



FOR IMMEDIATE RELEASE

Market Announcement

20 August 2020

PARADISE BEVERAGES (Fiji) LIMITED (PBF) – 2020 HALF YEAR FINANCIAL RESULTS

PBF, Fiji's leading alcoholic beverages manufacturer, today announced its half year results for the period ending June 2020.

A CHALLENGING ENVIRONMENT

As previously stated in our COVID-19 market updates, COVID-19 has had an adverse impact on the Quarter Two performance for our businesses. The Fiji Brewery and Rum Co. of Fiji Distillery ceased operations for six weeks from April 2020 which resulted in no production of some of our renowned brands, such as Fiji Bitter, Fiji Gold, Bounty Rum with Cola, Joskes Brew with Cola, the Tribe range and Bounty Rum. With COVID-19 lock-down restrictions, the majority of our customers were also severely affected, including closure of hotels and resorts, clubs, restaurants and duty-free trading.

OPPORTUNITY IN ADVERSITY

While normal operations were suspended for some time during the onset of COVID-19, PBF shifted its focus to producing hand sanitiser at our Rum Co of Fiji Distillery. Not only was PBF able to support the community and the health sector during the pandemic by distributing much needed sanitiser at no cost, this production also created ongoing employment opportunities for some of PBF's team members during these challenging times.

HALF YEAR FINANCIAL RESULTS

Against this challenging background, the Company posted half year trading loss before tax of FJD 0.4m which was down on last year by FJD 4.6m. Volumes were also down 28.2% versus last year. In accordance with relevant accounting standards, as part of the process of finalising first-half 2020 financial results, the Company reassessed the carrying values of both its businesses in Fiji and Samoa. As a result, an impairment loss of FJD 14.4m was booked for the period and PBF's consolidated loss after tax was FJD 15.5m.

DIVIDEND PAYMENT

Given the economic challenges faced by many shareholders as a result of COVID-19, the Board of Directors was pleased to announce on 30 June that a final dividend of 50 cents per fully paid-up equity share, amounting to FJD 5,204,062.50, would be paid out of the profits of the Company derived for the year ended 31 December 2019. In approving the dividend, the Board took into consideration the impact on PBF's future business performance due to COVID-19 and the Company's Dividend Policy, particularly the solvency and future cash requirements.

ANNUAL GENERAL MEETING

The Board of Directors looks forward to welcoming shareholders to the upcoming Annual General Meeting. The AGM will be held at 10am on Tuesday 20 October at the Paradise Beverages (Fiji) Limited meeting room, Argo Street, Walu Bay, Suva. Further updates about the meeting will be provided closer to the date of the AGM, including information about any restrictions that may apply at the time as a result of COVID-19.

Betty Ivanoff
Chairman

Vinish Singh
Company Secretary

Annexure D: Half Year Accounts/Reports
PARADISE BEVERAGES (FIJI) LIMITED & SUBSIDIARY COMPANY

Statement of Profit or Loss and Other Comprehensive Income
For half year ended 30 June 2020

CONSOLIDATED			
	Current half year F\$000	% change	Previous corresponding half year F\$000
1. OPERATING REVENUE			
(a) Sales Revenue	33,848	(24)%	44,426
(b) Other Revenue	356		559
(c) Total Operating Revenue	34,204		44,985
2. (a) Net (Loss)/Profit before Tax	(14,756)	(452)%	4,195
(b) Income tax Expense	(745)		(230)
(c) Net (Loss)/Profit after Tax	(15,501)		3,965
3. (a) Extraordinary item after tax	-		-
(b) Net (Loss)/Profit after Tax & Extraordinary Item	(15,501)		3,965
4. (a) OEI in net (loss)/profit and extraordinary items after income tax	738		79
(b) Net (Loss)/Profit after Extraordinary Items and Income Tax Attributable to Members of the Company	(14,763)	(465)%	4,044
(c) Retained Profit at Beginning	122,075		123,373
(d) Total available for appropriation	107,312		127,417
(e) Ordinary dividend provided for	-		(5,204)
(f) Preference dividend provided for	-		-
(g) Transfer to general reserves	-		-
(h) Total appropriations	-		(5,204)
(i) Retained profit at period end	107,312	(12)%	122,213
5. Earnings Per Share			
(a) Basic earnings per share	\$ (1.42)	(464)%	\$ 0.39
(b) Diluted earnings per share	\$ -	0%	\$ -

The above figures are unaudited and have been prepared based on management accounts.



Chairperson
Betty Ivanoff



Company Secretary
Vinish Singh

PARADISE BEVERAGES (FIJI) LIMITED & SUBSIDIARY COMPANY

Statement of Financial Position
As at 30 June 2020

CONSOLIDATED			
	At end of current half year F\$000	As shown in last Annual Report F\$000	If half yearly as shown in last Half Yearly Report F\$000
6. CURRENT ASSETS			
(a) Cash Assets	14,491	11,995	5,475
(b) Trade receivables	11,580	18,657	16,577
(c) Other receivables	4,521	6,335	6,098
(d) Inventories	29,310	30,330	37,074
(e) Short-term investment	-	-	-
(f) Other assets	143	943	897
(g) Total Current Assets	60,045	68,260	66,121
NON-CURRENTS ASSETS			
(h) Property, plant and equipment	77,478	84,969	83,694
(i) Long-term investment	-	-	-
(j) Term deposit	-	-	-
(k) Future income tax benefit	791	-	-
(l) Intangible assets	2,514	8,430	10,042
(m) Other	-	-	-
(n) Total Non-Current Assets	80,783	93,399	93,736
(o) Total Assets	140,828	161,659	159,857
7. CURRENT LIABILITIES			
(a) Trade payables	3,702	5,731	4,699
(b) Other payables and accruals	7,711	11,343	6,933
(c) Current tax liabilities	-	47	-
(d) Interest-bearing borrowings	-	-	-
(e) Term loan - secured	-	-	-
(f) Bank overdraft	2,769	2,353	2,588
(g) Unsecured advance	-	-	-
(h) Inter-company loan	-	-	-
(i) Provisions	2,716	3,417	2,610
(j) Other	75	138	164
(k) Total Current Liabilities	16,973	23,029	16,994
NON-CURRENT LIABILITIES			
(l) Term loan - secured	-	-	-
- unsecured	-	-	-
(m) Unsecured advance	-	-	-
(n) Inter-company loan	-	-	-
(o) Deferred tax liabilities	1,126	377	3,995
(p) Provisions	1,643	1,612	1,506
(q) Other	425	436	482
(r) Total Non-Current Liabilities	3,194	2,425	5,983
(s) Total Liabilities	20,167	25,454	22,977
(t) NET ASSETS	120,661	136,205	136,880
8. EQUITY			
(a) Contributed equity	6,734	6,734	6,734
(b) Reserves	6,370	6,412	6,390
(c) Retained profits	107,312	122,075	122,213
(d) Equity Attributable to Members	120,416	135,221	135,337
OEI in Controlled Entities			
(e) Contributed equity	446	446	446
(f) Reserves	391	392	392
(g) Retained (losses)/profits	(592)	146	705
(h) Total Outside Equity Interest in Controlled Entities	245	984	1,543
(i) TOTAL EQUITY	120,661	136,205	136,880

The figures as shown in last Annual Report are audited. All other figures are unaudited and have been prepared based on management accounts.



Chairperson
Betty Ivanoff



Company Secretary
Vinish Singh

PARADISE BEVERAGES (FIJI) LIMITED & SUBSIDIARY COMPANY

Statement Of Cash Flows
For half year ended 30 June 2020

		CONSOLIDATED	
		Current half year F\$000	Previous corresponding half year F\$000
9. CASH FLOW FROM OPERATING ACTIVITIES			
(a)	Cash Received from Trading activities	70,404	96,237
(b)	Cash Payments	(65,578)	(84,559)
(c)	Interest Received	-	-
(d)	Dividend Received	-	-
(e)	Interest Paid	(123)	(121)
(f)	Income Tax Paid	(37)	(532)
(g)	Net Cash Inflow from Operating Activities	4,666	11,025
10. CASH FLOWS FROM INVESTING ACTIVITIES			
(a)	Acquisition of Fixed Assets	(2,606)	(4,428)
(b)	Proceeds from Sale of Fixed Assets	68	5
(c)	Acquisition of Investment	-	-
(d)	Long Term Deposit	-	-
(e)	Audio Visual Production	-	-
(f)	Proceeds from Sale of Associate	-	-
(g)	Proceed from Sale of Investment	-	-
(h)	Net Cash (Outflow) from Investing Activities	(2,538)	(4,423)
11. CASH FLOWS FROM FINANCING ACTIVITIES			
(a)	Dividend Paid	-	(5,204)
(b)	Repayment of Secured Loan	-	-
(c)	Proceed from Issue of Shares	-	-
(d)	Proceeds from Borrowings	-	-
(e)	Repayment of Lease Principal	(73)	(76)
(f)	Net Cash (Outflow) from Financing Activities	(73)	(5,280)
12. NET INCREASE IN CASH HELD		2,055	1,322
(a)	Cash at beginning of period	9,642	1,553
(b)	Effects of exchange rate changes on opening cash balances	25	12
(d)	Cash at end of period	11,722	2,887

The above figures are unaudited and have been prepared based on management accounts.



Chairperson
Betty Ivanoff



Company Secretary
Vinish Singh

13. Revenue decreased by 23.8% to \$33.85 million compared to \$44.43 million for the same period last year. The decrease was largely driven by volume which decreased to 1.046 million nine- litre-equivalent cases compared to 1.456 million nine-litre-equivalent cases sold for the same period in 2019.
14. The \$10.58 million decrease in revenue was offset by a decrease in COGS of \$6.74 million with overheads remaining flat. There were writeoffs and impairment adjustments relating to the Vonu brand of \$6.72 million and the fixed assets of the Company's subsidiary, Samoa Breweries Limited, totalling \$7.67 million leading to an decrease in profit of \$19.46 million. This resulted in a loss after tax for the half year of \$15.50 million compared to a profit of \$3.97 million for the same period last year.
15. Net assets of the group decreased to \$120.66 million at 30 June 2020 compared to \$136.88 million at the same time last year.
16. The group spent a further \$2.61 million in capital expenditure during the period, resulting in a net cash position increase to \$11.72 million cash at bank at 30 June 2020.
- 17 Basic earnings per share decreased by 464% from \$0.39 per share in June 2019 to (\$1.42) per share in the current period.