



HONEY BUN (1982) LIMITED
Unaudited Financial Statements
For the Six months ending March 31, 2025

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SUMMARY DATA

	YEAR TO DATE		% Change
	Mar-25	Mar-24	
Gross Operating Revenue	\$ 2,098,649,923	\$ 1,936,279,031	8%
Net Profit	\$ 121,243,714	\$ 167,742,732	-28%
Earnings per share	\$ 0.26	\$ 0.36	-28%
Total Assets	\$ 2,882,654,264	\$ 1,944,019,829	48%
Cash & Cash equivalent	\$ 225,400,930	\$ 544,848,824	-59%

MANAGEMENT DISCUSSION AND ANALYSIS

For the second quarter ended, March 31, 2025, the company reported year to date gross operating revenue of \$2.1 billion, reflecting an 8% increase year-over-year. The gross profit margin remained stable at 46.7%, consistent with the prior year.

The Angels expansion is well underway, and significant strides have been made in the building out of the plant. All major equipment has been ordered with the majority already on the island. The company has also begun the preparatory work of inventory acquisition staff hirings, and training.

The company generated net profits of \$121.2 million, representing a 28% decline compared to the prior year's corresponding period. Factors such as wage increases, the Angels expansion related costs re preparatory staffing and rental of premises and other non-construction related costs, significant increases in insurance and utility costs along with the impact of IFRS 16 on finance costs relating to the treatment of leases were direct contributors to the decline.

At the close of the quarter, cash and cash equivalents totaled \$255.4 million, a 59% decrease from the prior year's \$544.8 million. This reduction reflects the company's conservative approach in financing its expansion initiatives primarily through internal cash flow. Notwithstanding the decline in liquidity, the company remains financially robust, as evidenced by a 16.2% increase in net current assets, which reached \$1.2 billion.

Long-term borrowings saw a significant increase of \$138.3 million, relating to the ongoing expansion of the production facility in Angels St. Catherine.

The Honey Bun Foundation has enrolled five new SMEs into the 2025 cohort, with 60% of them representing the Creative Industry. Additionally, the Jamaica Manufacturers and Exporters Association (JMEA), having signed a multi-year Memorandum of Understanding (MOU) with the Foundation, and has enrolled five of its members into the Foundation's Advisory Committee model.

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We take this opportunity to thank our loyal customers, directors, employees, and other stakeholders for their continued support.

Michelle Chong
Chief Executive Officer

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STATEMENT OF COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income

For the Five months ended March 31, 2025

(Expressed in Jamaican Dollars except otherwise stated)

	Unaudited Three(3) months ended March 2025	Unaudited Three(3) months ended March 2024	Unaudited YTD Six(6) months ended March 2025	Unaudited YTD Six (6) months ended March 2024
Gross operating revenue	1,057,852,862	994,644,561	2,098,649,923	1,936,279,031
Cost of operating revenue	<u>(577,302,244)</u>	<u>(525,303,296)</u>	<u>(1,118,228,417)</u>	<u>(1,031,648,302)</u>
Gross profit	480,550,617	469,341,265	980,421,505	904,630,729
Other Gains/(losses) **	<u>(1,564,690)</u>	<u>(2,094,391)</u>	<u>(1,356,991)</u>	<u>(4,700,168)</u>
	478,985,927	467,246,874	979,064,515	899,930,561
 Gross Profit Margin	 45.4%	 47.2%	 46.7%	 46.7%
Administrative, selling and distribution expenses				
Administrative	240,585,822	206,540,680	458,570,721	380,355,556
Selling & distribution costs	<u>179,696,900</u>	<u>154,269,754</u>	<u>353,671,437</u>	<u>298,785,851</u>
	420,282,722	360,810,434	812,242,157	679,141,407
Movement on impairment losses on financials	-	7	-	7
 Operating profit before finance costs and taxation	 58,703,205	 106,436,447	 166,822,357	 220,789,161
Finance income- interest	2,831,624	4,345,617	4,485,418	8,370,785
Finance costs	<u>(2,062,180)</u>	<u>(3,080,423)</u>	<u>(9,748,982)</u>	<u>(4,753,492)</u>
	59,472,649	107,701,642	161,558,794	224,406,453
 Increase/(Decrease) in value of investments classified as fair value through profit or loss	 425,079	 523,279	 1,608,920	 523,279
Profit before taxation	59,897,728	108,224,921	163,167,714	224,929,732
Taxation	<u>(15,578,000)</u>	<u>(26,988,000)</u>	<u>(41,924,000)</u>	<u>(57,187,000)</u>
Net profit for the period	44,319,728	81,236,921	121,243,714	167,742,732
Total comprehensive income for the period	<u>44,319,728</u>	<u>81,236,921</u>	<u>121,243,714</u>	<u>167,742,732</u>
Earnings Per Share	0.09	0.17	0.26	0.36

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STATEMENT OF FINANCIAL POSITION

HONEY BUN (1982) LIMITED

Statement of Financial Position

as at March 31, 2025

(Expressed in Jamaican Dollars except otherwise stated)

	Unaudited March 2025	Unaudited March 2024	Audited September 2024
NON-CURRENT ASSETS			
Property, plant and equipment	854,557,267	735,814,171	772,741,285
Right-of-Use Asset	768,456,311	58,437,103	784,354,848
Investments	54,043,263	117,545,552	51,145,425
Intangible assets	14,200,412	6,438,025	14,695,538
Total non-current assets	<u>1,691,257,252</u>	<u>918,234,852</u>	<u>1,622,937,096</u>
CURRENT ASSETS			
Inventories	267,072,118	244,507,574	236,269,171
Receivables & Prepayments	684,176,479	225,024,125	363,469,367
Taxation recoverable	14,747,485	11,404,454	13,937,571
Cash & cash equivalents	225,400,930	544,848,824	382,211,339
Total current assets	<u>1,191,397,012</u>	<u>1,025,784,977</u>	<u>995,887,448</u>
CURRENT LIABILITIES			
Trade and other payables	318,686,302	333,934,555	256,092,957
Taxation Payable	36,341,401	55,235,605	31,139,223
Current Portion of Long Term Loans	-	2,811,929	3,147,491
Current Portion of Lease Liability	64,333,323	22,698,354	13,804,039
	<u>419,361,026</u>	<u>414,680,443</u>	<u>304,183,710</u>
Net current assets	772,035,986	611,104,534	691,703,738
Total assets less current liabilities	<u>2,463,293,238</u>	<u>1,529,339,386</u>	<u>2,314,640,834</u>
NON-CURRENT LIABILITIES			
Long term loans	146,089,479	7,743,184	69,172,004
Lease liability	723,976,896	40,949,258	731,071,654
Deferred tax Liabilities	43,724,721	58,167,545	43,724,721
Total non-current liabilities	<u>913,791,096</u>	<u>106,859,987</u>	<u>843,968,379</u>
EQUITY			
Share capital	46,514,770	46,514,770	46,514,770
Capital reserves	53,818,788	53,818,788	53,818,788
Retained earnings	1,449,168,584	1,322,145,841	1,370,338,897
Total equity	<u>1,549,502,142</u>	<u>1,422,479,399</u>	<u>1,470,672,455</u>
Total non-current liabilities and equity	<u>2,463,293,238</u>	<u>1,529,339,386</u>	<u>2,314,640,834</u>

Approved for issue by the Board of Directors on May 13, 2025, and signed on its behalf by:



Herbert Chong (Chairman)



Wayne Wray (Director)

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

HONEY BUN (1982) LIMITED

Statement of Changes in Equity

For the Five months ended March 31, 2025

(Expressed in Jamaican Dollars except otherwise stated)

	Share Capital \$	Capital Reserve \$	Retained Earnings \$	Totals \$
Balances as at September 30, 2023	46,514,770	53,818,788	1,215,667,812	1,316,001,371
Total comprehensive income for the period	-	-	167,742,732	167,742,732
Adjustment				
Dividends	-	-	(61,264,704)	(61,264,704)
Balances as at March 31, 2024	<u>46,514,770</u>	<u>53,818,788</u>	<u>1,322,145,841</u>	<u>1,422,479,399</u>
Balances as at September 30, 2024	46,514,770	53,818,788	1,370,338,897	1,470,672,455
Total comprehensive income for the period	-	-	121,243,714	121,243,714
Dividends	-	-	(42,414,026)	(42,414,026)
Balances as at March 31, 2025	<u>46,514,770</u>	<u>53,818,788</u>	<u>1,449,168,584</u>	<u>1,549,502,142</u>

HONEY BUN (1982) LIMITED
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STATEMENT OF CASHFLOWS

HONEY BUN (1982) LIMITED
Statement of Cashflows
For the period ended March 31, 2025
(Expressed in Jamaican Dollars except otherwise stated)

	Five months ended March 2025	Five months ended March 2024
CASH FROM OPERATING ACTIVITIES		
Net Profit	121,243,714	167,742,732
Adjustments for items not affecting cash:		
Depreciation	67,437,504	58,673,460
Right of Use Depreciation	15,898,537	12,525,825
Amortization	495,126	709,229
Loss/(gain) on disposal of property, plant and equipment	-	-
Revaluation of Quoted Securities	(1,608,920)	(523,279)
Retained earnings adjustment	-	-
Interest income	(4,485,418)	(8,370,785)
Interest expense	24,539	268,426
Taxation expense	41,924,000	57,187,000
	240,929,081	288,212,608
Changes in non-cash working capital components:		
Inventories	(30,802,947)	(42,192,648)
Trade and other receivables	(320,707,112)	(77,425,885)
Trade and other payables	62,593,345	54,954,194
Tax paid	(37,531,736)	(20,240,810)
Net cash (used in)/provided by operating activities:	(85,519,369)	203,307,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment		
Additions to property, plant and equipment	(149,253,485)	(58,708,928)
Additions to Right of Use assets	1	(19,291,422)
Additions to intangible assets	0	-
Investments, net	(1,288,918)	1,456,045
Interest received	4,485,418	8,370,785
Net cash used in investing activities	(146,056,984)	(68,173,520)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	73,769,984	(21,456,153)
Lease Liabilities	43,434,526	27,503,540
Dividends paid	(42,414,026)	(61,264,703)
Interest Paid	(24,539)	(268,426)
Net cash (used)/provided by financing activities	74,765,944	(55,485,742)
Net increase in cash and cash equivalents	(156,810,409)	79,648,197
Cash and cash equivalents at beginning of year	382,211,339	465,200,628
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	225,400,930	544,848,824

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Honey Bun (1982) Limited (the "Company") is a limited liability company incorporated under the laws of Jamaica. Its principal activities comprise the manufacture and distribution of baked products to the local and export markets. The Company operates within Jamaica from its registered office located at 26 Retirement Crescent, Kingston 5.

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange (JSE) on 3 June 2011.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, Interim financial reporting.

The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 30 September 2024, which have been prepared in accordance with IFRSs and comply with the provisions of the Jamaican Companies Act.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these un-audited financial statements are consistent with those used in the audited financial statements for the year ended 30 September 2024.

4. USE OF ESTIMATES AND JUDGMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 September 2024.

(i) Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation.

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USE OF ESTIMATES AND JUDGMENTS (CONTINUED)

(ii) Depreciation:

Depreciation is recognized on profit or loss on the straight-line basis, over the estimated useful lives of property, plant and equipment.

(iii) Borrowings:

Borrowings are recognized initially as the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method with any difference between proceeding net of transactions costs and the redemption value recognized in income along with regular interest charges over the period of the borrowings.

(iv) Impairment:

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

5. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the Company's revenue streams, operating profits are usually expected to be higher in the first half of the year. The Christmas and Easter holidays fall within the first nine months of the financial year when sales of the Company's products reflect uneven revenue.

6. EXCEPTIONAL ITEMS

Items that are material either because of their size or their nature that are non-recurring are highlighted separately in the income statement. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance.

7. EARNINGS PER STOCK UNIT

The Earnings per Stock Unit (EPS) is computed by dividing the profit for the period by the number of shares in issue for the period of 471,266,950.

8. SHARE CAPITAL

Mar-25 Mar-24

Authorized:

487,500,000 shares (2020 – 97,500,000 shares)

Issued and fully paid:

471,266,950 shares (2020 - 94,253,390 shares) 46,514,770 46,514,770

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INFORMATION REGARDING SHAREHOLDERS

As at March 31, 2025

TEN LARGEST SHAREHOLDERS	No. of Stock Units
Next Incorporated	258,447,977
Herbert Chong	54,091,000
Michelle Chong	43,614,263
JMMB Securities Ltd	14,700,000
Wisync Group Caribbean	8,270,333
Mayberry Managed Clients' Account	7,207,428
Cal's Manufacturing	6,644,122
Argyle Industries Inc	4,000,000
Jamaica Money Market Brokers Ltd	3,799,976
Sagicor Select Fund	3,780,227

SHAREHOLDINGS OF DIRECTORS

Herbert Chong	54,091,000
Michelle Chong	43,614,263
Daniel Chong	2,747,635
Paul Moses	2,000,000
Charles Heholt	34,548
Yaneek Page	-
Wayne Wray	110,000

SHAREHOLDINGS OF SENIOR OFFICERS

Herbert Chong	54,091,000
Michelle Chong	43,614,263
Daniel Chong	2,747,635
Dustin Chong	2,479,035
Paula Graham-Haynes	-
Paula Cameron	104,144

THE HONEY BUN FOUNDATION

The Honey Bun Foundation's mission, "Creating Powerful Business Models for Small and Medium enterprises (SME's) and the Creative Industry to become transformational Industries for Jamaica's Economy."

The Honey Bun Foundation's Advisory Committee model has demonstrated significant impact, resulting in remarkable growth for the participating SMEs. Through our strategic interventions, all SMEs have successfully met their objectives, whether it be in terms of revenue growth or expanding into larger operational spaces.

The top performers testimonials:

- 1. Live Simple: 35% increase in Revenue:** *"Joining the Honey Bun Foundation Advisory Committee Program has been one of the best decisions I've made for my business. Being paired with three expert Advisors has truly empowered me to take my business to new heights. Their guidance and insightful discussions have been instrumental in driving significant growth over the past few months. I couldn't be more thrilled with my Advisors and the overall program. I've recommended the program to many persons and will continue to do so."*
- 2. Kande's Delight: 25 % Increase in Revenue:** *"The Honey Bun Foundation has been integral to the development of our business. Having a clearly defined Strategic plan, P&L and budget, aided us in making the right business decisions in having a template that we use weekly for planning and strategizing. The start. plan sets our SMART goals and gives my team and I KPI's to hold ourselves accountable. Having been assigned a board of advisors with such a wealth of knowledge and experience in my industry has been pivotal in our decision-making processes as we move the business forward."*

WHOLESALE OUTLETS

Princess Street Outlet
92-92a Princess Street
Kingston
Tel: 876 371 0199

Half Way Tree Outlet
Shop #2 Park Plaza
8 Constant Sprint Road
Kingston 10
Tel: 876 351 5753

Cross Roads Outlet
Shop #5 1-3 & 5 Old Hope Road
Kingston
Tel: 876 855 0902

**Retirement Crescent Outlet – Head Office
Outlet**
22-26 Retirement Crescent
Kingston 5
Tel: 960 9851

Montego Bay Outlet
99 Barnett Street
Montego Bay, St James

Old Harbour Outlet
Shop #3, 16 East Street,
Old Harbour, St. Catherine
Tel: 876 442 6601

Spanish Town Outlet
Spanish Town Taxi Stand and Bus Park
Burke Road, Spanish Town
St. Catherine

Morant Bay Outlet
13 South Street,
Morant Bay, St. Thomas

Papine Outlet
Shop #1a, Papine Market Place
Kingston 7
Tel: 876 564 7836

Savanna-La-Mar Outlet
88 Great George Street
Savanna-la-Mar
Westmoreland