

CARGO Handlers Ltd.

1st Quarter
Financial Statements

December 31, 2021

CARGO Handlers Ltd.

Management Discussion and Analysis

Quarter to December 31, 2021

We are pleased to share the results of our performance for the first quarter of FY2021/22. Revenues totaling \$116.98M was achieved for the 3-month period and represents a 43.2% increase over the corresponding period in the prior year.

Operating expenses for the period amounted to \$46.4M, this being 20% above the \$38.59M that was recorded for the corresponding quarter in 2020. Resulting net profit before tax was \$83.36M reflecting an increase of 120% or \$45.59M compared to \$37.74M in the corresponding three months last year. The result yielded earnings per share (EPS) of \$0.17 for the quarter, \$0.10 above the \$0.07 that was realized for the corresponding period.

The global economic recovery continues apace even though some uncertainties exist where the pandemic is concerned. With the easing of restrictions previously put in place by the GOJ to contain the spread of COVID-19, the Jamaican economy experienced heightened demand for goods and services during the quarter to December 31, 2021. This sequence of events, in addition to the importation of liquefied natural gas in ISO units, positively influenced Cargo Handlers Limited's core business. The number of boxes handled across container vessel services, recorded a 53% improvement this period relative to the corresponding quarter in 2020 that was interspersed with government mandated lockdowns.

Bulk cement tonnage passing over the port this quarter was consistent with that of the corresponding period despite the impact of COVID-19; major construction projects currently taking place throughout the island continue to drive this activity which by all indications will continue through the calendar year and beyond.

We wish to express appreciation to all our stakeholders for their continued support and give recognition to the responsiveness exhibited by our staff since the onset of the pandemic. Cargo Handlers Limited remains committed to the execution of its service offering in support of Jamaica's broader logistics network that is critical to so many of our industries.

Cargo Handlers Limited

Statement of Comprehensive Income

3 months ending December 31, 2021

	3 months to Dec 2021	3 months to Dec 2020
	\$	\$
Revenue	116,989,818	81,711,670
Exchange Gain/(Loss)	12,770,030	595,768
Other income	(4,616)	173,568
Administrative expenses	(6,181,883)	(6,187,404)
Other operating expenses	<u>(46,406,443)</u>	<u>(38,560,643)</u>
Operating Profit	77,166,906	37,732,958
Interest Income	1,127,209	326,119
Finance costs	(250,628)	(314,140)
Share of profit of associates	<u>5,321,464</u>	<u>-</u>
Profit before Taxation	83,364,951	37,744,938
Taxation	<u>(19,571,913)</u>	<u>(9,886,993)</u>
Net Profit, being Total Comprehensive Income for period	<u><u>63,793,038</u></u>	<u><u>27,857,945</u></u>
Earnings Per Share (EPS)	0.17	0.07

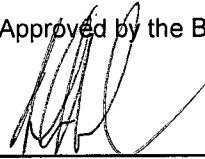
Cargo Handlers Limited

Statement of Financial Position

3 months ending December 31, 2021

	Unaudited Dec 2021 \$	Unaudited Dec 2020 \$	Audited Sept 2021
Non-Current Assets			
Property, plant & equipment	132,148,647	154,353,450	138,162,262
Related Companies	46,517,196	24,335,976	29,301,766
Investment in associate	139,069,319	104,249,302	133,747,855
Investment JMMB	262,500,000	-	-
	<u>580,235,162</u>	<u>282,938,728</u>	<u>301,211,883</u>
Current Assets			
Receivables	52,651,056	72,414,350	37,123,624
Taxation recoverable	272,392	668,603	237,318
Cash	108,605,494	234,728,316	351,727,951
	<u>161,528,942</u>	<u>307,811,269</u>	<u>389,088,893</u>
Current Liabilities			
Payables	19,250,085	16,323,980	32,852,312
Income tax payable	37,717,841	7,322,849	28,225,437
Borrowings	10,001	-	5,364
	<u>56,977,926</u>	<u>23,646,829</u>	<u>61,083,113</u>
Net Current Assets/(Liabilities)	<u>104,551,015</u>	<u>284,164,440</u>	<u>328,005,780</u>
	<u>684,786,177</u>	<u>567,103,168</u>	<u>629,217,663</u>
Shareholders' Equity			
Share capital	43,175,494	43,175,494	43,175,494
Capital reserve	172,311	172,311	172,311
Retained earnings	613,506,312	492,900,732	549,713,274
	<u>656,854,117</u>	<u>536,248,537</u>	<u>593,061,079</u>
Non-Current Liability			
Related Companies	17,027,951	19,950,522	25,252,475
Deferred tax liability	10,904,109	10,904,109	10,904,109
	<u>27,932,060</u>	<u>30,854,631</u>	<u>36,156,584</u>
	<u>684,786,177</u>	<u>567,103,168</u>	<u>629,217,663</u>

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


A. Mark Hart


William Craig

Cargo Handlers Limited

Statement of Changes in Equity

3 months ending December 31, 2021

	Number of Stock Units	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Total \$
Balance at 30 September 2020	374,658,300	43,175,494	172,311	465,042,787	508,390,592
Net profit, being total comprehensive income for the period	-	-	-	27,822,046	27,822,046
Transactions with owners:	-	-	-	-	-
Balance at 31 December 2020	374,658,300	43,175,494	172,311	492,864,833	536,212,638
Balance at 30 September 2021	374,658,300	43,175,494	172,311	549,713,274	593,061,079
Net profit, being total comprehensive income for the period	-	-	-	63,793,038	63,793,038
Transactions with owners:	-	-	-	-	-
Balance at 31 December 2021	374,658,300	43,175,494	172,311	613,506,312	656,854,117

Cargo Handlers Limited

Statement of Cash Flows

3 months ending December 31, 2021

	Dec 2021	Dec 2020
	\$	\$
Cash Flows from Operating Activities		
Net Profit	63,793,038	27,857,945
Items not affecting cash:		
Unrealised exchange (gain)/loss	(11,457,040)	602,585
Depreciation	5,708,998	6,006,386
Write off of property, plant and equipment	-	2,843,703
Loss/(gain) on disposal of property, plant and equipment	4,616	(173,568)
Interest income	(1,127,209)	(326,119)
Share of profit of associate	(5,321,464)	-
Interest expense	250,628	314,140
Taxation	19,571,913	9,886,993
	<u>71,423,481</u>	<u>47,012,065</u>
Changes in operating assets and liabilities:		
Receivables	(14,149,995)	(11,567,974)
Payables	(13,602,227)	(7,216,486)
Cash (used in)/provided by operating activities	43,671,259	28,227,605
Tax withheld at source	(5,141)	(6,850)
Income tax paid	(10,109,441)	(4,630,640)
Net cash (used in)/provided by operating activities	<u>33,556,677</u>	<u>23,590,116</u>
Cash Flows from Investing Activities		
Proceeds from sale/disposal of property, plant & equipment	300,000	600,000
Investments in associate	-	(104,249,302)
Investment JMMB	(262,500,000)	-
Interest received	1,127,209	326,119
Cash provided by investing activities	<u>(261,072,791)</u>	<u>(103,323,183)</u>
Cash Flows from Financing Activities		
Related Companies	(25,439,954)	(20,843,522)
Interest paid	(250,628)	(314,140)
Cash provided by financing activities	<u>(25,690,582)</u>	<u>(21,157,662)</u>
(Decrease)/Increase in net cash and cash equivalents	(253,206,697)	(100,890,730)
Effect of exchange rate on net cash and cash equivalents	10,079,603	(526,765)
Cash and cash equivalents at beginning of year	351,722,587	336,145,811
Cash and cash equivalents for period ending Dec 31	<u><u>108,595,493</u></u>	<u><u>234,728,316</u></u>

Cargo Handlers Limited

Selected Notes to the Financial Statements Period Ending 31 December 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 December 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, 2021

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.

5. Investment in Associates

	2022	2021
Buying House Cement Limited		
Unquoted shares – at cost	\$105,150,338	\$105,150,338
Share of profits	33,918,981	-
	<u>\$133,747,855</u>	<u>\$105,150,338</u>

CARGO Handlers Ltd.

TOP TEN (10) STOCKHOLDERS

As at 31 December 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	6,848,260	1.6452
Nigel O. Coke	4,157,900	0.9989
Mayberry Investments Ltd. Pension Scheme	3,429,920	0.8240
Mayberry Managed Clients Accounts	2,951,525	0.7091
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	6,848,260	1.6452
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	6,848,260
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