<b>87,925</b>	<b>150,222</b>	<b>150,679</b>
<b>Net book Value per Stock Unit</b>	<b>Q1 2020 \$0.06</b>	<b>Q1 2019 \$0.11</b>	<b>DECEMBER 2019 \$14.21</b>
Approved by the Board of Directors for issue on 15th May, 2020 and signed on its behalf by:			
Christopher Berry Chairman			
Natalie Agustin Managing Director			



## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED MARCH 31, 2020

	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 31 March 2020 US\$'000	3 Months ended 31 March 2019 US\$'000	12 Months ended 31 DECEMBER 2019 US\$'000
<b>Profit/Loss for the period</b>	(8,247)	(1,251)	(1,473)
<b><i>Other Comprehensive Income for the period net of tax:</i></b> Items that will or maybe classified to statement of income			
Unrealised gains/ (losses)on financial instruments	(44,484)	33,356	35,061
<b>Total Comprehensive income attributable to stockholders</b>	<b>(52,731)</b>	<b>32,104</b>	<b>33,588</b>



**STATEMENT OF CHANGES IN EQUITY**
**AS AT MARCH 31, 2020**

	SHARE CAPITAL	FAIR VALUE RESERVES	RETAINED EARNINGS	NON-CONTROLLING INTERESTS	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at January 1, 2019</b>	<b>20,556</b>	<b>46,966</b>	<b>30,896</b>	<b>-</b>	<b>98,419</b>
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(708)	708	-	-
Preference Shares	-	-	-	-	-
Ordinary dividends paid - in specie	-	-	-	-	-
Net Profit	-	-	(1,251)	-	(1,251)
Total comprehensive income	-	33,620	-	-	33,620
Translation adjustment	-	-	289	-	289
<b>Balance at March 31, 2019</b>	<b>20,556</b>	<b>79,878</b>	<b>30,642</b>	<b>-</b>	<b>131,077</b>
<b>Balance at January 1, 2020</b>	<b>20,556</b>	<b>68,893</b>	<b>40,710</b>	<b>-</b>	<b>130,159</b>
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(2,513)	2,513	-	-
Ordinary dividends paid	-	-	-	-	-
Preference Shares	-	-	-	-	-
Net Profit	-	-	(8,247)	-	(8,247)
Total comprehensive income	-	(46,599)	-	-	(46,599)
Translation adjustment	-	-	(5,397)	-	(5,397)
<b>Balance at March 31, 2020</b>	<b>20,557</b>	<b>19,781</b>	<b>29,579</b>	<b>-</b>	<b>69,917</b>



**STATEMENT OF CASH FLOW**
**FOR THE PERIOD ENDED MARCH 31, 2020**

	UNAUDITED 3 Months ended 31 March 2020 US\$'000	UNAUDITED 3 Months ended 31 March 2019 US\$'000	AUDITED 12 Months ended 31 December 2019 US\$'000
<b>Cash Flows from Operating Activities</b>			
Profit before taxation	(5,855)	(1,264)	(1,428)
<b>Adjustments to reconcile profit to net cash used in operating activities:</b>			
Amortization			32
Interest Income	(6)	(29)	(166)
Interest Expense	325	375	1,345
Realized Fair Value gains transferred to Retained Earnings	(2,084)	708	11,570
Unrealized fair value (gain)/loss on financial instruments - FVPL	(77)	-	(400)
Unrealized Foreign Exchange Gains	5,792	(108)	(53)
<b>Adjusted Profit / (Loss)</b>	<b>(1,905)</b>	<b>(318)</b>	<b>10,899</b>
<b>Changes in operating assets and liabilities:</b>			
Decrease / (increase) in Investment securities	322	844	(12,056)
Decrease / (increase) in Other Receivables	(78)	723	597
Decrease / (increase) in Accounts Payables & Other Liabilities	(13)	(1,217)	576
Decrease / (increase) in Related companies	1,187	239	4,107
	(488)	271	4,124
Interest received	11	29	166
Interest Paid	(298)	(375)	(1,349)
Taxation paid	-	13	-
<b>Cash (used in)/generated from Operating Activities</b>	<b>(775)</b>	<b>(62)</b>	<b>2,941</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of intangible asset	17	61	(201)
<b>Cash (used in)/generated from Investing Activities</b>	<b>17</b>	<b>61</b>	<b>(201)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of debt security	(7)	-	-
Dividends Paid	-	-	(590)
<b>Cash generated from/(used in) Financing Activities</b>	<b>(7)</b>	<b>-</b>	<b>(590)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>(764)</b>	<b>(2)</b>	<b>2,149</b>
Exchange gain/(loss) on foreign Cash & Cash Equivalents	-	-	53
<b>Cash &amp; Cash Equivalents - Beginning of the year</b>	<b>4,084</b>	<b>1,893</b>	<b>1,882</b>
<b>Cash &amp; Cash Equivalents - End of the year</b>	<b>3,320</b>	<b>1,891</b>	<b>4,084</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

31 MARCH 2020

### 1. Accounting Policies

#### (a) Basis of preparation

This condensed interim financial report for the reporting period ended 31 March 2020 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'. These financial statements are presented in United States dollars unless otherwise indicated.

#### (b) Re-issue of Interim Results

The interim results for the period ending 31 March 2020 were previously presented in Jamaican dollars and are now re-issued in United States dollars which is consistent with the presentation of the 2019 Audited Statements.



**MAYBERRY JAMAICAN EQUITIES LTD.  
TOP TEN SHAREHOLDERS  
AS AT MARCH 31, 2020**

Names	Shareholdings
MAYBERRY INVESTMENTS LIMITED	860,507,878
PWL BAMBOO HOLDINGS LIMITED	72,397,036
K. MARK BERRY	47,823,476
MAYBERRY ASSET MANAGERS LIMITED	41,122,865
MANWEI INTERNATIONAL LIMITED	40,251,196
VICTORY ISLAND LIMITED	10,000,000
VDWSD LIMITED	8,499,000
KMB HOLDINGS INC	6,957,740
SAGICOR SELECT FUNDS LIMITED - CLASS B - FINANCIAL	6,482,385
KONRAD LIMITED	6,432,031

**CONNECTED PARTIES**

A+ MEDICAL CENTRE	641,141
MAYBERRY FOUNDATION	2,254,868



**MAYBERRY JAMAICAN EQUITIES LTD.  
Shareholdings of Directors and Senior Management  
AS AT MARCH 31, 2020**

<b><u>Directors</u></b>		<b><u>Shareholdings</u></b>	<b><u>Connected Persons</u></b>
Christopher Berry		-	81,590,903
Konrad Berry		47,823,476	718,429
Natalie Augustin		253,300	-

