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# **INTERIM REPORT** TO OUR SHAREHOLDERS

Q3 FY2023 (APR. 1, 2023 TO JUN. 30, 2023)

YOY Increase YOY Increase 18.3%

CASH & CASH EQUIVALENTS \$178.8M YOY Increase

**Overview** 

Tropical Battery Company Ltd.'s performance over the recent nine months showcases a mix of challenges and opportunities. The Gross Operating Revenue for Q3 2023 came in at a record breaking \$782.8 million and it reflects an increase of 18.3% compared to \$661.8 million Q3 2022, and a new guarterly record high. This can be attributed to the positive impact of our expansion into the Dominican Republic (Kaya Energy Group). The integration of this new market into our operations has proven to be a strategic and fruitful endeavor, particularly as we approach Q4. When we consider the nine-month performance, the company's revenue increased by 8.9%, from \$1.95 billion in 2022 to \$2.13 billion in 2023.

Gross profit amounted to \$228.7 million, surpassing the previous year's figure by \$21 million or approximately 10.0% above Q3 of FY2022's figure of \$207.6 million. The 30.0% gross profit margin is below the corresponding period in FY2022. The net profit came in at \$38.8 million, against the \$53.8 million from Q3 FY2022. While we are disappointed with our net profit, because of some one-time cost and expenses that should not repeat moving forward.

Despite the company's operational profitability experiencing a dip, our strategic investments and financing decisions have boosted its cash position. The company's approach is growth-oriented, as evidenced by its significant investments, but it's crucial for the firm to ensure this growth translates into improved operating cash flows in the future. We continue to invest in our expansion plans to different markets, with the goal of being accretive to shareholder value, customers, team members and stakeholders.

Overall, the company has made aggressive moves, like our 51% acquisition of shares in the Kaya Energy Group in the Dominican Republic, but the consistent monitoring and strategic adjustments will be essential to ensure long-term success.

Our financial position displays substantial progress, characterized by notable growth in assets, a positive shift in liabilities, and a resilient approach to cash flow management. Despite the increase in current liabilities, the net current assets experienced a growth of 23.76% over the year and 19.44% over the nine months, indicating sound financial health. The shareholders' equity displayed a healthy growth of 13.0% from June 2022 to June 2023, reflecting stronger equity positioning of the company.

We remain resolute in our pursuit of a strong financial foundation that underpins our strategic objectives and long-term sustainability. The balance sheet expansion indicates that the company has been growing its operations, with notable increases in both assets and liabilities. The growth in shareholders' equity implies the company has been profitable and is retaining those earnings.

## **Community (ESG)**

During this reporting period, Tropical Battery Company has been actively involved in supporting initiatives aimed at fostering the advancement of the nation's youth. Our contributions have encompassed a range of meaningful endeavors, including:

Restoration Assistance for the Jamaica Combined Cadet Force: We were approached by the Jamaica Combined Cadet Force to aid in the restoration of their facility. This organization has played a pivotal role in nurturing disciplined, responsible, and patriotic youth through diverse programs, including military-style training.

Sponsorship of Award Trophies for Barracks Road Primary School: We proudly sponsored award trophies for the graduation ceremony of Barracks Road Primary School in St. James. These trophies were dedicated to student athletes who demonstrated exceptional achievements at various island-wide athletic competitions.

Early Childhood Education: In collaboration with Kingston Bookshop, we again extended our support to the Little Einsteins Learning Center in Seaview Gardens. Our contribution took the form of book vouchers, which were provided to the institution to aid in their efforts. We maintain an ongoing commitment to this establishment, supporting their annual moving-on ceremony.

We are dedicated to making a positive impact on the lives of young individuals and will continue to seek out opportunities to contribute to their growth and development.

YOY Increase 18.3%

YOY Increase 10.2%

CASH & CASH EQUIVALENTS YOY Increase 52.6%

# INTERIM REPORT TO OUR SHAREHOLDERS

Q3 FY2023 (APR. 1, 2023 TO JUN. 30, 2023) CONTINUED

## **Outlook**

Given the current financial data and the recent strategic expansion into North America, here's an outlook on the company:

#### Opportunities:

#### 1. Expansion into North America:

The incorporation of Tropical Battery USA, LLC represents a significant growth opportunity for the company. Entering the large and diverse North American markets of the United States,

- Canada, and Mexico presents the potential for increased sales and brand awareness. Partnering with Amazon for online distribution should provide immediate access to a vast
- customer base and could significantly boost the company's revenue in the coming periods.

#### 2. Continued Innovation and Diversification:

TROPICAL's focus on energy efficiency, renewable energy, and electric mobility aligns well with current global trends and demands. This strategic direction could position the company as a leader in these growing sectors.

The recent expansion into the Dominican Republic through the acquisition of Kaya Energy Group

signifies TROPICAL's commitment to continual growth and adaptation to market trends.

Tropical Battery Company Limited is at an exciting juncture, with significant growth opportunities ahead. The strategic expansion into North America is in line with the company's innovative vision and could unlock new levels of growth and profitability. Effective management of potential challenges, including working capital and debt management, will be vital for maximizing the success of this expansion. By adhering to its core values and focusing on quality, reliability, and customer satisfaction, TROPICAL has the potential to become a key player in the North American energy storage solutions market. Continued monitoring of its financial performance, coupled with strategic and operational adjustments, will be necessary to fully capitalize on these exciting opportunities.

We extend our sincere gratitude to our esteemed board of directors and all stakeholders for their unwavering support, dedicated efforts, and invaluable guidance. Together, we are well-positioned to navigate market dynamics, drive innovation, and secure a prosperous future for Tropical Battery.

Sincerely,

Alexander Melville **Managing Director** 

**Deputy Managing Director** 

## **CONSOLIDATED STATEMENT OF FINANCIAL POSITION - (UNAUDITED)** ILINE 20 2022

Accounts receivable Due from related companies Due from related companies Due from related companies Due from parent company 5 314,08,113 23,852,27 23,385,27 Inventories Inve	JUNE 30, 2023	Notes	Unaudited 30-Jun-23	Unaudited 30-Jun-22	Audited 30-Sep-22
Cash and cash equivalents         3         178,835,175         117,226,026         188,121,3           Accounts receivable         4         434,277,054         377,271,831         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,74         298,783,78			<u> </u>	<u>\$</u>	\$
Cash and cash equivalents         3         178,835,175         117,226,026         188,121,3           Accounts receivable         4         434,297,054         377,271,831         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         398,821,3         298,783,74         398,821,3         298,783,74         23,885,227         23,885,227         23,885,227         23,885,227         23,885,227         23,885,227         23,885,227         783,282         727,88         795,126,0         783,282         727,88         795,126,0         783,282         727,88         795,126,0         783,282         727,88         795,126,0         727,8         787,57,788         795,126,0         727,8         783,282         727,8         <	CURRENT ASSETS				
Due from related companies         5         319,086,598         211,815,863         247,827,42           Due from parent company         5         34,140,811         23,385,227         23,385,227         23,385,227         23,385,227         23,385,227         23,385,227         23,385,227         727,82         767,757,788         795,126,00         727,82         72,18,42         72,18,42         72,18,42         72,14,42         72,18,42		3	178,835,175	117,226,026	168,121,344
Due from related companies   5   319,086,598   211,815,863   247,837.4     Due from parent company   5   34,140,811   23,385,227   23,385,22     Inventories   6   1,057,762,245   787,757,788   795,126.0     Taxalion recoverable   7   783,282   - 727,8     Taxalion recoverable   7   532,385,23   308,385,413   380,700,7     CURRENT LIABILITIES   7   16,675,858   14,856,683   17,442,2     Current portion of lease liabilities   16,675,858   14,856,683   17,442,2     Current portion of long-term loan   10   51,145,077   40,000,000   40,000,000     Current portion of long-term loan   10   600,159,471   363,242,126   438,143,0     NET CURRENT ASSETS   1,424,745,694   1,154,214,609   1,195,876,1     NON-CURRENT ASSETS   38,133,005   38,133,005   38,133,005     Property, plant & equipment   18,544,531   162,255,567   161,038,3     Right of use assets   170,005,182   137,835,613   32,897,7     Employee benefits   8   68,619,000   54,407,000   68,619,0     Interest in joint ventures   5   5,000,000   5,000,000   5,000,000     From the equipment   1,551,845,794   1,564,72,806     Represented by:   1,645,047,411   1,551,845,794   40,005,881,     Represented by:   1,665,637,780   944,117,256   1,007,810,381,     Represented by:   1,666,636,780   944,117,256   1,007,810,381,     NON-CURRENT LIABILITIES   1,066,6563,780   944,117,256   1,007,810,381,     Lease liabilities   1,74,458,802   135,847,326   128,124,44,1,164,164,164,164,164,164,164,164,1					398,821,383
Due from parent company   5   34,140,811   23,385,227   23,385,22   1,000,000,000,000,000,000,000,000,000,0	Due from related companies	5			247,837,424
Taxafion recoverable         783,282         5         772,82           CURRENT LIABILITIES         2,024,905,165         1,517,456,735         1,634,019,10           Accounts payable         7         532,338,537         303,385,443         380,700,7           Current portion of lease liabilities         16,675,858         14,856,683         17,442,2           Current portion of long-term loan         10         51,145,077         40,000,000         400,000,00           NET CURRENT ASSETS         38,133,005	Due from parent company		34,140,811	23,385,227	23,385,227
2,024,905,165   1,517,456,735   1,634,019,11     CURRENT LIABILITIES	Inventories	6	1,057,762,245	787,757,788	795,126,010
CURRENT LIABILITIES	Taxation recoverable		783,282	-	727,809
Accounts payable 7 532,338,537 308,385,443 380,700,7 Current portion of lease liabilities 16,675,858 14,856,683 17,442,2 Current portion of long-term loan 10 51,145,077 40,000,000 40,000,00 600,159,471 363,242,126 438,143,0  NET CURRENT ASSETS 1,424,745,694 1,154,214,609 1,195,876,1  NON-CURRENT ASSETS 38,133,005 38,1			2,024,905,165	1,517,456,735	1,634,019,197
Current portion of lease liabilities         16,675,858         14,856,883         17,442,2           Current portion of long-term loan         10         51,145,077         40,000,000         40,000,0           NET CURRENT ASSETS         1,424,745,694         1,154,214,609         1,195,876,1           NON-CURRENT ASSETS         1,1424,745,694         1,154,214,609         1,195,876,1           Intrangible assets         38,133,005         38,133,005         38,133,005         38,133,005         38,133,005         162,255,567         161,038,3         170,005,182         137,835,613         132,897,7         161,038,3         170,005,182         137,835,613         132,897,7         161,038,3         170,005,182         137,835,613         132,897,7         161,038,3         170,005,182         137,835,613         132,897,7         161,038,3         170,005,182         137,835,613         132,897,7         161,038,3         170,005,182         137,835,613         132,897,7         160,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000         50,000,000	CURRENT LIABILITIES				
Current portion of long-term loan         10         \$1,145,077         \$40,000,000         \$40,000,000           NET CURRENT ASSETS         1,424,745,694         1,154,214,609         1,195,876,1           NON-CURRENT ASSETS         1,424,745,694         1,154,214,609         1,195,876,1           NON-CURRENT ASSETS         38,133,005         39,27,20,005         44,00,000         44,00,000         40,000         40,000	Accounts payable	7	532,338,537	308,385,443	380,700,793
Current portion of long-term loan         10         \$1,145,077         \$40,000,000         \$40,000,000           NET CURRENT ASSETS         1,424,745,694         1,154,214,609         1,195,876,1           NON-CURRENT ASSETS         1,424,745,694         1,154,214,609         1,195,876,1           NON-CURRENT ASSETS         38,133,005         39,27,20,005         44,00,000         44,00,000         40,000         40,000					17,442,276
NET CURRENT ASSETS  NON-CURRENT ASSETS Intangible assets Intangibl		10	51,145,077		40,000,000
NON-CURRENT ASSETS Intangible assets Property, plant & equipment Property, plant & equipment Right of use assets Remployee benefits Represented by: Represented by: SHAREHOLDERS' EQUITY Share Capital Accumulated capital Accumulated profit Represented by: RON-CURRENT LIABILITIES Lease liabilities Lease liabilities Long-term loans Deferred tax liability Represented tax liability Represented tax liability Represented by: Repre			600,159,471	363,242,126	438,143,069
Intangible assets   38,133,005   38,133,005   38,133,005   Right of use assets   158,544,531   162,255,567   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   161,038,33   163,055,613   132,897,73   161,038,33   163,055,613   132,897,73   168,619,000   54,407,000   54,407,000   54,407,000   54,407,000   54,407,000   54,407,000   54,407,000   54,607,000   54,407,000   54,607,000   54,407,000   54,607,0	NET CURRENT ASSETS		1,424,745,694	1,154,214,609	1,195,876,128
Intangible assets   38,133,005   38,133,005   38,133,005   Right of use assets   158,544,531   162,255,567   161,038,33	NON-CURRENT ASSETS				
Property, plant & equipment         158,544,531         162,255,567         161,038,383,613         132,897,781         161,038,383,613         132,897,781         188,641,000         54,407,000         68,619,00         68,619,00         54,007,000         50,000,000         5,000,000			38,133,005	38,133,005	38,133,005
Right of use assets         170,005,182         137,835,613         132,897,7           Employee benefits         8         68,619,000         54,407,000         68,619,00           Interest in joint ventures         5         5,000,000         5,000,00         5,000,00           440,301,718         397,631,185         405,688,1           Represented by:         SHAREHOLDERS' EQUITY           Share Capital         9         160,578,927         156,675,300         156,675,3           Contributed capital         459,235,724         459,207,861         459,207,8           Accumulated profit         446,749,130         328,234,095         391,927,2           NON-CURRENT LIABILITIES         1,066,563,780         944,117,256         1,007,810,3           NON-current loans         10         610,446,637         460,028,468         452,051,2           Deferred tax liability         13,578,192         11,852,744         13,578,1           798,483,631         607,728,538         593,753,8			158,544,531	162,255,567	161,038,380
Interest in joint ventures				137,835,613	132,897,745
A40,301,718   397,631,185   405,688,1     1,865,047,411   1,551,845,794   1,601,564,2     Represented by:   SHAREHOLDERS' EQUITY   Share Capital   9   160,578,927   156,675,300   156,675,3     Contributed capital   459,235,724   459,207,861   459,207,8     Accumulated profit   446,749,130   328,234,095   391,927,2     1,066,563,780   944,117,256   1,007,810,3     NON-CURRENT LIABILITIES	Employee benefits	8	68,619,000	54,407,000	68,619,000
Represented by:   SHAREHOLDERS' EQUITY	Interest in joint ventures		5,000,000	5,000,000	5,000,000
Represented by: SHAREHOLDERS' EQUITY Share Capital 9 160,578,927 156,675,300 156,675,3 Contributed capital 459,235,724 459,207,861 459,207,8 Accumulated profit 446,749,130 328,234,095 391,927,2 1,066,563,780 944,117,256 1,007,810,3  NON-CURRENT LIABILITIES Lease liabilities 174,458,802 135,847,326 128,124,4 Long-term loans 10 610,446,637 460,028,468 452,051,2 Deferred tax liability 13,578,192 11,852,744 13,578,19 798,483,631 607,728,538 593,753,8			440,301,718	397,631,185	405,688,130
SHAREHOLDERS EQUITY   Share Capital   9   160,578,927   156,675,300   156,675,30			1,865,047,411	1,551,845,794	1,601,564,258
Share Capital         9         160,578,927         156,675,300         156,675,30           Contributed capital Accumulated profit         459,235,724         459,207,861         459,207,8           Accumulated profit         446,749,130         328,234,095         391,927,2           1,066,563,780         944,117,256         1,007,810,3           NON-CURRENT LIABILITIES         174,458,802         135,847,326         128,124,4           Lease liabilities         174,458,802         135,847,326         128,124,4           Long-term loans         10         610,446,637         460,028,468         452,051,2           Deferred tax liability         13,578,192         11,852,744         13,578,1           798,483,631         607,728,538         593,753,8					
Contributed capital Accumulated profit         459,235,724 446,749,130         459,207,861 328,234,095         459,207,8 391,927,2 391,927,2 1,066,563,780         459,207,861 446,749,130         459,207,861 328,234,095         459,207,861 391,927,2 391,92,2 391,92,2 391,92,2 391,92,2 391,2 391,2 391,2 391,2		0	140 578 927	154 475 300	154 475 300
Accumulated profit 446,749,130 328,234,095 391,927,2  1,066,563,780 944,117,256 1,007,810,3  NON-CURRENT LIABILITIES Lease liabilities 174,458,802 135,847,326 128,124,4 Long-term loans 10 610,446,637 460,028,468 452,051,2 Deferred tax liability 13,578,192 11,852,744 13,578,1 798,483,631 607,728,538 593,753,8		,			
NON-CURRENT LIABILITIES     1,066,563,780     944,117,256     1,007,810,33       Lease liabilities     174,458,802     135,847,326     128,124,4       Long-term loans     10     610,446,637     460,028,468     452,051,2       Deferred tax liability     13,578,192     11,852,744     13,578,1       798,483,631     607,728,538     593,753,8					391,927,213
NON-CURRENT LIABILITIES Lease liabilities 174,458,802 135,847,326 128,124,4 Long-term loans 10 610,446,637 460,028,468 452,051,2 Deferred tax liability 13,578,192 11,852,744 13,578,1 798,483,631 607,728,538 593,753,8	/ lecontolated profit				1,007,810,374
Lease liabilities     174,458,802     135,847,326     128,124,4       Long-term loans     10     610,446,637     460,028,468     452,051,2       Deferred tax liability     13,578,192     11,852,744     13,578,1       798,483,631     607,728,538     593,753,8			1,000,000,700	7-1-1,117,200	1,007,010,074
Long-term loans         10         610,446,637         460,028,468         452,051,2           Deferred tax liability         13,578,192         11,852,744         13,578,1           798,483,631         607,728,538         593,753,8					
Deferred tax liability         13,578,192         11,852,744         13,578,1           798,483,631         607,728,538         593,753,8					128,124,434
798,483,631 607,728,538 593,753,8	· ·	10			452,051,258
	Deterred tax liability				13,578,192
1,865,047,4 <u>11</u> 1,551,845,7941,601,564,2			798,483,631	•	593,753,884
			1,865,047,411	1,551,845,794	1,601,564,258

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

The accompanying notes form an integral part of the interim financial statements

## Tropical Battery Company Limited

# STATEMENT OF PROFIT OR LOSS AND OTHER **COMPREHENSIVE INCOME - (UNAUDITED)** FOR THE NINE MONTHS ENDED JUNE 30, 2023

	Q3 (3 mths.) 30-Jun-23 \$	Q3 (3 mths.) 30-Jun-22 \$	Q3 YTD (9 mths.) 30-Jun-23 \$	Q3 YTD (9 mths.) 30-Jun-22 \$
Gross operating revenue	782,843,667	661,837,931	2,132,661,886	1,958,875,982
Cost of Goods Sold	(554,184,202)	(454,284,516)	(1,465,710,500)	(1,363,295,103)
Gross Profit on Sales	228,659,465	207,553,415	666,951,386	595,580,879
Administration, marketing and selling expenses Impairment loss on trade receivables	(166,423,615)  (166,423,615)	(132,493,807)	(471,635,057) - (471,635,057)	(383,630,238)
Operating profit Other operating Income	62,235,850 6,198,041	75,059,608 3,913,752	195,316,329 17,236,433	211,950,641
Profit before depreciation, net financial costs and taxation:-	68,433,891	78,973,360	212,552,762	222,115,807
Depreciation	(17,589,415)	(13,937,867)	(49,590,010)	(45,762,541)
Profit before net financial costs and taxation	50,844,476	65,035,493	162,962,752	176,353,266
Finance costs	(18,811,431)	(22,592,884)	(50,455,044)	(51,830,716)
Finance income	6,799,230	11,407,231	20,253,170	20,521,347
Net finance costs	(12,012,201)	(11,185,653)	(30,201,874)	(31,309,369)
Profit before taxation	38,832,275	53,849,840	132,760,878	145,043,897
Taxation				(799,742)
Profit for the periods	38,832,275	53,849,840	132,760,878	144,244,155
Minority Interest	8,723,615	-	8,723,615	-
Total comprehensive income for the periods	\$ 30,108,660	53,849,840	124,037,263	144,244,155
Earnings per stock unit	\$ 0.03	5 0.04	\$ 0.10	\$ 0.11

The accompanying notes form an integral part of the interim financial statements

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - (UNAUDITED) FOR THE NINE MONTHS ENDED JUNE 30, 2023

	Share capital	Capital contribution	Accumulated profit	Total
Balance as at October 1, 2021	156,675,300	459,207,861	209,989,941	825,873,102
Dividends	-	-	(26,000,000)	(26,000,000)
Profit for the period	-	-	144,244,155	144,244,155
Balance as at June 30, 2022	\$ 156,675,300	459,207,861	328,234,096	944,117,257
Re-measurement loss on employee benefit asset, net of taxation Profit for the period, being comprehensive income	- -	- -	10,923,750 52,769,367	10,923,750 52,769,367
Total comprehensive income	-	-	63,693,117	63,693,117
Balance as at October 1, 2022	156,675,300	459,207,861	391,927,213	1,007,810,374
Dividends	-	-	(50,402,373)	(50,402,373)
Issue of shares	3,625,000	-	-	3,625,000
Minority interest		(7,487,500)	(11,018,983)	(18,506,483)
Profit for the period		-	124,037,263	124,037,263
Balance as at June 30, 2023	\$ 160,300,300	459,207,861	465,562,103	1,066,563,781

The accompanying notes form an integral part of the interim financial statements



YOY Increase

YOY Increase 52.6%

## Tropical Battery Company Limited

# **STATEMENT OF CASH FLOWS - (UNAUDITED)** FOR THE NINE MONTHS ENDED JUNE 30, 2023

Profit for the period   124,037,264   144,244,155   197,013,522   Adjustment to reconcile net profit for the period to near cosh used by operating activities:		Q3 (9 Mths.) 30-Jun-23	Q3 (9 Mths.) 30-Jun-22	Audited 30-Sep-22
Adjustment to reconcile net profit for the period to net cash used by operating activities:  Employee benefits  Employee benefits  Employee benefits  Depreciation  A 49,590,010  A 45,762,541  A 53,30,00  Depreciation  A 49,590,010  A 45,762,541  A 50,864,826  A 1,104,8100  A 50,864,826  A 1,104,8100  A 8,660,106  A 11,547,553  Interest on lease liabilities  Interest on lease liabilities  Interest on lease liabilities  Interest on expenses  A mortisation of debt issuance costs  Interest on expenses  A mortisation of debt issuance costs  Interest income  (p,692,754)  Gain on disposal of investments  Gain on disposal of investments  Gain on disposal of property, plant and equipment  A counts receivable  A counts receivable  A counts receivable  Due from related companies  Due from related companies  Due from related companies  Cash (used)/generated by operations  Interest received  Interest received  Interest paid  Cash (used)/generated by operations  Net cash used by operating activities  Proceeds from the sale of property, plant and equipment  Equity from minority interest  Purchase of property, plant and equipment  Equity from minority interest  Proceeds from the sale of property, plant and equipment  A counts received  A counts received  A counts received  A count rece	CASH FLOW FROM OPERATING ACTIVITIES			•
Net cash used by operating activities:   Employee benefits	Profit for the period	124,037,264	144,244,155	197,013,522
Employee benefits         94,9590,10         45,762,541         53,700,355           Depreciation         49,590,10         45,762,541         53,706,355           Interest on loans         6,864,826         43,170,610         42,375,533           Interest on lease liabilities         11,048,190         8,660,106         11,547,593           Amortisation of debt issuance costs         1,517,092         1,517,092         2022,790           Interest income         (9,892,754)         (3,012,288)         (3,991,142)           Gain on disposal of investments         (9,892,754)         (3,012,288)         (3,991,142)           Gain on disposal of property, plant and equipment         (518,428)         (27,027,882)         (46,300,000)           Changes in working capital:         (30,000,000)         201,141,798         267,484,600           Accounts receivable         (37,048,234)         (27,027,882)         (46,305,083)           Due for melated companies         (62,355,960)         (39,150,189)         (90,436,925)           Due to related party         (262,436,235)         (17,916,4410)         (188,312,97)           Interest pacid         (2,755,488)         (3,917,918)         (90,436,925)           Quality Interest pacid         (2,869,375)         (3,102,885)         (19,904,927)	Adjustment to reconcile net profit for the period to			
Depreciation	net cash used by operating activities:			
Taxation expenses	Employee benefits	-	-	353,000
Interest on loans   2.8 86.48.26   43.170.610   42.395.333   Interest in loans liabilities   11.048.190   8.660.106   11.547.593   Amortisation of debt issuance costs   1.517.092   1.517.092   2.022.790   Interest income   (9.992.754   (3.012.288)   (3.991.142)   Gain on disposal of investments   2   4.500.000   (3.991.142)   Gain on disposal of property, plant and equipment   (518.428)   2   4.500.000   2.000.000   4.00	Depreciation	49,590,010	45,762,541	53,706,335
Interest on lease liabilities	Taxation expenses	-	799,742	462,155
Amortisation of debt issuance costs Interest income Interest	Interest on loans	26,864,826	43,170,610	42,395,533
Interest income	Interest on lease liabilities	11,048,190	8,660,106	11,547,593
Gain on disposal of investments         (518,428)         - (11,525,177)           Gain on disposal of property, plant and equipment         (518,428)         241,141,758         287,484,600           Changes in working capital:         202,846,200         241,141,758         287,484,600           Due from related companies         (62,355,960)         (39,150,189)         (90,436,925)           Due for related party         - (5,000,000)         (5,000,000)           Inventory         (262,636,235)         (179,164,410)         (188,312,967)           Payables         151,637,744         (18,490,852)         61,630,040           Cash (used)/generated by operations         (7,556,488)         (27,971,375)         19,046,474           Interest received         9,692,754         3,012,288         3,991,142           Interest paid         (26,864,826)         (43,170,610)         (39,692,372)           Taxation paid         (24,728,560)         (68,649,439)         (19,217,222)           Net cash used by operating activities         (24,728,560)         (68,649,439)         (19,217,222)           EASH FLOW FROM INVESTING ACTIVITIES         18,506,483         (31,322,685)         (18,297,783)           Proceeds from the sale of property, plant and equipment         (4,500,000)         (31,322,685)         (1	Amortisation of debt issuance costs	1,517,092	1,517,092	2,022,790
Gain on disposal of property, plant and equipment         (518.428)         .         (4,500,000)           Changes in working capital:         Accounts receivable         (37,048,236)         (27,027,882)         (46,306,083)           Due for melated companies         (62,355,960)         (39,150,189)         (90,436,255)           Due to related party         (62,355,960)         (17,164,410)         (188,312,967)           Payables         151,637,744         (18,408,522)         11,306,4674           Interest received         9,692,754         3,012,288         3,991,142           Interest received         9,692,754         3,012,288         3,991,142           Interest paid         (26,844,826)         (18,10,610)         39,692,754           Interest paid         (26,844,826)         (18,10,610)         39,692,754           Interest paid         (26,844,826)         (18,70,610)         39,692,754           Interest paid         (28,844,826)         (18,70,610)         39,692,754           Interest paid         (28,844,826)         (18,70,610)         19,064,674           Interest paid         (28,844,826)         (18,270,610)         19,064,674           Interest paid         (28,844,826)         (28,844,849)         (19,217,282)	Interest income	(9,692,754)	(3,012,288)	(3,991,142)
Changes in working capital:         202,846,200         241,141,958         287,484,609           Accounts receivable         (37,048,236)         (27,027,882)         (46,306,083)           Due from related companies         (62,355,960)         (39,150,189)         (90,436,925)           Due to related party         (5,000,000)         (5,000,000)         (5,000,000)           Inventory         (262,636,235)         (179,164,410)         (188,312,967)           Payables         151,637,744         (18,490,852)         61,636,040           Cash (used)/generated by operations         (7,556,488)         (27,691,375)         19,064,674           Interest pacid         (26,864,826)         (43,170,610)         (39,592,372)           Taxation paid         - (799,742)         (25,880,706)           Net cash used by operating activities         (24,728,560)         (68,649,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES           Proceeds from the sale of property, plant and equipment         2,992,906         - 4,500,000           Equity from minority interest         (18,506,483)         (31,322,685)         (18,297,783)           Purchase of property, plant and equipment         2,992,906         - 4,500,000         4,500,000         (5,600,000)         (5,600,000)         <	Gain on disposal of investments	-	· · · · · · · · · · · ·	(11,525,177)
Changes in working capital:         202,846,200         241,141,958         287,484,609           Accounts receivable         (37,048,236)         (27,027,882)         (46,306,083)           Due from related companies         (62,355,960)         (39,150,189)         (90,436,925)           Due to related party         (5,000,000)         (15,000,000)         (15,000,000)           Inventory         (262,636,235)         (179,164,410)         (188,312,967)           Payables         151,637,744         (18,408,852)         41,636,040           Cash (used)/generated by operations         (7,556,488)         (27,691,375)         19,064,674           Interest pacid         (26,864,826)         (43,170,410)         (39,592,372)           Taxation paid         - (799,742)         (25,880,706)           Net cash used by operating activities         (24,728,560)         (68,649,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES           Proceeds from the sale of property, plant and equipment         2,392,906         - 4,500,000           Equity from minority interest         (18,504,843)         (31,322,685)         (18,297,783)           Purchase of property, plant and equipment         2,392,906         - 4,500,000         4,500,000         (65,084,216)         (31,322,685)	·	(518,428)	-	
Changes in working capital:         (37,048,236)         (27,027,882)         (46,306,838)           Accounts receivable         (62,355,960)         (39,150,189)         (90,436,925)           Due to related companies         (62,355,960)         (39,150,189)         (90,436,925)           Due to related party         (262,636,235)         (179,164,410)         (188,312,967)           Payables         151,637,744         (18,400,835)         61,636,040           Cash (used)/generated by operations         (7,556,488)         (27,691,375)         19,064,674           Interest received         9,697,754         3,112,288         3,991,142           Interest received         (26,864,826)         (43,170,610)         (39,692,372)           Taxation paid         (26,864,826)         (43,170,610)         (39,692,372)           Taxation paid         (24,728,560)         (68,649,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES           Proceeds from the sale of property, plant and equipment         2,392,906         -         4,500,000           Equity from minority interest           Proceeds from the sale of property, plant and equipment         2,392,906         -         4,500,000           Septing sale of property, plant and equipmen			241,141,958	
Accounts receivable   (37,048,236)   (27,027,882)   (46,306,083)     Due from related companies   (62,355,960)   (39,150,189)   (90,436,925)     Due to related party   (56,000,000)   (5,000,000)     Inventory   (282,636,235)   (179,164,410)   (188,312,967)     Payobles   (179,164,410)   (188,312,967)     Interest received   (198,27,54)   (19,464,674)     Interest paid   (26,864,826)   (43,170,610)   (39,692,372)     Interest paid   (26,864,826)   (43,170,610)   (39,692,372)     Taxafion paid   (26,864,826)   (43,170,610)   (39,692,372)     Net cash used by operating activities   (24,728,560)   (68,649,439)   (19,217,262)      CASH FLOW FROM INVESTING ACTIVITIES   (18,506,483)     Purchase of property, plant and equipment   (2,392,906   4,500,000)     Equity from minority interest   (18,506,483)     Purchase of property, plant and equipment   (48,970,639)   (31,322,685)   (18,297,783)      CASH FLOW FROM FINANCING ACTIVITIES   (18,506,483)     Proceeds from long-term loan   (20,227,053)   (20,000,000)     Issue of shares   (36,600,400)   (10,000,000)     Repayment of long-term loan   (31,44,997)   (110,000,000)     Repayment of long-term loan   (31,44,997)   (110,000,000)   (20,000,000)     Repayment of short-term loan   (30,44,997)   (110,000,000)   (22,64,557)     Payment of lease liabilities   (23,528,076)   (20,307,68)   (27,479,711)     Net cash provided by financing activities   (23,528,076)   (20,307,68)   (27,479,711)     Net cash provided by financing activities   (10,526,407)   (13,362,911)   (37,07,573)     Cash and cash equivalents at the beginning of the period/year   (18,121,344)   (17,382,917)   (17,3828,917)     Cash and cash equivalents at the end of the period/year   (18,121,344)   (17,3828,917)   (17,3828,917)     Cash and cash equivalents at the end of the period/year	Chanaes in working capital:	,	,,	
Due from related companies         (62,355,66)         (39,150,189)         (90,436,925)           Due to related party         -         (5,000,000)         (5,000,000)           Inventory         (262,636,235)         (179,164,410)         (188,312,967)           Payables         151,637,744         (18,490,852)         61,636,040           Cash (used)/generated by operations         (7,556,488)         (27,691,375)         19,064,674           Interest received         9,892,754         3,012,288         3,991,142           Interest paid         (26,864,826)         (43,170,610)         (39,692,372)           Taxation paid         -         (799,742)         (2,580,706)           Net cash used by operating activities         (24,728,560)         (68,649,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES         2,392,906         -         4,500,000           Equity from minority interest         (18,506,483)         13,322,685         (18,297,783)           Net cash used by investing activities         (28,897,639)         (31,322,685)         (18,297,783)           Net cash used by investing activities         202,297,053         200,000,000         20,000,000           Issue of shares         3,625,000         -         -         -      <		(37.048.236)	(27.027.882)	(46.306.083)
Due to related party   (5,000,000)   (5,000,000)   (1nventiony   (262,636,235)   (179,164,410)   (188,312,967)   (189,312,967)   (179,164,410)   (188,312,967)   (188,312,96		·		
Inventory	•	(02/000// 00/		
Payables         151,637,744         (18,490,852)         61,636,040           Cash (used)/generated by operations         (7,556,488)         (27,691,375)         19,046,674           Interest received         9,692,754         3.012,288         3,991,142           Interest paid         (26,884,826)         (43,170,610)         (39,692,372)           Taxation paid         - (799,742)         (25,807,06)           Net cash used by operating activities         (24,728,560)         (68,647,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES           Proceeds from the sale of property, plant and equipment         2,392,906         - 4,500,000           Equity from minority interest         (18,506,483)         (18,297,783)           Net cash used by investing activities         (48,970,339)         (31,322,685)         (18,297,783)           Net cash used by investing activities         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         200,000,000         200,000,000           Repayment of Long-term loan         3,625,000         200,000,000         200,000,000           Repayment of short-term loan         (50,402,373)         (26,000,000)         (25,264,557)           Payment of ease liabilities         (23,528,074) <td>· ·</td> <td>(262 636 235)</td> <td></td> <td></td>	· ·	(262 636 235)		
Cash (used)/generated by operations         (7,556,488)         (27,691,375)         19,064,674           Interest received         9,692,754         3,012,288         3,991,142           Interest paid         (26,864,826)         (43,170,610)         (39,692,372)           Taxation paid         -         (799,742)         (2,580,706)           Net cash used by operating activities         (24,728,560)         (68,649,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES           Proceeds from the sale of property, plant and equipment         2,392,906         -         4,500,000           Equity from minority interest         (18,506,483)         (31,322,685)         (18,297,783)           Net cash used by investing activities         (65,084,216)         (31,322,685)         (18,297,783)           Net cash used by investing activities         (65,084,216)         (31,322,685)         (18,297,783)           CASH FLOW FROM FINANCING ACTIVITIES           Proceeds from long-term loan         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         -         -         (100,000,000)           Repayment of Long-term loan         (31,464,997)         (110,000,000)         (20,000,000)         (20,000,000)	,	* * *		
Interest paid   9,692,754   3,012,288   3,991,142     Interest paid   (26,864,826)   (43,170,610)   (39,692,372)     Taxation paid   (24,728,560)   (68,647,439)   (1,5217,262)     Net cash used by operating activities   (24,728,560)   (68,647,439)   (1,5217,262)     CASH FLOW FROM INVESTING ACTIVITIES     Proceeds from the sale of property, plant and equipment   (18,506,483)   (31,322,685)   (18,297,783)     Purchase of property, plant and equipment   (48,970,639)   (31,322,685)   (18,297,783)     Net cash used by investing activities   (65,084,216)   (31,322,685)   (13,797,783)     CASH FLOW FROM FINANCING ACTIVITIES     Proceeds from long-term loan   (202,297,053)   (20,000,000)   (20,000,000)     Issue of shares   (3,65,000)   (10,000,000)     Repayment of Long-term loan   (31,464,997)   (110,000,000)   (20,000,000)     Repayment of short-term loan   (31,464,997)   (110,000,000)   (25,264,557)     Payment of lease liabilities   (50,402,373)   (26,000,000)   (25,264,557)     Payment of lease liabilities   (23,528,076)   (20,630,768)   (27,427,971)     Net cash provided by financing activities   (10,713,831)   (56,602,891)   (5,707,573)     Cash and cash equivalents at the beginning of the period/year   (18,12,344)   (17,3828,917)   (173,828,917)     Represented by:	·			
Interest paid   (26,864,826)   (43,170,610)   (39,692,372)   Taxation paid   (27,997,42)   (2,580,706)   (24,728,560)   (68,649,439)   (19,217,262)   (2,580,706)   (24,728,560)   (68,649,439)   (19,217,262)   (2,580,706)   (24,728,560)   (68,649,439)   (19,217,262)   (2,580,706)   (2,292,560)	, ,,,			
Taxation paid Net cash used by operating activities         — (799,742) (2,580,706)           CASH FLOW FROM INVESTING ACTIVITIES Proceeds from the sale of property, plant and equipment Equity from minority interest         2,392,906 — 4,500,000           Equity from minority interest         (18,506,483)           Purchase of property, plant and equipment Net cash used by investing activities         (48,970,639) (31,322,685) (18,297,783)           Net cash used by investing activities         (55,084,216) (31,322,685) (13,797,783)           CASH FLOW FROM FINANCING ACTIVITIES Proceeds from long-term loan         202,297,053 (20,000,000) (20,000,0				
Net cash used by operating activities         (24,728,560)         (68,649,439)         (19,217,262)           CASH FLOW FROM INVESTING ACTIVITIES Proceeds from the sale of property, plant and equipment Equity from minority interest Purchase of property, plant and equipment Net cash used by investing activities         2,392,906         - 4,500,000           Equity from minority interest Purchase of property, plant and equipment Net cash used by investing activities         (48,970,639)         (31,322,685)         (18,297,783)           Net cash used by investing activities         (65,084,216)         (31,322,685)         (13,797,783)           CASH FLOW FROM FINANCING ACTIVITIES Proceeds from long-term loan Issue of shares Repayment of long-term loan Repayment of tong-term loan Repayment of short-term loan State of shares Repayment of short-term loan State of shares State of s	•	(20,004,020)		
CASH FLOW FROM INVESTING ACTIVITIES  Proceeds from the sale of property, plant and equipment Equity from minority interest (18,506,483)  Purchase of property, plant and equipment (48,970,639) (31,322,685) (18,297,783)  Net cash used by investing activities (65,084,216) (31,322,685) (13,797,783)  CASH FLOW FROM FINANCING ACTIVITIES  Proceeds from long-term loan (202,297,053) (200,000,000) (200,000,000)  Issue of shares (3,625,000) (100,000,000)  Repayment of Long-term loan (31,464,997) (110,000,000) (20,000,000)  Repayment of short-term loan (50,402,373) (26,000,000) (25,264,557)  Payment of lease liabilities (23,528,076) (20,630,768) (27,427,797)  Net cash provided by financing activities 100,526,607 (43,369,232) (27,307,472)  Net decrease in cash and cash equivalents (10,713,831) (56,602,891) (5,707,573)  Cash and cash equivalents at the beginning of the period/year (188,121,344) (173,828,917) (173,828,917)  Cash and cash equivalents at the end of the period/year (\$178,835,175) (117,226,026) (168,121,344)  Represented by:		(24.728.560)		
Proceeds from the sale of property, plant and equipment         2,392,906         -         4,500,000           Equity from minority interest         (18,506,483)         (31,322,685)         [18,297,783]           Purchase of property, plant and equipment         (48,970,639)         (31,322,685)         (13,797,783)           Net cash used by investing activities         (65,084,216)         (31,322,685)         (13,797,783)           CASH FLOW FROM FINANCING ACTIVITIES         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         -         -         -           Repayment of Long-term loan         (31,464,977)         (110,000,000)         (20,000,000)           Repayment of short-term loan         (50,402,373)         (26,000,000)         (25,264,557)           Payment of dividends         (50,402,373)         (26,000,000)         (25,264,557)           Payment of lease liabilities         (23,528,076)         (20,630,768)         (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         18,121,344         173,828,917 <td< td=""><td>Ner eash osed by operating delivines</td><td>(24,720,300)</td><td>(00,047,407)</td><td>(17,217,202)</td></td<>	Ner eash osed by operating delivines	(24,720,300)	(00,047,407)	(17,217,202)
Proceeds from the sale of property, plant and equipment         2,392,906         -         4,500,000           Equity from minority interest         (18,506,483)         (31,322,685)         [18,297,783]           Purchase of property, plant and equipment         (48,970,639)         (31,322,685)         (13,797,783)           Net cash used by investing activities         (65,084,216)         (31,322,685)         (13,797,783)           CASH FLOW FROM FINANCING ACTIVITIES         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         -         -         -           Repayment of Long-term loan         (31,464,977)         (110,000,000)         (20,000,000)           Repayment of short-term loan         (50,402,373)         (26,000,000)         (25,264,557)           Payment of dividends         (50,402,373)         (26,000,000)         (25,264,557)           Payment of lease liabilities         (23,528,076)         (20,630,768)         (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         18,121,344         173,828,917 <td< td=""><td>CASH FLOW FROM INVESTING ACTIVITIES</td><td></td><td></td><td></td></td<>	CASH FLOW FROM INVESTING ACTIVITIES			
Equity from minority interest       (18,506,483)       (31,322,685)       (18,297,783)         Purchase of property, plant and equipment       (48,970,639)       (31,322,685)       (18,297,783)         Net cash used by investing activities       (65,084,216)       (31,322,685)       (13,797,783)         CASH FLOW FROM FINANCING ACTIVITIES         Proceeds from long-term loan       202,297,053       200,000,000       200,000,000         Issue of shares       3,625,000       -       -       -         Repayment of Long-term loan       (31,464,977)       (110,000,000)       (20,000,000)         Repayment of short-term loan       -       -       (100,000,000)         Payment of dividends       (50,402,373)       (26,000,000)       (25,264,557)         Payment of lease liabilities       (23,528,076)       (20,630,768)       (27,427,971)         Net cash provided by financing activities       100,526,607       43,369,232       27,307,472         Net decrease in cash and cash equivalents       10,713,831       (56,602,891)       (5,707,573)         Cash and cash equivalents at the beginning of the period/year       18,121,344       173,828,917       173,828,917         Cash and cash equivalents at the end of the period/year       \$178,835,175       \$117,226,026       168,121,344 <td></td> <td>2 392 904</td> <td>_</td> <td>4 500 000</td>		2 392 904	_	4 500 000
Purchase of property, plant and equipment Net cash used by investing activities         (48,970,639)         (31,322,685)         (18,297,783)           CASH FLOW FROM FINANCING ACTIVITIES         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         -         -           Repayment of Long-term loan         (31,464,997)         (110,000,000)         (20,000,000)           Repayment of short-term loan         -         -         (100,000,000)           Payment of dividends         (50,402,373)         (26,000,000)         (25,264,557)           Payment of lease liabilities         (23,528,076)         (20,630,768)         (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         \$178,835,175         117,226,026         168,121,344           Represented by:				4,300,000
Net cash used by investing activities         (65,084,216)         (31,322,685)         (13,797,783)           CASH FLOW FROM FINANCING ACTIVITIES Proceeds from long-term loan Issue of shares Repayment of Long-term loan Repayment of Long-term loan Repayment of short-term loan Repayment of short-term loan Repayment of dividends Repayment of lease liabilities (23,528,076) Repayment of lease liabilities (24,000,000) Repayment of lease liabilities (25,040,2373) Repayment of lease liabilities (26,000,000) Repayment of lease liabilities (27,427,971) Repayment of lease liabilities (27,427,971) Repayment of lease liabilities (28,128,000,000) Repayment of lease liabilities (29,600,000) Repayment of lease liabilities (100,000,000) Repayment of lease liabilities (20,600,000) Repayment of lease liabilities (20,600,000) Repayme			(31 322 485)	(18 207 783)
CASH FLOW FROM FINANCING ACTIVITIES  Proceeds from long-term loan  Issue of shares  Repayment of Long-term loan  Repayment of short-term loan  Repayment of short-term loan  Repayment of dividends  Repayment of dividends  (50,402,373)  (26,000,000)  Payment of lease liabilities  (23,528,076)  (20,630,768)  (27,427,971)  Net cash provided by financing activities  100,526,607  Net decrease in cash and cash equivalents  Cash and cash equivalents at the beginning of the period/year  Cash and cash equivalents at the end of the period/year  Represented by:				
Proceeds from long-term loan         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         -         -           Repayment of Long-term loan         (31,464,997)         (110,000,000)         (20,000,000)           Repayment of short-term loan         -         -         (100,000,000)           Payment of dividends         (50,402,373)         (26,000,000)         (25,264,557)           Payment of lease liabilities         (23,528,076)         (20,630,768)         (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         168,121,344         173,828,917         173,828,917           Cash and cash equivalents at the end of the period/year         \$ 178,835,175         \$ 117,226,026         168,121,344	Net cash used by investing activities	(85,084,218)	(31,322,003)	(13,777,763)
Proceeds from long-term loan         202,297,053         200,000,000         200,000,000           Issue of shares         3,625,000         -         -           Repayment of Long-term loan         (31,464,997)         (110,000,000)         (20,000,000)           Repayment of short-term loan         -         -         (100,000,000)           Payment of dividends         (50,402,373)         (26,000,000)         (25,264,557)           Payment of lease liabilities         (23,528,076)         (20,630,768)         (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         168,121,344         173,828,917         173,828,917           Cash and cash equivalents at the end of the period/year         \$178,835,175         \$117,226,026         168,121,344	CASH ELOW EDOM EINANCING ACTIVITIES			
Issue of shares       3,625,000       -       -         Repayment of Long-term loan       (31,464,997)       (110,000,000)       (20,000,000)         Repayment of short-term loan       -       -       (100,000,000)         Payment of dividends       (50,402,373)       (26,000,000)       (25,264,557)         Payment of lease liabilities       (23,528,076)       (20,630,768)       (27,427,971)         Net cash provided by financing activities       100,526,607       43,369,232       27,307,472         Net decrease in cash and cash equivalents       10,713,831       (56,602,891)       (5,707,573)         Cash and cash equivalents at the beginning of the period/year       168,121,344       173,828,917       173,828,917         Cash and cash equivalents at the end of the period/year       \$ 178,835,175       \$ 117,226,026       168,121,344         Represented by:		202 227 053	200 000 000	200 000 000
Repayment of Long-term loan       (31,464,997)       (110,000,000)       (20,000,000)         Repayment of short-term loan       (100,000,000)       (100,000,000)         Payment of dividends       (50,402,373)       (26,000,000)       (25,264,557)         Payment of lease liabilities       (23,528,076)       (20,630,768)       (27,427,971)         Net cash provided by financing activities       100,526,607       43,369,232       27,307,472         Net decrease in cash and cash equivalents       10,713,831       (56,602,891)       (5,707,573)         Cash and cash equivalents at the beginning of the period/year       168,121,344       173,828,917       173,828,917         Cash and cash equivalents at the end of the period/year       \$ 178,835,175       \$ 117,226,026       168,121,344         Represented by:	-		200,000,000	200,000,000
Repayment of short-term loan       -       -       (100,000,000)         Payment of dividends       (50,402,373)       (26,000,000)       (25,264,557)         Payment of lease liabilities       (23,528,076)       (20,630,768)       (27,427,971)         Net cash provided by financing activities       100,526,607       43,369,232       27,307,472         Net decrease in cash and cash equivalents       10,713,831       (56,602,891)       (5,707,573)         Cash and cash equivalents at the beginning of the period/year       168,121,344       173,828,917       173,828,917         Cash and cash equivalents at the end of the period/year       \$ 178,835,175       \$ 117,226,026       168,121,344         Represented by:			(110,000,000)	-
Payment of dividends Payment of lease liabilities         (50,402,373) (23,528,076)         (26,000,000) (20,630,768)         (25,264,557) (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents Cash and cash equivalents at the beginning of the period/year         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the end of the period/year         \$178,835,175         117,226,026         168,121,344           Represented by:	. ,	(31,464,997)	(110,000,000)	
Payment of lease liabilities         (23,528,076)         (20,630,768)         (27,427,971)           Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         168,121,344         173,828,917         173,828,917           Cash and cash equivalents at the end of the period/year         \$ 178,835,175         117,226,026         168,121,344   Represented by:	• /	-	-	
Net cash provided by financing activities         100,526,607         43,369,232         27,307,472           Net decrease in cash and cash equivalents         10,713,831         (56,602,891)         (5,707,573)           Cash and cash equivalents at the beginning of the period/year         168,121,344         173,828,917         173,828,917           Cash and cash equivalents at the end of the period/year         \$ 178,835,175         \$ 117,226,026         168,121,344           Represented by:	•			
Net decrease in cash and cash equivalents       10,713,831       (56,602,891)       (5,707,573)         Cash and cash equivalents at the beginning of the period/year       168,121,344       173,828,917       173,828,917         Cash and cash equivalents at the end of the period/year       \$ 178,835,175       117,226,026       168,121,344         Represented by:	Payment of lease liabilities	(23,528,076)	(20,630,768)	(27,427,971)
Cash and cash equivalents at the beginning of the period/year 168,121,344 173,828,917 173,828,917  Cash and cash equivalents at the end of the period/year \$\frac{178,835,175}{178,835,175}\$\$\frac{117,226,026}{168,121,344}\$\$  Represented by:	Net cash provided by financing activities	100,526,607	43,369,232	27,307,472
Cash and cash equivalents at the end of the period/year \$ 178,835,175 117,226,026 168,121,344  Represented by:	Net decrease in cash and cash equivalents	10,713,831	(56,602,891)	(5,707,573)
Represented by:	Cash and cash equivalents at the beginning of the period/year	168,121,344	173,828,917	173,828,917
	Cash and cash equivalents at the end of the period/year	\$ 178,835,175	117,226,026	168,121,344
Cash and cash equivalents         \$ 178,835,175         117,226,026         168,121,344	Represented by:			
	Cash and cash equivalents	\$ 178,835,175	117,226,026	168,121,344

The accompanying notes form an integral part of the interim financial statements

YOY Increase 18.3%

YOY Increase

CASH & CASH EQUIVALENTS

## **Tropical Battery Company Limited**

# NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JUNE 30, 2023

## 1 Corporate structure and principal activities

The company is incorporated in Jamaica and its registered office is situated at 30 Automotive Parkway, Kingston 20, Jamaica.

Up to September 30, 2015, the company was a wholly owned subsidiary of Melville Enterprises Limited, a company incorporated in Jamaica, which in turn is a subsidiary of Archer Caribbean Inc., a company incorporated in the British Virgin Islands.

Pursuant to a deed of amalgamation between various companies in the group, effective September 30, 2015, the company became a wholly-owned subsidiary of Dai Diverze (Jamaica) Limited, (parent company), a company incorporated in Jamaica, which in turn is a wholly owned subsidiary of Diverze Assets Inc., (ultimate parent company) a company incorporated in St. Lucia.

The company's shares were listed on the Junior Market of the Jamaica Stock Exchange on September 29, 2020.

The principal activities of the company are the sale and distribution of auto batteries and accessories.

#### 2 Statement of compliance, basis of preparation and significant accounting policies

Statement of compliance: (a)

> The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board, and comply with the provisions of the Jamaica Companies Act.

> > 2.5%

Freehold and Leasehold Building

### Basis of preparation:

These condensed 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 September 30, 2022, and have been consistently applied.

In the interim financial statements no provision is made for Employee Benefits and Deferred Tax.

The unaudited interim financial statements are prepared in accordance with IAS 34 "Interim Financial Statements"

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The financial statements are presented in Jamaica dollars (\$), which is the currency in which the company conducts the majority of its operations.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended September 30, 2022.

#### 3 CASH and CASH EQUIVALENTS

Cash and bank balances Short term investments

Q3	3 (9 Mths.)	Audited
3	0-Jun-23	30-Sep-22
	137,569,952	116,721,592
	41,265,223	51,399,752
\$	178,835,175	168,121,344

YOY Increase 18.3%

YOY Increase 10.2%

CASH & CASH EQUIVALENTS YOY Increase 52.6%

## **Tropical Battery Company Limited**

# NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED JUNE 30, 2023 (CONTINUED)

4 RECEIVABLES & PREPAYMENTS	Q3 (9 Mths.) 30-Jun-23	Audited 30-Sep-22
Trade Receivables	249.755.107	266.855.997
Other Receivables	207,415,666	154,839,105
	457,170,773	421,695,102
Less: Provision for bad debts	(22,873,719)	(22,873,719)
	\$ 434,297,054	398,821,383
5 RELATED PARTY BALANCES	Q3 (9 Mths.)	Audited
	30-Jun-23	30-Sep-22
a) Due from related companies:		
Chukka Caribean Adventure Limited	6.329.259	6.139.968
Diverze Properties Limited	286,854,433	229,705,285
	293,183,692	235,845,253
b) Other related companies:		
(1) Enrvate Limited	5,425,000	5,425,000
(2) Reside Realty Estate Ltd.	6,647,043	6,567,171
	\$ -	247,837,424
c) Due from parent company		
Dai Diverze (Jamaica) Limited	<u> </u>	23,385,227
d) Interest in joint venture	5,000,000	5 000 000
(1) Enrvate Limited	\$ 5,000,000 \$ 5,000,000	5,000,000
	Ψ 3,000,000	3,000,000

- These companies are related by common shareholders and directors. The balances are unsecured, interest free and have no fixed repayment terms.
- The balance is due from Enrvate Limited, attracts interest at 8.5% per annum and matures in February 2023, however management has extended the facility for an additional six months.
- The amount is due from Reside Realty Estate Ltd, attracts interest at 10% per annum and matures in September 2023.

6 INVENTORIES	Q3 (9 Mths.)	Audited
	30-Jun-23	30-Sep-22
Inventories	761,250,966	522,067,788
Bonded warehouse	2,775,091	-
Inventories - Spent Battery (Scrap)	2,608,585	6,569,450
Inventories-in-transit	294,513,454	269,874,623
	1,061,148,096	798,511,861
Provision for obsolescence	(3,385,851)	(3,385,851)
	\$ 1,057,762,245	795,126,010

Inventories comprising merchandise for resale have been valued by management at the lower of cost and net realizable value, using the first-in, first-out method.

7 PAYABLES & ACCRUED CHARGES	Q3 (9 Mths.) 30-Jun-23	Audited 30-Sep-22
Trade payables	355,395,909	306,114,200
Other payables	176,942,628	74,586,593
	\$ 532,338,537	380,700,793

8 <b>EMP</b>	PLOYEE BENEFITS	Q3 (9 Mths.) 30-Jun-23	Audited 30-Sep-22
	Present value of funded obligations	(200,085,000)	(200,085,000)
	Fair value of plan assets	268,704,000	268,704,000
	Recognized pension asset	\$ 68,619,000	68,619,000
9 SHA	RE CAPITAL	Q3 (9 Mths.)	Audited
,	Authorized:	30-Jun-23	30-Sep-22
	Unlimited ordinary shares of no par value	166,685,000	162,935,000
L	Less: Transactions costs of share issue	(6,384,700)	(6,259,700)
S	Stated, issued and fully paid:		
	1,303,750,000 ordinary shares of no par value	\$ 160,300,300	156,675,300
10 <b>LON</b>	IG-TERM LOANS		
		Q3 (9 Mths.)	Audited
		30-Jun-23	30-Sep-22
a)	Related party loan	9,067,511	15,254,009
b)	Bond - April 2024	296,797,249	296,797,249
c)	Bank loan	162,759,475	180,000,000
d)	Stewart Finance Ja. Ltd	22,409,536	-
e)	Bond - April 2026	159,412,866	-
		650,446,637	492,051,258
	Less: Current portion	40,000,000	40,000,000
	Non-current	\$ 610,446,637	452,051,258

- The company has an unsecured loan from the ultimate parent company. This loan is interest-free and has no specified repayment date.
- In April 2019, the company authorized the private placement of secured J\$ notes for an aggregate principal amount of \$300 million. These notes attract interest at the rate of 7.5% per annum and they mature in April 2024.
- This represents a loan facility obtained in June 2022 from FirstCaribbean International Bank Limited in the amount of \$200 million. The loan is secured by a promissory note, attracts interest of 6.75% per annum and matures in October 2027.
- This represents a motor vehicle loan facility from Stewart Finance Jamaica Ltd. in the amount of \$23.7 million. The loan is secured and attracts interest of 7.99% per annum and matures in November 2030.
- In February 2023, the company authorized the private placement of secured J\$ notes for an aggregate principal amount of \$250 million. These notes attract interest at the rate of 11% per annum and they mature in April 2026.

#### 11 CONTINGENT LIABILITY

The company has undertaken a guarantee for a loan of \$125 million made to its joint venture entity Enrvate Limited, The amount drawn down on the loan at March 31, 2023 was \$25 million and mature in March 2028.

#### 12 GROSS OPERATING REVENUE

	Q3 (9 Mths.)	Audited
	30-Jun-23	30-Sep-22
Net Battery Sales	1,633,156,460	1,569,354,138
Net Tyre Sales	19,667,950	12,212,910
Renewable Energy	148,583,825	-
Total Accessories	346,140,225_	254,643,585
Net Sales before discounts	2,147,548,460	1,836,210,633
Discounts on All Products	(14,886,574) _	(14,328,738)
Net Sales	\$ 2,132,661,886	1,821,881,895

# **TOP 10 SHAREHOLDINGS AS AT JUNE 30, 2023**



Jamaica Central Securities Depository Limited Registrar Services Unit P.O. BOX 1084, 40 Harbour Street, Kingston, Jamaica Tel: (876) 967-3271-4 Fax: (876) 948-6653

Page: Date:

03-Aug-2023

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09:10 AM Time:

## Top 10 shareholdings for TROPICAL BATTERY COMPANY LIMITED June 30, 2023

	Primary Account Holder	Joint Holder(s):	Volume	Percentage
	1 DAI DIVERZE (JAMAICA) LIMITED Client total ownership		975,000,000 <b>975,000,000</b>	75.0000% <b>75.0000%</b>
	2 CONSCIOUS CAPITAL INC	Client total ownership	41,250,000 <b>41,250,000</b>	3.1731% <b>3.1731%</b>
	3 NCB CAPITAL MARKETS (CAYMAN) LTD	Client total ownership	28,894,167 <b>28,894,167</b>	2.2226% <b>2.2226%</b>
	4 TROPICAL BATTERY COMPANY LIMITED CONTRIBUTORY PENSION SCHEME	Client total ownership	23,035,000 <b>23,035,000</b>	1.7719% <b>1.7719%</b>
	5 DANIEL MELVILLE	ANNA MELVILLE	5,000,000 7,692,307	0.3846% 0.5917%
		Client total ownership	12,692,307	0.9763%
	6 PAM - POOLED EQUITY FUND	Client total ownership	3,422,064 1,441,799	0.2632% 0.1109%
			4,863,863	0.3741%
	7 SAGICOR SELECT FUND LIMITED - ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	Client total ownership	4,222,222 <b>4,222,222</b>	0.3248% <b>0.3248%</b>
	8 HERBERT L. HALL	Client total ownership	4,000,000 <b>4,000,000</b>	0.3077% <b>0.3077%</b>
	9 STEPHEN ALEXANDER DAWKINS	Client total ownership	324,405 3,175,995 <b>3,500,400</b>	0.0250% 0.2443% <b>0.2693%</b>
	10 MR SHAWN JAMES	Client total ownership	3,440,000 <b>3,440,000</b>	0.2646% <b>0.2646%</b>
		Total Issued Capital:		1,300,000,000
	's hareholdings where 'x' identifies the shareholder count. In cases where as at report date; the holdings will be 'grouped' for counting purposes and	Total Units Owned by Top 10 Shareholders:		1,100,897,959
nted as one.	as acceptant date, and meanings with being reaped for countring perpoded and	Total Percentage Owned by Top 10 Shareholder	S:	84.6845%

# **DIRECTORS & CONNECTED PARTIES** SHAREHOLDINGS REPORT AS AT **AS AT JUNE 30, 2023**



Jamaica Central Securities Depository Limited Regristrar Services Unit P.O. Box 1084, 40 Harbour Street, Kingston, Jamaica Tel: (876) 967-3271-4 Fax: (876) 948-6653

#### TROPICAL BATTERY COMPANY LIMITED - JME202000092 Directors and Connected Parties Shareholdings Report as at March 31, 2023

Board Member Account ID	∗Primary Holder Joint Holder	Position on Board	Relationship	Volume	%
Marc Melville	Marc Melville Dai Diverze (Jamaica) Limited	Director	Self Connected Director's Holdings Connected Party Holdings Combined Holdings	975,000,000 - 975,000,000 975,000,000	0.00000 75.00000 0.00000 75.00000 75.00000
Alexander Melville	Alexander Melville Dai Diverze (Jamaica) Limited Conscious Capital Inc.	Director	Self Connected Connected <b>Director's Holdings</b>	975,000,000 41,250,000 -	0.00000 75.00000 3.17308 0.00000
			Connected Party Holdings Combined Holdings	1,016,250,000 1,016,250,000	78.17308 78.17308
Daniel Melville	∗Daniel Melville Anna Melville	Director	Self	5,000,000	0.38462
	*Daniel Melville		Self	7,692,307	0.59172
	Dai Diverze (Jamaica) Limited		Connected	975,000,000	75.00000
			Director's Holdings Connected Party Holdings Combined Holdings	12,692,307 975,000,000 987,692,307	0.97633 75.00000 75.97633
Ricardo Hutchinson	Ricardo Hutchinson Dai Diverze (Jamaica) Limited	Director	Self Connected	- 975,000,000	0.00000 75.00000
			Director's Holdings Connected Party Holdings Combined Holdings	- 975,000,000 975,000,000	0.00000 75.00000 75.00000
Marc Ramsay	Marc Ramsay Operor Auctus Limited	Director	Self Connected	- 1,500,000	0.00000 0.11538
	operor Auctus Emilieu		Director's Holdings Connected Party Holdings Combined Holdings	1,500,000 - 1,500,000 1,500,000	0.00000 0.11538 0.11538
Caryl Fenton	Caryl Fenton	Director	Self	-	0.00000
			Director's Holdings Connected Party Holdings Combined Holdings	: : :	0.00000 0.00000 0.00000

Issued Shares 1,300,000,000

Combined Director's 12,692,307 0.97633 Holdings Combined Connected Party 1,017,750,000 78.28846 Comined Holdings 1,030,442,307 79.26479

# SENIOR MANAGERS & CONNECTED PARTIES SHAREHOLDINGS REPORT AS AT JUNE 30, 2023



Jamaica Central Securities Depository Limited Regristrar Services Unit P.O. Box 1084, 40 Harbour Street, Kingston, Jamaica Tel: (876) 967-3271-4 Fax: (876) 948-6653

TROPICAL BATTERY COMPANY LIMITED - JME202000092 Senior Managers and Connected Parties Shareholdings Report as at June 30, 2023

Board Member Account ID	*Primary Holder Joint Holder	Position on Board	Relationship	Volume	%
	Reshando Mais	Manager	Self	300,000	0.02308
nesilalido inais	neshariou wais	ivialiagei	Senior Managers Holdings Connected Party Holdings Combined Holdings	300,000 - 300,000	0.02308 0.00000 0.02308
Stacy-Ann Spence	*Stacy-Ann Spence Leah-Stacia McLean	Manager	Self Connected	50,000	0.00385
			Senior Managers Holdings Connected Party Holdings Combined Holdings	50,000 - 50,000	0.00385 0.00000 0.00385
Kamesha Robinson	Kamesha Robinson	Manager	Self	907,924	0.06984
Runesia Hobiison	*Kamesha Robinson	Wanager	Self	196,000	0.01508
	Taron Robinson		Senior Managers Holdings Connected Party Holdings Combined Holdings	1,103,924 - 1,103,924	0.08492 0.00000 0.08492
Stanley Wilson	Stanley Wilson	Manager	Self	-	0.00000
			Senior Managers Holdings Connected Party Holdings Combined Holdings	- - -	0.00000 0.00000 0.00000
Claude Christie	Claude Christie	Manager	Self Senior Managers Holdings Connected Party Holdings Combined Holdings	50,000 50,000 - 50,000	0.00385 0.00385 - 0.00385
O'rane Gray	O'rane Gray ∗Tawana Gray	Manager	Self Connected Senior Managers Holdings Connected Party Holdings Combined Holdings	- 150,000 - 150,000 150,000	0.00000 0.01154 0.00000 - 0.01154
Sandra Russell	*Sandra Russell	Manager	Self	360,000	0.02769
	Patrick Russell		Senior Managers Holdings Connected Party Holdings	360,000	0.02769
			Combined Holdings	360,000	0.02769
	Issued Shares	1,300,000,000			
	Combined Senior Managers Holdings Combined Connected Party Holdings Combined Holdings	1,863,924 150,000 2,013,924	0.14338 0.01154 0.15492		

Stronger For Longer

\$782.8M YOY Increase 18.3%

\$228.7M YOY Increase 10.2%

CASH & CASH EQUIVALENTS \$178.8M YOY Increase 52.6%

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