

CARGO Handlers Ltd.

2nd Quarter Financial Statements

March 31, 2021

Cargo Handlers Limited

Period Ending 31 March 2021

Management Discussions and Analysis

We are pleased to share the results of our performance for the second quarter ending March 31, 2021 where revenue totaling \$74.7M was achieved, this being \$37.9M below the \$112.6M that was realized for the corresponding 3-month period in 2020.

Operating and administrative expenses for the quarter amounted to \$35.75M and was down 32.3% or \$17M from the corresponding quarter's result in the prior year. Net profit before tax was \$45.42M, an 18.5% or \$10.3M decline when compared to the corresponding three months last year. These results, including \$6M representing Cargo Handlers' share of Buying House Cement's performance for the quarter, yielded earnings per share (EPS) of \$0.09 for the quarter being \$0.04 below what was realized for the corresponding period in 2020. With the exception of bulk cargo, reduced containerized cargo through-put and the absence of cruise business continues to negatively influence revenues.

More than a year into the pandemic, the global containerized market is beginning to show signs of rebounding and according to the World Trade Organization (WTO), it is anticipated that surging US demand for goods in 2021 will begin to drive the trade. Our immediate operating environment is however still being affected by the uncertainty of the pandemic and a return to pre-COVID containerized cargo volumes may not occur before the hospitality sector is once again fully engaged.

As Jamaica's tourism industry slowly regains lost momentum, major Florida based Cruise Lines are now beginning to focus on Jamaica as a possible home-port destination for restarting sailings by the middle of this year. This development coupled with the global vaccine roll-out already in high gear could be the precursor to our return to a sense of normality.

We wish to take this opportunity to thank all the stakeholders, including the staff of Cargo Handlers Limited and wish for everyone's continued safety and good health.

Cargo Handlers Limited

Statement of Comprehensive Income

6 months ending March 31, 2021

	3 months to Mar 2021	3 months to Mar 2020	6 months to Mar 2021	6 months to Mar 2020
	\$	\$		
Revenue	67,094,906	104,256,527	148,806,575	191,365,036
Cost of sales	-	(4,035,577)	-	(5,740,025)
Gross profit	67,094,906	100,220,950	148,806,575	185,625,011
Exchange Gain/(Loss)	5,728,529	8,364,455	6,324,297	9,464,151
Other income	1,887,452	-	2,061,019	75,000
Administrative expenses	(7,124,227)	(7,286,109)	(13,311,631)	(13,757,350)
Other operating expenses	(28,635,495)	(45,536,685)	(67,196,137)	(84,281,349)
Operating Profit	38,951,164	55,762,611	76,684,123	97,125,463
Interest Income	487,312	319,440	813,431	591,124
Finance costs	(263,366)	(389,921)	(577,506)	(912,576)
Investment Income	6,246,930	-	6,246,930	-
Profit before Taxation	45,422,039	55,692,130	83,166,977	96,804,011
Taxation	(9,959,569)	(7,042,984)	(19,846,563)	(12,244,908)
Net Profit, being Total Comprehensive Income for period	35,462,470	48,649,145	63,320,415	84,559,103
Earnings Per Share (EPS)	0.09	0.13	0.17	0.23

Cargo Handlers Limited


Statement of Financial Position

6 months ending March 31, 2021

	Unaudited Mar 2021 \$	Unaudited Mar 2020 \$	Audited Sept 2020
Non-Current Assets			
Property, plant & equipment	150,141,781	68,765,429	163,629,973
Related Companies	20,901,581	17,019,278	10,150,885
Investments	111,397,268	-	-
	<u>282,440,630</u>	<u>85,784,707</u>	<u>173,780,858</u>
Current Assets			
Receivables	60,190,142	183,231,409	60,922,197
Taxation recoverable	668,603	668,603	668,603
Cash	261,497,305	338,314,117	336,145,811
	<u>322,356,050</u>	<u>522,214,129</u>	<u>397,736,611</u>
Current Liabilities			
Payables	18,472,699	22,122,178	23,540,466
Income tax payable	9,855,383	5,947,765	2,073,349
Borrowings	151,724	547,171	-
	<u>28,479,805</u>	<u>28,617,114</u>	<u>25,613,815</u>
Net Current Assets/(Liabilities)	<u>293,876,245</u>	<u>493,597,015</u>	<u>372,122,796</u>
	<u>576,316,875</u>	<u>579,381,722</u>	<u>545,903,654</u>
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	494,643,956	468,187,991	465,042,787
	<u>537,991,761</u>	<u>511,535,796</u>	<u>508,390,592</u>
Non-Current Liability			
Related Companies	27,421,006	62,464,640	26,608,953
Deferred tax liability	10,904,109	5,381,286	10,904,109
	<u>38,325,115</u>	<u>67,845,926</u>	<u>37,513,062</u>
	<u>576,316,875</u>	<u>579,381,722</u>	<u>545,903,654</u>

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


A. Mark Hart


John Byles

Cargo Handlers Limited

Statement of Changes in Equity

6 months ending March 31, 2021

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2019	37,465,830	43,175,494	172,311	421,094,719	464,442,524
Net profit, being total comprehensive income for the period	-	-	-	84,559,103	84,559,103
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(37,465,830)	(37,465,830)
Balance at 31 March 2020	37,465,830	43,175,494	172,311	468,187,992	511,535,797
Balance at 30 September 2020	37,465,830	43,175,494	172,311	465,042,788	508,390,593
Net profit, being total comprehensive income for the period	-	-	-	63,320,415	63,320,415
Transactions with owners:	-	-	-	-	-
Dividends paid	-	-	-	(33,719,247)	(33,719,247)
Balance at 31 March 2021	37,465,830	43,175,494	172,311	494,643,956	537,991,761

Cargo Handlers Limited

Statement of Cash Flows

6 months ending March 31, 2021

	Mar 2021	Mar 2020
	\$	\$
Cash Flows from Operating Activities		
Net Profit	63,320,415	84,559,103
Items not affecting cash:		
Unrealised exchange (gain)/loss	(4,764,739)	1,837,534
Depreciation	11,693,875	6,794,062
Write off of fixed assets	2,843,703	-
Loss/(gain) on disposal of property, plant and equipment	(2,078,103)	-
Interest income	(813,431)	(591,124)
Interest expense	577,506	912,576
Taxation	19,846,563	12,244,908
	<u>90,625,789</u>	<u>105,757,059</u>
Changes in operating assets and liabilities:		
Receivables	1,289,372	(55,636,150)
Payables	(5,067,767)	(4,731,853)
Cash (used in)/provided by operating activities	86,847,393	45,389,056
Tax withheld at source	417,731	(12,233)
Income tax paid	(12,482,259)	(10,371,067)
Net cash (used in)/provided by operating activities	<u>74,782,866</u>	<u>35,005,756</u>
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(2,471,285)	(11,155,117)
Proceeds from sale/disposal of property, plant & equipment	3,500,000	-
Investments	(111,397,268)	-
Interest received	813,431	591,124
Cash provided by investing activities	<u>(109,555,122)</u>	<u>(10,563,993)</u>
Cash Flows from Financing Activities		
Related Companies	(9,938,643)	13,852,473
Interest paid	(577,506)	(912,576)
Dividends	(33,719,247)	(37,465,830)
Cash provided by financing activities	<u>(44,235,396)</u>	<u>(24,525,934)</u>
(Decrease)/Increase in net cash and cash equivalents	(79,007,652)	(84,171)
Effect of exchange rate on net cash and cash equivalents	4,207,422	(1,486,522)
Cash and cash equivalents at beginning of year	336,145,811	339,337,639
Cash and cash equivalents for period ending Mar 31	<u><u>261,345,581</u></u>	<u><u>337,766,946</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 March 2021

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, equipment leasing and the provision of management services

The Company is listed company on the Junior Market of the Jamaica Stock Exchange.

2. Basis of preparation

The interim financial statements for the period 31 March 2021 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, 2020

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statement are disclosed in Note 4.

3. Taxation

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 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. Critical Accounting Judgments and key Sources of Estimation Uncertainty

Estimates and judgments used in preparing the financial statements of the Company are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In the process of applying the Company's accounting policies, management has arrived at no judgments which it believes would have a significant impact on the amounts recognized in these financial statements. Also, management has derived no estimates for inclusion in these financial statements which it believes have a significant risk of causing a material adjustment to the carrying amounts of these assets and liabilities within the next financial year.

CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 30 March 2021

<u>NAME</u>	<u>UNITS</u>	<u>PERCENTAGE</u>
North Star Investment Ltd	113,242,640	27.2054
Jane Fray	112,911,980	27.1260
Antony Mark Hart	109,911,980	26.4053
Cargo Handlers Trust	41,591,700	9.9920
Theresa Chin	7,600,220	1.8259
Mayberry Managed Clients Accounts	4,176,097	1.0033
Nigel O. Coke	4,102,907	0.9857
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
Rosemarie McIver	2,761,190	0.6633
Robert H. S. Chin	2,580,000	0.6198

DIRECTORS AND CONNECTED PARTIES REPORT

<u>NAME</u>	<u>POSITION</u>	<u>RELATIONSHIP</u>	<u>UNITS</u>	<u>PERCENTAGE</u>
Mary Jane Fray	Director	Self	112,911,980	27.1261
Mark Hart	Chairman	Self	109,911,980	26.4052
Theresa Chin	Director	Self	1,721,000	0.4134
Theresa Chin	Director	Connected party holding	5,879,220	1.4115
William Craig	Director	Connected party holding	337,930	0.0812
Andrew McCarthy	Director	Self	0.00	0.00
John Byles	Director	Self	0.00	0.00

Key Member Holdings	224,544,960	53.94
Connected Party Holdings	6,217,150	1.49
Combined Holdings	230,762,110	55.43

Senior Managers

Theresa Chin	7,600,220
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