

MAYBERRY JAMAICAN EQUITIES

Q2 2019

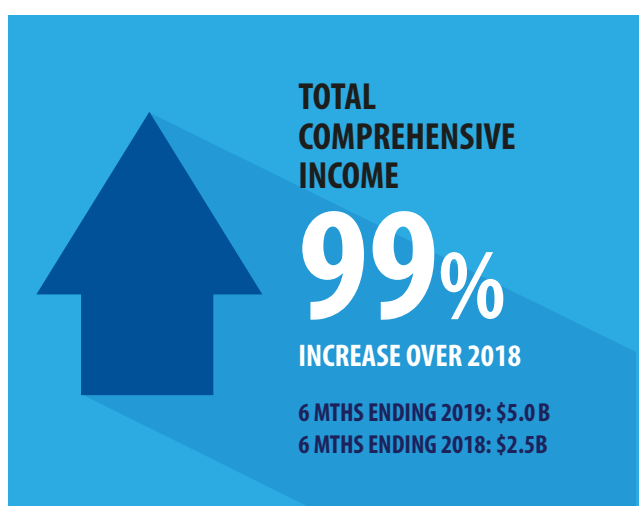
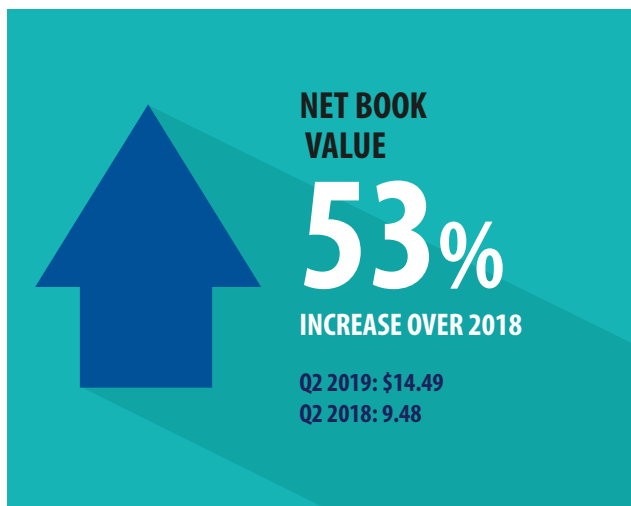
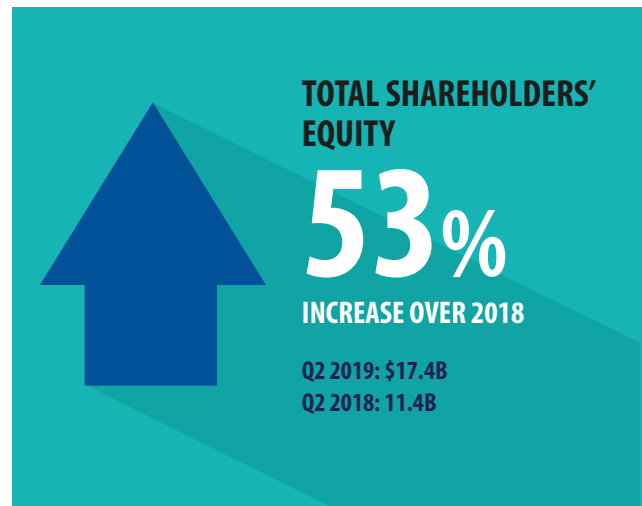
UNAUDITED FINANCIAL RESULTS



MANAGING DIRECTOR'S COMMENTARY ON FINANCIAL RESULTS

FOR THE SECOND QUARTER ENDED JUNE 30, 2019
(represented in J\$)

PERFORMANCE HIGHLIGHTS



The Board of Directors of Mayberry Jamaican Equities Limited is pleased to share its unaudited 2nd Quarter 2019 Financial Results for the months April – June 2019.

INVESTMENT ENVIRONMENT

For the second quarter ending June 2019, the BOJ policy interest rate was further reduced in this quarter from 1.25% to 0.75%. The Net International Reserves (NIR) stood at US\$3.035B for June 2019. In addition, Jamaica's annual point-to-point inflation was 4.79% at May 2019, below the BOJ mid-point target of 5%.

Year over year, the JSE Main Market Index grew by 162,160 points or 53% up from 305,736 points when compared to June 2018. The JSE Junior Market also grew by 66 points or 2% at the end of June 2019 to 3,103 points. Both markets continue to reflect increased activity bolstered by new listings. In particular, for this 2nd quarter, Wigton Windfarm Limited and iCreate Limited listed on the Main Market and Junior market, respectively.

NET ASSET VALUE (NAV)

The company's Net Asset Value per share moved to J\$14.49, increasing by J\$5 or 52.8% over the corresponding period in 2018, due largely to an increase in Equity Investments of J\$6.7B. This represents a balance of J\$18.8B as at June 30, 2019, moving from J\$12.1B at the end of the 2nd quarter in 2018.

PAYMENT OF DIVIDENDS

The Board of Directors of MJE convened a meeting on Tuesday, March 12, 2019 and approved an ordinary dividend of J\$0.065 per share.

The dividend of J\$76M was paid on Friday, May 3, 2019 to all shareholders on record as at March 27, 2019.



FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 30 June 2019 (J\$'000)	Quarter ended 30 June 2018 (J\$'000)	Change (J\$'000)	% Change
Total Assets	19,934,729	12,444,198	7,490,532	60.2%
Total Liabilities	2,529,111	1,062,438	(1,466,673)	-138.0%
Stockholders' Equity	17,405,619	11,381,760	6,023,859	52.9%
Net Book Value Per Share	\$14.49	\$9.48	\$5.01	52.8%

Mayberry Jamaican Equities' (MJE) Total Assets grew to J\$19.9B for the 2nd quarter of 2019 compared to J\$12.4B for the comparative quarter in 2018. This represents a J\$7.5B or 60.2% increase in the company's asset base, due mainly to higher market values of quoted equities, particularly, Caribbean Cement Company, Lasco Financial Services Limited, IronRock Insurance Company Limited, Jamaica Broilers Group Limited, General Accident Insurance Company Jamaica Limited, Jamaica Money Market Brokers Limited, Jamaica Stock Exchange and Supreme Ventures Limited.

For the 2nd quarter in 2019, MJE's Total Liabilities increased by J\$1.47B to J\$2.53B or 138.0% vis-à-vis the 2nd quarter in the prior year. This resulted mainly from an issuance of a Corporate Loan Note of J\$2.2B during the period, which was further offset by a reduction in Intercompany balances of J\$625.4M and Accounts Payables of J\$140.6M.



OVERALL PERFORMANCE

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	Quarter ended 30 June 2019 (J\$'000)	Quarter ended 30 June 2018 (J\$'000)	Change (J\$'000)	% Change
Net Interest Income and Other Revenues	269,790	366,712	(96,922)	-26.4%
Operating Expenses	153,824	69,714	(84,109)	-120.6%
Profit before Taxation	115,966	296,998	(181,032)	-61.0%
Net Profit	118,348	283,498	(165,150)	-58.3%
Other Comprehensive Income	835,683	1,538,943	(703,261)	-45.7%
Total Comprehensive Income	954,031	1,822,441	(868,410)	-47.7%
Comprehensive Income per share	0.79	1.52	(0.72)	-47.7%

Total Comprehensive Income for Q2 2019 amounted to J\$954M, compared to J\$1.8B for the corresponding quarter of 2018; a decline of J\$868.4M or 47.7%. However, for the 6-months period ending June 30, 2019, Total Comprehensive Income was J\$5B compared to J\$2.5B for period ending June 30, 2018. This gave rise to a Total Comprehensive Income per share of J\$0.79 for the 2nd quarter 2019 and J\$4.16 for the 6-month period ending June 30, 2019.

Dividend Income amounted to J\$93.15M, earned primarily from holdings in Supreme Ventures Limited, Jamaica Broilers Group, Main Event Entertainment Limited, Jamaica Stock Exchange and Lasco Manufacturing Limited.

MJE's total revenue for this quarter amounted to J\$269M, a 26% decline when compared to Q2 2018, resulting in reported profits of J\$118.4M. This resulted in Earnings per share (EPS) of J\$0.10 and was mainly due to the revaluation of the equities classified as Fair Value through Profit or Loss (FVPL).

OPERATING EXPENSES

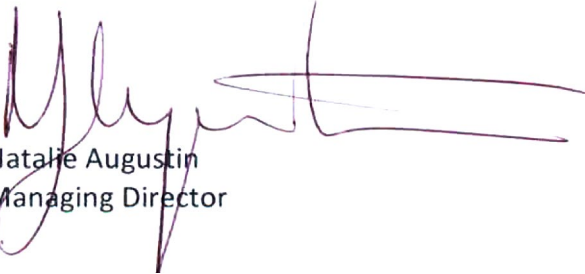
Total Operating Expenses increased by J\$84.1M or 120.6% when compared to the corresponding quarter in 2018 due to incentive and management fees for Investment management services. These were offset by savings in administrative expenses of J\$17.6M.



SHAREHOLDERS' EQUITY

MJE's capital base grew significantly, by 53%, over 2nd quarter 2018, resulting from higher investment revaluation reserves, with Fair value reserves of J\$10.8B, up from J\$4.7B in the comparative period. Retained earnings decreased slightly to J\$5.1B from J\$5.2B.

Mayberry Jamaican Equities Limited takes this opportunity to thank all our shareholders, Board of Directors and friends for your support.



Natalie Augustin
Managing Director



STATEMENT OF PROFIT OR LOSS

FOR THE PERIOD ENDED 30 JUNE 2019

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 June 2019	3 Months ended 30 June 2018	6 Months ended 30 June 2019	6 Months ended 30 June 2018	12 Months ended 31 December 2018
	J\$'000	J\$'000	J\$'000	J\$'000	J\$'000
Net Interest Income and Other Revenues					
Interest income	11,396	505	15,031	(14,825)	(9,406)
Interest expense	(40,637)	(12,489)	(87,930)	(25,849)	(92,259)
Net Interest income	(29,241)	(11,984)	(72,899)	(40,674)	(101,665)
Dividend Income	93,154	132,693	174,504	226,303	349,289
Net Trading Gains/(Losses)	25,364	(134)	30,680	(134)	(10,220)
Realised Gain on disposal of Associates	-	-	-	-	(2,920)
Unrealised (loss)/gain on investment revaluation	125,743	241,792	53,902	418,118	369,064
Net Foreign Exchange Gain / (Loss)	54,770	4,345	40,285	(1,786)	(57,468)
Impairment write-off	-	-	-	-	-
Other Income	-	-	-	-	-
	269,790	366,712	226,472	601,826	546,080
Operating Expenses:					
Other operating expenses	153,824	69,714	269,901	157,886	449,972
	153,824	69,714	269,901	157,886	449,972
Share of Profits in Associate	-	-	-	-	-
Operating (loss)/profit before Asset tax	115,966	296,998	(43,430)	443,941	(5,557)
Asset Tax	-	-	-	-	-
(Loss)/Profit before Taxation	115,966	296,998	(43,430)	443,941	96,108
Taxation (charge) / credit	2,382	13,500	4,007	3,254	(7,406)
NET PROFIT/ (LOSS)	118,348	283,498	(39,423)	440,687	103,514
OTHER COMPREHENSIVE INCOME					
Financial Reserve	835,683	1,538,943	5,041,693	2,072,301	3,507,666
Other Comprehensive Income, Net of Tax	835,683	1,538,943	5,041,693	2,072,301	3,507,666
TOTAL COMPREHENSIVE INCOME	954,031	1,822,441	5,002,271	2,512,988	3,611,180
Number of Shares in issue	1,201,149	1,201,149	1,201,149	1,201,149	1,145,269
Earnings per share	0.10	0.24	(0.03)	0.37	0.09
Comprehensive Income per share	0.79	1.52	4.16	2.09	3.01


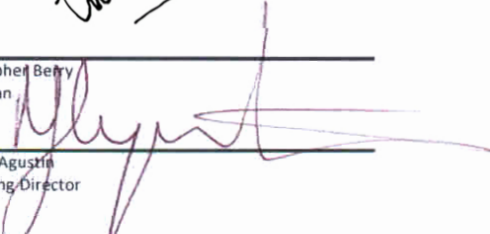
BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the audited financial statements for the year ended 31 December 2018.



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	UNAUDITED JUNE 30, 2019	UNAUDITED JUNE 30, 2018	AUDITED DECEMBER 31, 2018
	J\$'000	J\$'000	J\$'000
ASSETS			
CASH AND CASH EQUIVALENTS	251,527	237,220	238,685
INVESTMENTS	18,823,098	12,139,614	13,952,337
TAXATION RECOVERABLE	2,507	-	2,507
DUE FROM PARENT COMPANY	802,724	-	725,027
INTANGIBLE ASSET	51,575	-	34,744
OTHER RECEIVABLES	3,299	67,365	94,349
TOTAL ASSETS	19,934,729	12,444,198	15,047,648
LIABILITIES AND EQUITY			
LIABILITIES			
DUE TO PARENT COMPANY	-	625,363	-
DEFERRED TAX	107,329	50,917	62,298
INTEREST PAYABLE	3,059	3,513	4,091
LOANS	2,183,009	-	-
ACCOUNTS PAYABLES	235,714	376,273	318,255
DEBT SECURITY IN ISSUE	-	-	2,183,009
TAXATION PAYABLE	-	6,371	-
TOTAL LIABILITIES	2,529,111	1,062,438	2,567,652
STOCKHOLDERS EQUITY			
SHARE CAPITAL	1,468,027	1,468,027	1,468,027
PREFERENCE SHARES	135	-	135
FAIR VALUE RESERVE	10,810,303	4,681,653	5,955,575
RETAINED EARNINGS	5,127,153	5,232,080	5,056,259
TOTAL STOCKHOLDERS' EQUITY	17,405,619	11,381,760	12,479,996
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	19,934,729	12,444,198	15,047,648
Net book Value per Stock Unit	Q2 2019 \$14.49	Q2 2018 \$9.48	DECEMBER 2018 \$10.90
Approved by the Board of Directors for issue on 9th July, 2019 and signed on its behalf by:			
			
<hr/> Christopher Berry Chairman			
			
<hr/> Natalie Agustin Managing Director			



STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2019

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30	3 Months ended 30	6 Months ended 30	6 Months ended 30	12 Months ended 31
	June 2019 J\$'000	June 2018 J\$'000	June 2019 J\$'000	June 2018 J\$'000	DECEMBER 2018 J\$'000
Profit/Loss for the period	118,348	283,498	(39,423)	440,687	103,514
<i>Other Comprehensive Income for the period net of tax:</i> Items that will or maybe classified to statement of income					
Unrealised gains/ (losses) on financial instruments	835,683	1,538,943	5,041,693	2,072,301	3,507,666
Total Comprehensive income attributable to stockholders	954,031	1,822,441	5,002,271	2,512,988	3,611,180
COMPREHENSIVE INCOME PER SHARE	\$0.79	\$1.52	\$4.16	\$2.09	\$3.01



STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2019

	SHARE CAPITAL	FAIR VALUE RESERVES	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000
Balance at January 1, 2018	1,468,027	2,929,230	4,471,515	8,868,772
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(319,878)	319,878	-
Preference Shares	-	-	-	-
Ordinary dividends paid	-	-	-	-
Net Profit	-	-	440,687	440,687
Total comprehensive income	-	2,072,301	-	2,072,301
Translation adjustment	-	-	-	-
Balance at June 30, 2018	1,468,027	4,681,653	5,232,080	11,381,760
Balance at January 1, 2019	1,468,162	5,955,575	5,056,259	12,479,996
Realised gains / (losses) on fair value instruments transferred to retained earnings	-	(186,965)	186,965	-
Ordinary dividends paid	-	-	(76,648)	(76,648)
Preference Shares	-	-	-	-
Net Profit	-	-	(39,423)	(39,423)
Total comprehensive income	-	5,041,693	-	5,041,693
Translation adjustment	-	-	-	-
Balance at June 30, 2019	1,468,162	10,810,303	5,127,153	17,405,619



STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019

	UNAUDITED 6 Months ended 30 June 2019 J\$'000	UNAUDITED 6 Months ended 30 June 2018 J\$'000	AUDITED 12 Months ended 31 December 2018 J\$'000
Cash Flows from Operating Activities			
Profit before taxation	(43,430)	443,941	96,108
Adjustments to reconcile profit to net cash used in operating activities:			
Interest Income	(15,031)	2,654	(2,765)
Interest Expense	87,930	25,849	92,259
Realized Fair Value gains transferred to Retained Earnings	186,965	319,878	481,230
Unrealized fair value (gain)/loss on financial instruments - FVPL	-	-	(369,064)
Unrealized Foreign Exchange Gains	(40,285)	1,786	113,136
Adjusted Profit / (Loss)	176,150	794,108	410,904
Changes in operating assets and liabilities:			
Decrease / (increase) in Investment securities	(16,032)	(2,869,040)	(1,296,843)
Unrealized Foreign Exchange Gains	40,285	-	-
Decrease / (increase) in Investment Revaluation	-	1,752,423	-
Adjustment for Unrealized F/X	-	(1,786)	-
Decrease / (increase) in Other Receivables	91,050	118,559	77,148
Decrease / (increase) in Accounts Payables & Other Liabilities	(37,510)	146,410	63,624
Loans	(77,697)	-	-
Taxation Payable	-	-	-
Decrease / (increase) in Related companies	-	127,526	(1,231,585)
Dividends Paid	176,245	68,200	(1,976,753)
Interest received	(76,648)	-	-
Interest Paid	15,031	961	4,346
Interest Paid	(88,962)	(23,146)	(88,992)
Taxation paid	4,007	(3,254)	-
Cash (used in)/generated from Operating Activities	29,673	42,761	(2,061,398)
Cash Flows from Investing Activities			
Purchase of intangible asset	(16,831)	-	(34,744)
Associate holdings - purchased in the year	-	-	-
Dividend received from Associate	-	-	-
Cash (used in)/generated from Investing Activities	(16,831)	-	(34,744)
Cash Flows from Financing Activities			
Repayment of debt security	-	-	-
Preference share capital issued	-	-	127
Proceeds from issue of debt security	-	-	2,136,092
Cash generated from/(used in) Financing Activities	-	-	2,136,219
Increase in Cash and Cash Equivalents	12,843	42,761	40,077
Exchange gain/(loss) on foreign Cash & Cash Equivalents			891
Cash & Cash Equivalents - Beginning of the year	238,685	194,458	197,717
Cash & Cash Equivalents - End of the year	251,527	237,220	238,685



**MAYBERRY JAMAICAN EQUITIES LTD.
TOP TEN SHAREHOLDERS
AS AT JUNE 30, 2019**

Names	Shareholdings
MAYBERRY INVESTMENTS LIMITED	900,861,968
PWL BAMBOO HOLDINGS LIMITED	66,982,275
MAYBERRY ASSET MANAGERS LIMITED	57,622,865
KONRAD BERRY	51,662,834
VICTORY ISLAND LIMITED	10,000,000
KONRAD LIMITED	6,432,031
MAYBERRY INVESTMENTS LTD. PENSION SCHEME	5,041,490
APEX PHARMACY	4,817,068
GUARDIAN LIFE LIMITED - POOLED PENSION FUND	3,571,276
THE ARROL TRUST	3,400,000

CONNECTED PARTIES

A+ MEDICAL CENTRE	641,141
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**MAYBERRY JAMAICAN EQUITIES LTD.
Shareholdings Of Directors And Senior Management
AS AT JUNE 30, 2019**

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	76,125,810
Konrad Berry	51,662,834	7,351,589
Natalie Augustin	253,300	0

