



CARIBBEAN PRODUCERS JAMAICA LIMITED

QUARTER ENDED SEPTEMBER 30, 2023

The Board of Directors of CPJ Group presents the consolidated unaudited results for the quarter that ended September 30, 2023, prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act.

Performance

CPJ Group's operating revenues were US\$34.22 million (2022: US\$33.06 million) for the quarter that ended September 30, 2023, representing an increase of 3.5% over the previous year. Earnings after tax reached US\$1.23 million, a decrease of US\$490 thousand over the same period LY [Q1 FY2022: US\$1.72 million].

As the company continues to operate in a competitive environment, there was a decrease of 1.2% in margins when compared to LY. This decrease can be attributable to fluctuations in commodity prices. Operational costs (2023: US\$7.78 million) also increased by US\$526 thousand over the same period LY (2022: US\$7.25 million), driven mainly by increases in selling & administrative expenses. CPJ Group reported profits after tax of US\$1.23 million [CPJ Jamaica Operation – US\$1.31 million and CPJ-SL Operations – loss of US\$79 thousand, for the period ended September 30, 2023.

We expect that growth in revenue and improvement in margins going forward will translate to improved performance for the Company. The revenue improvement during the quarter was driven by the introduction of new product lines along with the continued development of existing sales channels including our online business. Corresponding to the increased revenue, selling & administrative expenses for Q1 were US\$6.55 million (2022: US\$6.17 million) increasing by 6.1% compared to the previous year, primarily driven by increased staffing levels as the Company positions itself for further growth. As marketing conditions normalized, when compared to the pandemic period of PY, there were increases in spending on advertising & promotions [+124% over PY]. The Company also recorded a double-digit increase [+47% over PY] in insurance costs.

Total assets increased by US\$2.04 million when compared to the same period LY (2022: US\$60.85 million). This increase is largely due to an increase in inventory of US\$1.44 million as the Company maintained higher-than-normal levels of inventory to ensure consistency of supply for our valued customers. There was also an increase in cash of US\$1.14 million when compared to the same period LY. With the increase in CAPEX investment in both Jamaica and St. Lucia, there was an increase of US\$648 in PPE, compared to LY. Conversely, accounts receivables declined by US\$491 thousand when compared to the same period LY (2022: US\$16.69 million). CPJ's current liabilities increased by US\$1.19 million driven mainly by an increase in short-term borrowing. Total equity increased by US\$5.76 million, an improvement of 20.7% over the prior year.

Even as the Company recorded a 3.5% increase in sales over the same period last year, the accounts receivables decreased by 2.9% compared to LY. Accounts receivable days for the period ending September 30, 2023, were at 42 days (2022: 46 days) revealing the continued strength of the Company's credit management policies and procedures.

The current ratio of 2.36 [2022: 2.39], has remained relatively unchanged when compared to the prior year.

Outlook

As we look forward to a busy second quarter of the year, CPJ will continue to strive to provide the highest levels of service and quality products available, ensuring the success of our customers and shareholders. We are of the view that the current environment, characterized by supply chain challenges and potential disruptions arising out of the conflicts along the supply routes, will continue to cause logistics challenges. However, the management of CPJ is focused on building our core business capabilities and strategic partnerships with key customers. We continue to evaluate efficiency-enhancing capital investment projects and selective expansions. The Company is at an advanced stage of work in the expansion of our manufacturing plants and other operational areas, which when completed will give us expanded capacity and deliver improved efficiency for our businesses. We are also far advanced in the work in St. Lucia for a new store, which will give us a greater share of the retail market.

Additionally, the energy-saving [solar system] project should be commissioned soon and will bring additional benefits and cost savings. The company continues to explore initiatives in information technology systems which will yield reduced costs and improved customer service and efficiencies. The Company continues to advance its B2B [Business to Business] & B2C [Business to Customer] online platforms to reach a broader client base through technology.

The improved performance of CPJ gives us considerable confidence in our management team and our business model. The Company continues to upgrade infrastructure, to stay ahead of the growth in tourism and to consistently improve our level of service. We assure all our stakeholders that CPJ is preparing for the unprecedented expansion in the number of available hotel rooms; some of which are already in the 'advanced' stages of development. We are also positioning ourselves for greater reach in the retail sector.

CPJ reported a net profit after tax of US\$1.23 million in Q1. However, with the projected increase in sales, the completion and commissioning of the expanded manufacturing plant, improvements in the general environment, and the opening of the new stores in St. Lucia, we anticipate continued growth and profits in upcoming periods.

We would like to thank our board of directors, management, and team members for their commitment to our business and shared values. We are forever grateful to our loyal customers and partners for their continued support.



Tom Tyler, Co-Chairman

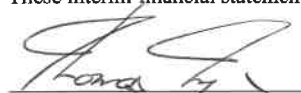


Theresa Chin, Director


Interim Statement of Financial Position -Unaudited

	CPJ Jamaica Unaudited September 30, 2023 <u>TOTAL</u>	CPJ Jamaica Unaudited September 30, 2022 <u>TOTAL</u>	CPJ Jamaica Audited June 30, 2023 <u>TOTAL</u>
CURRENT ASSETS			
Cash and cash equivalents	5,265,312	4,129,204	5,464,422
Accounts receivable	16,205,024	16,696,384	19,418,265
Inventories	41,803,008	40,365,881	38,910,677
	<u>63,273,344</u>	<u>61,191,469</u>	<u>63,793,364</u>
CURRENT LIABILITIES			
Bank overdraft	1,175,366	1,931,091	1,343,144
Short-term loans	9,500,000	6,700,000	9,500,000
Accounts payable	9,248,842	9,770,655	10,426,646
Short-term promissory notes	600,000	600,000	600,000
Current portion of lease liabilities	908,698	703,180	865,295
Current portion long-term borrowings	510,611	4,115,122	604,079
Current portion long-term promissory notes	3,658,419	-	3,656,199
Tax payable	1,218,788	1,806,949	1,126,152
	<u>26,820,724</u>	<u>25,626,997</u>	<u>28,121,515</u>
NET CURRENT ASSETS	<u>36,452,620</u>	<u>35,564,472</u>	<u>35,671,849</u>
NON-CURRENT ASSETS			
Investment	157,618	86,234	157,618
Deferred tax asset	2,877,130	2,019,505	2,877,130
Right-of-use assets	10,547,872	10,972,182	10,043,053
Intangible asset	34,084	31,201	67,561
Property, plant and equipment	12,828,991	12,180,658	13,174,751
	<u>26,445,695</u>	<u>25,289,780</u>	<u>26,320,113</u>
US\$	<u>62,898,315</u>	<u>60,854,252</u>	<u>61,991,962</u>
SHAREHOLDERS' EQUITY			
Share capital	4,898,430	4,898,430	4,898,430
Accumulated surplus	25,285,769	19,892,114	24,016,250
	<u>30,184,199</u>	<u>24,790,544</u>	<u>28,914,680</u>
Non - controlling interest	3,334,088	2,970,714	3,372,776
	<u>33,518,287</u>	<u>27,761,258</u>	<u>32,287,456</u>
NON-CURRENT LIABILITIES			
Long-term promissory notes	-	4,656,460	-
Due to related party	671,415	314,765	502,932
Lease Liabilities	14,541,436	12,947,074	14,789,817
Long-term borrowings	14,167,177	15,174,695	14,411,757
	<u>29,380,028</u>	<u>33,092,994</u>	<u>29,704,506</u>
US\$	<u>62,898,315</u>	<u>60,854,252</u>	<u>61,991,962</u>

These interim financial statements were approved by the Board of Directors and signed on its behalf by:


 Thomas Tyler

Director


 Theresa Chin

Director

CARIBBEAN PRODUCERS (JAMAICA) LIMITED

Period ended September 30, 2023

Interim Statement of Comprehensive Income - Unaudited

	Unaudited	Unaudited	Audited
	Three months ended	Three months ended	Twelve months ended
	<u>TOTAL</u>	<u>TOTAL</u>	<u>TOTAL</u>
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>June 30, 2023</u>
Gross operating revenue	34,218,176	33,061,616	142,581,482
Cost of operating revenue	(24,031,768)	(22,825,845)	(103,597,441)
Gross profit	10,186,408	10,235,771	38,984,041
Selling and administrative expenses	(6,548,658)	(6,171,962)	(24,676,465)
Decrease/(increase) in allowance for impairment losses	(68,475)	(40,500)	516,646
Depreciation and amortisation	(1,132,424)	(1,034,422)	(4,346,235)
Other operating income/(expenses), net	29,591	6,346	(222,081)
Operating profit	2,466,442	2,995,233	10,255,906
Finance income	149	214	1,022
Finance costs	(841,817)	(755,378)	(3,385,743)
Profit before taxation	1,624,774	2,240,069	6,871,185
Taxation	(393,943)	(518,740)	(623,658)
Profit for the year, being total comprehensive income	1,230,831	1,721,329	6,247,527
Attributable to:			
Equity holders of the Parent	1,269,519	1,640,424	5,764,560
Non- controlling interest	(38,688)	80,905	482,967
	<u>1,230,831</u>	<u>1,721,329</u>	<u>6,247,527</u>
Earnings per stock unit (cents)	<u>0.12 cents</u>	<u>0.15 cents</u>	<u>0.52 cents</u>

Interim Statement of Changes in Equity - Unaudited

	<u>Share capital</u>	<u>Accumulated surplus</u>	<u>Non controlling Interest</u>	<u>Total</u>
Three months ended September 30, 2022				
Balances at June 30, 2022	4,898,430	18,251,690	2,889,809	26,039,929
Total Comprehensive Loss for the year:				
Profit for the year, being total comprehensive income	-	1,640,424	80,905	1,721,329
Balances at September 30, 2022	<u>4,898,430</u>	<u>19,892,114</u>	<u>2,970,714</u>	<u>27,761,258</u>
Three months ended September 30, 2023				
Balances at June 30, 2023	4,898,430	24,016,250	3,372,776	32,287,456
Total Comprehensive Income for the year:				
Profit for the period, being total comprehensive income	-	1,269,519	(38,688)	1,230,831
Balances at September 30, 2023	<u>4,898,430</u>	<u>25,285,769</u>	<u>3,334,088</u>	<u>33,518,287</u>
	US\$			

Consolidated Interim Statement of Cash Flows - Unaudited

	Unaudited Three months ended September 30, 2023	Unaudited Three months ended September 30, 2022	Audited Year-ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period	1,230,831	1,721,329	6,247,527
Adjustments for:			
Depreciation and amortisation	1,132,424	1,034,422	4,346,235
Gain on disposal of property, plant and equipment	-	-	(11,057)
Loss on modification of leases	-	-	454,784
Transfer and adjustments to property, plant and equipment	-	-	16,755
Unrealised foreign exchange loss/(gains) on loans	7,707	(47,990)	-
Unrealised foreign exchange (gain)/loss on cash and cash equivalents	(12,851)	(16,258)	-
Amortised debt cost	10,857	(29,225)	-
Interest income	(149)	(214)	(1,022)
Finance cost	841,817	755,378	3,385,743
Taxation	393,943	518,740	623,658
	<u>3,604,579</u>	<u>3,936,182</u>	<u>15,062,623</u>
Decrease/(increase) in current assets:			
Accounts receivable	3,213,241	1,789,936	(931,945)
Inventories	(2,892,331)	(209,938)	1,245,266
(Increase)/decrease in current liability:			
Accounts payable	<u>(1,124,141)</u>	<u>(9,159,485)</u>	<u>(8,325,254)</u>
Cash (used)/generated by operations	2,801,348	(3,643,305)	7,050,690
Interest paid	(895,480)	(644,203)	(3,440,680)
Tax paid	<u>(301,307)</u>	<u>(69,904)</u>	<u>(1,713,244)</u>
Net cash provided by/(used in) operating activities	<u>1,604,561</u>	<u>(4,357,412)</u>	<u>1,896,766</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to other assets	-	(18,590)	(89,974)
Additions to property, plant and equipment	(1,258,007)	(412,958)	(1,779,818)
Proceeds from disposal of property, plant and equipment	-	-	39,901
Interest received	149	214	1,022
Net cash used by investing activities	<u>(1,257,858)</u>	<u>(431,334)</u>	<u>(1,828,869)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of bank overdraft	7,122,534	7,704,841	28,727,927
Repayment of bank overdraft	(7,290,312)	(7,636,064)	(29,247,097)
Promissory notes received	2,220	4,656,460	3,001,046
Promissory notes repaid	-	(12,493,946)	(11,838,793)
Payment of lease liabilities	(217,828)	(164,568)	(706,367)
Other income due to rent concessions	-	-	-
Long-term/short-term borrowings, repaid	(343,761)	(286,883)	(19,875,160)
Due to related company	168,483	1,393	189,560
Long-term/short-term borrowings received	-	13,200,000	31,323,469
Net cash (used)/provided by financing activities	<u>(558,664)</u>	<u>4,981,233</u>	<u>1,574,585</u>
Net (decrease)/increase in cash and cash equivalents for the period	(211,961)	192,487	1,642,482
Cash and cash equivalents at beginning of the period	5,464,422	3,920,459	3,920,459
Effects of fluctuations in exchange rates on cash held	<u>12,851</u>	<u>16,258</u>	<u>(98,519)</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	US\$ <u>5,265,312</u>	<u>4,129,204</u>	<u>5,464,422</u>

Selected explanatory notes

1 The Company

Caribbean Producers (Jamaica) Limited ("company or "parent company") is incorporated under laws of and domiciled in Jamaica. Its registered office is situated at Shop No. 14, Montego Freeport Shopping Centre, Montego Bay, St. James and its principal place of business is at 1 Guinep Way, Montego Freeport, Montego Bay, St. James.

The company's principal activities during the year were the wholesaling and distribution of food and beverages, the distribution of non-food supplies and the manufacture and distribution of fresh juices and meats.

The details of the company's subsidiaries as at September 30, 2023 are as follows:

<u>Company</u>	<u>Principal Activity</u>	<u>Percentage of ordinary shares held by the company</u>	<u>Place of incorporation</u>
CPJ Investments Limited	Holds investment in CPJ (St. Lucia) Limited	100	St. Lucia
CPJ (St. Lucia) Limited	Wholesale and distribution of food and beverages and distribution of non-food supplies	51	St. Lucia
CPJ Homeporting Limited	Logistics services	100	Jamaica

2 Basis of Preparation

These interim financial statements have been prepared in accordance with accounting policies set out in note 2 to the audited financial statements for the year ended June 30, 2023.

3 Basis of Consolidation

(i) A "subsidiary" is an enterprise controlled by the company. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of a subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The interim consolidated financial statements include the financial statements of the company and its subsidiaries (note 1)

(ii) Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

(iv) Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interest to have a deficit balance.

4 Segment Reporting

Segment information is presented in respect of the group's strategic business segments. The identification of business segments is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Geographical information:

	2023				
	Jamaica US\$	Investments US\$	St. Lucia US\$	Eliminations US\$	Total US\$
Revenue from external customers	28,558,639	-	5,919,047	(259,510)	34,218,176
Segment non-current assets	25,237,246	3,771,711	4,606,363	(7,169,625)	26,445,695
Additions to property, plant and equipment	828,489	-	429,518	-	1,258,007
	2022				
	Jamaica US\$	Investments US\$	St. Lucia US\$	Eliminations US\$	Total US\$
Revenue from external customers	27,277,939	-	5,994,945	(211,268)	33,061,616
Segment non-current assets	23,999,638	3,670,281	4,631,538	(7,011,677)	25,289,780
Additions to property, plant and equipment	378,904	-	34,054	-	412,958

Selected explanatory notes (contd)

5 Earnings per stock unit

Earnings per stock unit is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue for the period. The weighted average

	<u>Three months ended September 30, 2023</u>	<u>Three months ended September 30, 2022</u>	<u>Twelve months ended June 30, 2023</u>
Profit/(Loss) for the period attributable to the shareholders of the company (US\$)	1,269,519	1,640,424	5,764,560
Weighted average number of ordinary stock units held during the period	1,100,000,000	1,100,000,000	1,100,000,000
Earnings per stock unit (expressed in ¢ per share)	0.12	0.15	0.52



**TOP TEN (10) STOCKHOLDERS
AS AT 30TH SEPTEMBER 2023**

NAME	UNITS	%
Sportswear Producers Limited	253,084,299	23.0077
Mayberry Jamaican Equities Limited	220,789,867	20.0718
Wave Trading Limited	124,132,858	11.2848
Oniks Investments Limited	115,681,262	10.5165
Thomas Tyler	82,830,563	7.5301
Ho Choi Limited	33,581,579	3.0529
TJBK Investment Limited	31,000,000	2.8182
PWL Bamboo Holdings Limited	20,536,570	1.8670
QWI Investments Ltd	12,935,291	1.1759
MF& G Trust & Finance Ltd A/C 58	11,455,738	1.0414

SENIOR MANAGERS

NAME	UNITS	%
Hugh Logan	144,343	0.01312

DIRECTORS AND CONNECTED PARTIES REPORT

NAME	POSITION	RELATIONSHIP	UNITS	%
<u>Sportswear Producers Limited</u>			253,084,299	23.00766
Mark Hart	Chairman	Connected party holding		
<u>Mayberry Jamaican Equities Limited</u>			220,789,867	20.07181
Konrad Mark Berry	Director	Self	495,930	0.04508
Christopher Berry	Director	Connected party holding		
<u>Wave Trading Limited</u>			124,132,858	11.28481
Mark Hart	Chairman	Connected party holding		
<u>Oniks Investments Limited</u>			115,681,262	10.51648
Thomas Tyler	Co-Chairman	Connected party holding		
Thomas Tyler	Co-Chairman	Self	82,830,563	7.53005
<u>PWL Bamboo Holdings Limited</u>			20,536,570	1.86696
Konrad Mark Berry	Director	Connected party holding		
Konrad Mark Berry	Director	Self	495,930	0.04508
<u>Alpine Endeavours Limited</u>			1,881,100	0.1710
Ronald Schragger	Director	Connected party holding		
<u>Apex Pharmacy Limited</u>			1,421,936	0.12927
Christopher Berry	Director	Connected party holding		
<u>A+ Medical Centre Limited</u>			950,000	0.08636
Christopher Berry	Director	Connected party holding		
Theresa Chin	Director	Self	288,900	0.02626
<u>Hall's Investment</u>			114,090	0.0104
Richard Mark Hall	Director	Connected party holding		