

MAYBERRY JAMAICAN EQUITIES

Q2 2020

UNAUDITED FINANCIAL RESULTS



MANAGING DIRECTOR'S COMMENTARY ON FINANCIAL RESULTS

FOR THE SECOND QUARTER ENDED JUNE 30, 2020.

(represented in J\$)

Results for the Unaudited 2nd Quarter 2020 – April to June 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 April to June 2020, Mayberry Jamaican Equities Limited (MJE) volumes traded on the JSE was 61.3 million units versus 16.2 million units when compared to April to June 2019. MJE was listed in the JSE Top 10 Advancing Stocks for the months of April and May 2020 and reflected appreciation in price of 28.9% and 12.1%, respectively. The JSE Main Market Index advanced to 383,755 points for Q2 2020 from 379,242 points for Q1 2020, a growth of 1.2%. This compares to a growth of 21% in MJE stock over the same period. The JSE Junior Market reported similar improved trends and closed Q2 2020 at 2,592 points compared to 2,304 points for Q1 2020. With this initial rebound of prices in the equities market, MJE posted an improved Total comprehensive income of J\$775 million for the second quarter (Q2) June 2020 compared to a Total comprehensive loss in the first quarter of 2020.

The economic impact of COVID-19 continues to evolve and in May 2020 the Government of Jamaica received approval from the Executive Board of the International Money Fund (IMF) for access to the Fund's Rapid Financing Instrument valued at approximately US\$520 million, the maximum under the facility. The Government of Jamaica is expecting this effort to augment the country's foreign exchange reserve and in addition meet the balance of payment challenges resulting from the financial impact of the global pandemic. Of note, the Net International Reserves closed at US\$2.95 billion which can support approximately 38.2 estimated weeks of imports of goods and services.



PORTFOLIO HIGHLIGHTS

Mayberry Jamaican Equities was a net purchaser of stocks for Q2 June 2020 with 43.3 million units.

PERIOD	PURCHASES VOLUME 2020	PURCHASES VOLUME 2019	CHANGE	SALES VOLUME 2020	SALES VOLUME 2019	CHANGE
Q2	43,260,957	42,677,940	583,017	40,722,267	20,504,020	20,218,247

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

COMPANIES	PRICE CHANGE	HOLDINGS
SUPREME VENTURES LIMITED	17.6%	48%
DERRIMON TRADING COMPANY LIMITED	19.4%	8%
WIGTON WIND FARM	15.5%	6%
CARIBBEAN CEMENT COMPANY LTD	24.6%	5%
LASCO FINANCIAL SERVICES LIMITED	-12.1%	5%
CARIBBEAN PRODUCERS JAMAICA LIMITED	1.1%	4%
JAMAICA BROILERS GROUP LIMITED	-14.3%	4%
BLUE POWER GROUP LIMITED	-3.5%	3%
LASCO DISTRIBUTORS LIMITED	0.2%	2%
LUMBER DEPOT LIMITED	-0.5%	1%



FINANCIAL POSITION

SUMMARY OF CHANGES ON THE STATEMENT OF FINANCIAL POSITION				
Description	Quarter ended 30 June 2020 (J\$'000)	Quarter ended 30 June 2019 (J\$'000)	Change (J\$'000)	% Change
Total Assets	12,869,434	19,934,729	(7,065,296)	-35.4%
Total Liabilities	2,234,247	2,529,111	294,864	11.7%
Stockholders' Equity	10,635,188	17,405,619	(6,770,431)	-38.9%
Net Book Value Per Share	\$8.85	\$14.49	-\$5.64	-38.9%

Total Assets increased over Q1 2020 by J\$970 million to close the second quarter at J\$12.9 billion. This positive movement was attributable to increased values of quoted equities. A year over year reduction of J\$7.1 billion from J\$19.9 billion was due mainly to reduced values of quoted equities, particularly:

- Supreme Ventures Limited
- Lasco Financial Services Limited
- Caribbean Producers Jamaica Limited
- Caribbean Cement Company Limited
- Blue Power Group Limited

For Q2 2020, Total Liabilities decreased by J\$294.9 million to J\$2.2 billion or an 11.7% reduction compared to the corresponding quarter in 2019. This was primarily driven by reductions in Accounts Payables and Deferred Taxation, which was partially offset by increases in Interest Payable, Loans and Due to related company. Total Liabilities showed a reduction of J\$456.6 million when compared to a close of J\$2.7 billion as at 31 December 2019.

SHAREHOLDERS' EQUITY

Mayberry Jamaican Equities capital base remained strong with a close of J\$10.6 billion for Shareholders' Equity. This decreased by J\$6.8 billion from J\$17.4 billion as at 30 June 2019. The year over year reduction is mainly attributable to a decrease in Fair Value reserve.

Retained earnings for Q2 2020 increased to J\$5.6 billion from J\$5.1 billion when compared to Q2 2019 and J\$5.3 billion for Q1 2020.



NET ASSET VALUE (NAV)

Net Book Value per share moved to J\$8.85 as at 30 June 2020, a J\$5.64 reduction over the corresponding period in 2019, resulting from a reduction in Investment Securities of J\$6.5 billion. MJE's stock price closed at J\$8.00 on June 30, 2020.

PAYMENT OF DIVIDENDS

The Board of Directors of MJE convened a meeting on Thursday, April 2, 2020 and approved an ordinary dividend of J\$0.06 per share.

The dividend of J\$72 million was paid on Friday, June 26, 2020 to all shareholders on record as at May 12, 2020.

OVERALL PERFORMANCE

For the second quarter of 2020, MJE recorded a net loss of J\$37.8 million; J\$155.8 million lower than the profits of J\$118.3 million for the corresponding 2019 quarter, despite overall lower expenses. This resulted in Loss per share (LPS) of (J\$0.03), an improvement over Q1 2020 (LPS) of (J\$0.93). The improved results for Q2 2020 was mainly due to the revaluation of the equities classified as Fair Value through Profit or Loss (FVPL). The downward trend in the local equities market, due to the impact of the global pandemic continues to negatively impact the performance of the company. Earnings per share (EPS) for Q2 2019 was J\$0.10.

TOTAL COMPREHENSIVE INCOME

SUMMARY OF CHANGES ON THE STATEMENT OF COMPREHENSIVE INCOME				
Description	Quarter ended 30 June 2020 (J\$'000)	Quarter ended 30 June 2019 (J\$'000)	Change (J\$'000)	% Change
Net Interest Income and Other Revenues	(8,540)	269,790	(278,330)	-103.2%
Operating Expenses	17,711	153,824	136,113	88.5%
Profit before Taxation	(26,251)	115,966	(142,217)	-122.6%
Net Profit	(37,444)	118,348	(155,793)	-131.6%
Other Comprehensive Income	812,410	835,683	(23,273)	-2.8%
Total Comprehensive Income	774,966	954,031	(179,065)	-18.8%
Earnings Per Share (EPS)	-\$0.03	\$0.10	-\$0.13	-131.6%



Total comprehensive income for the second quarter of 2020 amounted to J\$775 million, compared to J\$954 million for the corresponding quarter of 2019. MJE recorded an improved position for Q2 2020 when compared to Total comprehensive losses of (J\$7.1) billion posted for Q1 2020. This resulted from an initial price rebound in the equities market.


TOTAL REVENUES

Net Revenues totalled negative J\$8.5 million for the period April to June 2020 and declined by J\$278.3 million over the corresponding 2019 quarter. This was despite a mixed performance for Q2 with higher Dividend income which was offset by unrealized loss on investments, realised foreign exchange loss and reduced interest income resulting from lower interest rates.

OPERATING EXPENSES

Total Operating expenses of J\$17.7 million for the second quarter were contained and decreased by J\$136.1 million or 88.5% when compared to the corresponding quarter in 2019. This was due primarily to reduced incentive and management fees for Investment management services. Total operating expenses of J\$51 million for the first six months of 2020 declined by J\$219.3 million when compared to the same period in 2019.

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 AND LOSS

FOR THE PERIOD ENDED JUNE 30, 2020

	UNAUDITED 3 Months ended 30 June 2020 J\$'000	UNAUDITED 3 Months ended 30 June 2019 J\$'000	UNAUDITED 6 Months ended 30 June 2020 J\$'000	UNAUDITED 6 Months ended 30 June 2019 J\$'000	AUDITED 12 Months ended 31 DECEMBER 2019 J\$'000
Net Interest Income and Other Revenues					
Interest income	359	11,396	1,185	15,031	21,793
Interest expense	(49,727)	(40,637)	(93,807)	(87,930)	(176,408)
Net Interest income	(49,368)	(29,241)	(92,622)	(72,899)	(154,615)
Dividend Income	185,141	93,154	193,608	174,504	361,940
Net Trading Gains/(Losses)	10,134	25,364	58,894	30,680	43,794
Unrealised (loss)/gain on investment revaluation	(129,526)	125,743	(1,248,878)	53,902	52,483
Realized Foreign Exchange Loss/Gain	(24,921)	54,770	(14,512)	40,285	29,467
	(8,540)	269,790	(1,103,509)	226,472	333,070
Operating Expenses:					
Other operating expenses	17,711	153,824	50,595	269,901	520,432
	17,711	153,824	50,595	269,901	520,432
Share of Profits in Associate	-	-	-	-	-
Operating (loss)/profit before Asset tax	(26,251)	115,966	(1,154,104)	(43,430)	(341,977)
Asset Tax	-	-	-	-	-
(Loss)/Profit before Taxation	(26,251)	115,966	(1,154,104)	(43,430)	(187,362)
Taxation (charge) / credit	(11,194)	2,382	615	4,007	(5,851)
NET PROFIT	(37,444)	118,348	(1,153,489)	(39,423)	(193,214)
OTHER COMPREHENSIVE INCOME					
Financial Reserve	812,410	835,683	(5,310,506)	5,041,693	4,599,247
Other Comprehensive Income, Net of Tax	812,410	835,683	(5,310,506)	5,041,693	4,599,247
TOTAL COMPREHENSIVE INCOME	774,966	954,031	(6,463,995)	5,002,271	4,406,034
Number of Shares in issue	1,201,149	1,201,149	1,201,149	1,201,149	1,201,149
Earnings per share	(0.03)	0.10	(0.96)	(0.03)	(0.16)

BASIS OF PREPARATION

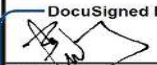
These consolidated financial statements have been prepared in accordance with the accounting policies as set out in note 2 of the audited financial statements for the year ended 31 December 2019.

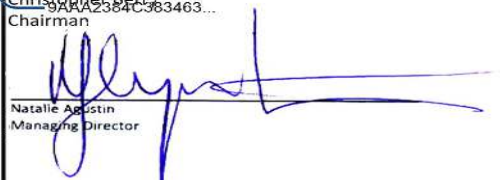
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	UNAUDITED JUNE 30, 2020	UNAUDITED JUNE 30, 2019	AUDITED DECEMBER 31, 2019
	J\$'000	J\$'000	J\$'000
CASH AND CASH EQUIVALENTS	413,563	251,527	535,761
INVESTMENT SECURITIES	12,295,989	18,823,098	18,941,245
INTANGIBLE ASSET	57,015	-	-
TAXATION RECOVERABLE	2,277	2,507	-
DUE FROM PARENT COMPANY	92,799	802,724	211,263
INTANGIBLE ASSET		51,575	58,103
OTHER RECEIVABLES	7,789	3,299	19,281
TOTAL ASSETS	12,869,434	19,934,729	19,765,653
LIABILITIES AND EQUITY			
LIABILITIES			
DEFERRED TAX	31,321	107,329	91,809
INTEREST PAYABLE	3,462	3,059	3,639
ACCOUNTS PAYABLES	6,448	235,714	5,266
LOANS	2,188,374	2,183,009	2,186,586
DUE TO RELATED COMPANY	4,642	-	399,545
TAXATION PAYABLE	-	-	4,960
TOTAL LIABILITIES	2,234,247	2,529,111	2,691,806
STOCKHOLDERS EQUITY			
SHARE CAPITAL	1,468,162	1,468,027	1,468,027
PREFERENCE SHARES	-	135	135
FAIR VALUE RESERVE	3,579,925	10,810,303	9,037,154
RETAINED EARNINGS	5,587,101	5,127,153	6,568,530
	10,635,188	17,405,619	17,073,847
NON- CONTROLLING INTERESTS	-	-	-
TOTAL STOCKHOLDERS' EQUITY	10,635,188	17,405,619	17,073,847
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	12,869,435	19,934,729	19,765,653
Net book Value per Stock Unit	Q2 2020 \$8.85	Q2 2019 \$14.49	DECEMBER 2019 \$14.21

Approved by the Board of Directors for issue on 20 July 2020 and signed on its behalf by:

DocuSigned by:

 Christopher A. Berry
 Chairman


 Natalie Austin
 Managing Director



STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020

	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	3 Months ended 30 June 2020 J\$'000	3 Months ended 30 June 2019 J\$'000	6 Months ended 30 June 2020 J\$'000	6 Months ended 30 June 2019 J\$'000	12 Months ended 31 DECEMBER 2019 J\$'000
Profit for the period	(37,444)	118,348	(1,153,489)	(39,423)	(193,214)
Other Comprehensive Income for the period net of tax:					
Items that will or maybe classified to statement of income					
Unrealised gains/ (losses) on financial instruments	812,410	835,683	(5,310,506)	5,041,693	3,507,666
Total Comprehensive income attributable to stockholders	774,966	954,031	(6,463,995)	5,002,271	3,314,452



STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020

	SHARE CAPITAL	FAIR VALUE RESERVES	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000
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)
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
Balance at January 1 2020	1,468,162	9,037,154	6,568,530	17,073,847
Realised gains / (losses) on fair value instruments				-
transferred to retained earnings	-	(146,724)	146,724	-
Ordinary dividends paid	-	-	72,069	72,069
Net Profit	-	-	(1,153,489)	(1,153,489)
Total comprehensive income	-	(5,310,506)	-	(5,310,506)
Translation adjustment	-	-	(46,733)	(46,732.953)
Balance at June 30, 2020	1,468,163	3,579,925	5,587,101	10,635,188



STATEMENT OF CASHFLOW
FOR THE PERIOD ENDED JUNE 30, 2020

	UNAUDITED 6 Months ended 30 June 2020 J\$'000	UNAUDITED 6 Months ended 30 June 2019 J\$'000	AUDITED Year ended 31 December 2019 J\$'000
Cash Flows from Operating Activities			
Profit before taxation	(1,154,104)	(43,430)	(187,362)
Adjustments to reconcile profit to net cash used in operating activities:			
Depreciation			4,238
Interest Income	(1,185)	(15,031)	(21,793)
Interest Expense	93,807	87,930	176,408
Realized Fair Value (gains)/loss transferred to Retained Earnings	146,724	186,965	1,517,668
Unrealized fair value (gain)/loss on financial instruments - FVPL	1,248,878		(52,483)
Unrealized Foreign Exchange Gains	14,512	(40,285)	(6,943)
Adjusted Profit / (Loss)	348,631	176,150	1,429,733
Changes in operating assets and liabilities:			
Decrease / (increase) in Investment securities	(182,364)	(16,032)	(1,581,447)
Unrealized Foreign Exchange Loss		40,285	
Loans		(77,697)	
Decrease / (increase) in Other Receivables	(4,586)	91,050	78,320
Decrease / (increase) in Accounts Payables & Other Liabilities	1,274	(37,510)	75,583
(Decrease) / increase in Due to Related companies	(143,419)	-	538,761
Interest received	21,432	15,031	21,793
Interest Paid	(90,396)	(88,962)	(177,001)
Taxation paid		4,007	
Cash used in Operating Activities	(398,059)	(69,828)	(1,043,991)
Net Cash used in Operating Activities	(49,428)	106,321	385,742
Cash Flows from Investing Activities			
Purchase of Intangible asset	1,087	(16,831)	(26,399)
	-		
Net Cash Generated from Investing Activities	1,087	(16,831)	(26,399)
Cash Flows from Financing Activities			
Ordinary Dividend Payment	(72,069)	(76,648)	(77,440)
Increase/(decrease) in Proceeds from issue of debt security	(1,789)		-
Net Cash used in Financing Activities	(73,858)	(76,648)	(77,440)
Increase in Cash and Cash Equivalents	(122,198)	12,843	281,903
Exchange gain/(loss) on foreign Cash & Cash equivalents	-	-	6,943
Cash & Cash Equivalents - Beginning of the year	535,761	238,685	246,914
Cash & Cash Equivalents - End of the year	413,563	251,527	535,760



**MAYBERRY JAMAICAN EQUITIES LTD.
TOP TEN SHAREHOLDERS
AS AT JUNE 30, 2020**

Names	Shareholdings
MAYBERRY INVESTMENT LIMITED	871,274,023
PWL BAMBOO HOLDINGS LIMITED	72,403,636
MAYBERRY ASSET MANAGERS LIMITED	41,122,865
MANWEI INTERNATIONAL LIMITED	40,251,196
K. MARK BERRY	40,130,152
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	554,868



**MAYBERRY JAMAICAN EQUITIES LTD.
Shareholdings of Directors and Senior Management
AS AT JUNE 30, 2020**

<u>Directors</u>	<u>Shareholdings</u>	<u>Connected Persons</u>
Christopher Berry	-	81,861,793
Konrad Berry	40,130,152	924,558
Natalie Augustin	253,300	0

