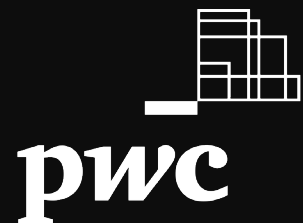


Golden Grove Sugar Company

Investment Opportunity Brief
October 2019



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Seprod Limited is seeking potential investors to acquire Golden Grove Sugar Company (GGSC) Factory

The Seprod Group runs its sugar production arm through GGSC, however, the group is seeking to find a buyer for GGSC factory and factory land



Opportunity Ahead

Location of Factory



Background and History



Background & History

Located in Duckenfield, St. Thomas, Jamaica, Golden Grove Sugar Company was established in 1924. The Company changed several owners during its operations and in 2009, Seprod Group of Companies acquired a majority share in its operations. In 2015 Seprod negotiated for Marketing Agency Status, which allowed control over sales and distribution and the latitude to put strategies in place to ensure profitability. The Company's latest success is the retail packaging and export of Golden Grove Pure Jamaican Cane Sugar now available in Jamaica, Cayman Islands, Barbados and Trinidad.

Seprod currently owns 100% of GGSC after acquiring shares from Fred M. Jones Estate Limited and Quadrille Holdings Limited in 2019.

The principal activity of the Company is sugar and molasses production.

Factory Capacity and Power

Capacity of Factory

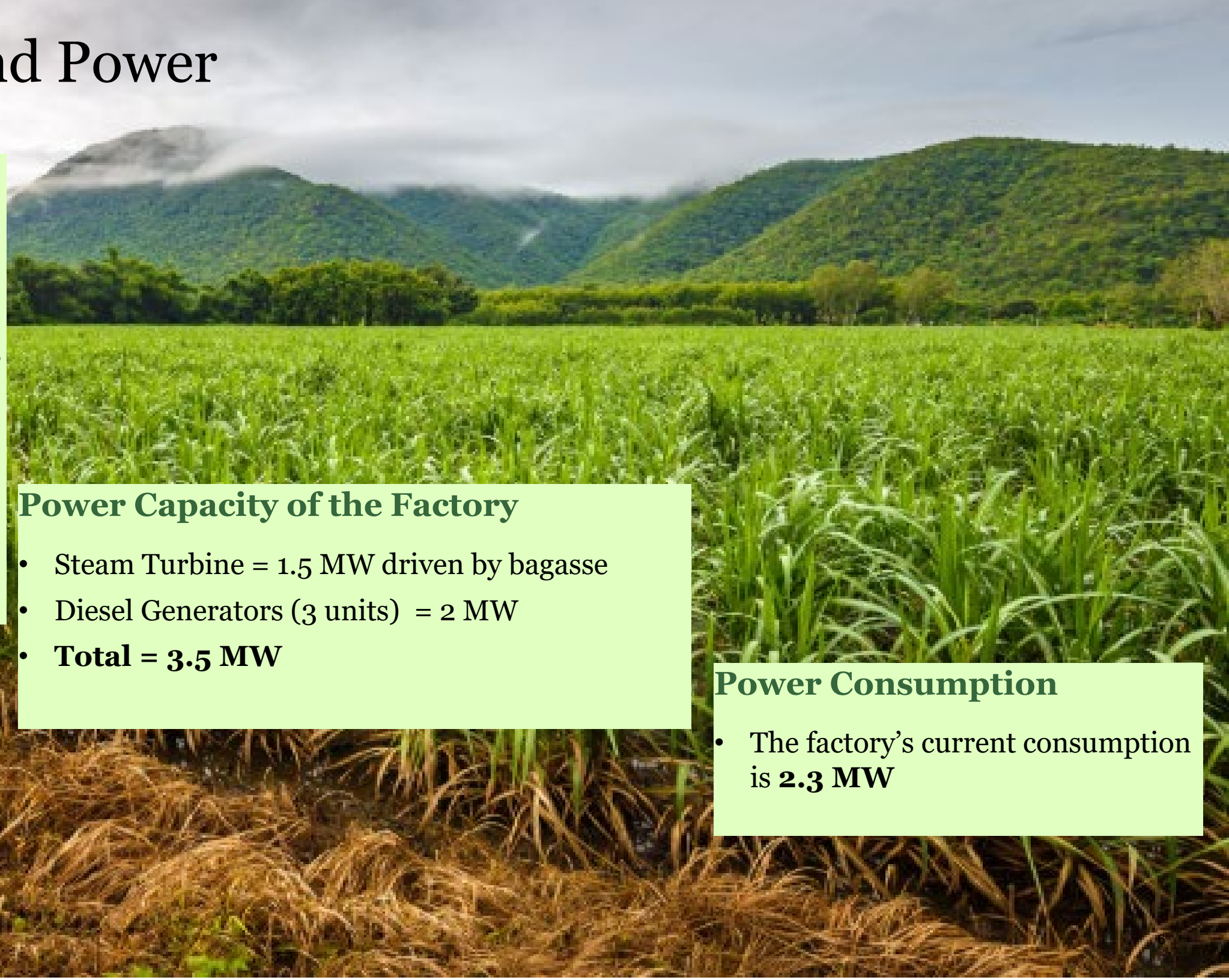
- The factory typically operates on a 20-24 week cycle.
- Over the last 10 years, the average cane ground is over 170,000 tonnes, with average sugar produced being 13,000 tonnes during the period.
- **The highest Sugar Production was 19,403 tonnes, produced in 2014.**

Power Capacity of the Factory

- Steam Turbine = 1.5 MW driven by bagasse
- Diesel Generators (3 units) = 2 MW
- **Total = 3.5 MW**

Power Consumption

- The factory's current consumption is **2.3 MW**



Land Information

Seprod has leased sugar cane lands from the Government of Jamaica for a period of 50 years with an option to renew for further 25 years

Total Acreage of Land

Suppliers	Hectares	Acreage
Estate	1,560	3,853
Managed Farms Handed over to SCF	356	879
FM Jones	946	2,337
Small Cane Farmers (SCF)	650	1,606
Total	3,512	8,675

Information subject to change based on survey report and other pertinent data

Owned & Lease Estate Lands

Estate Lands	Owned	Leased
Duckenfield		✓
Spanish Wood		✓
Cheswick		✓
Belgium farm		✓
East Potosi		✓
West Potosi		✓
Bowden	✓	
Chemist Wood	✓	
Coley	✓	
Suffolk Park		✓
Stanton		✓
McNeil		✓

Bagging House



- The Bagging House was upgraded in 2012 and a new bagging house was built to house two (2) bagging lines each with capacity of 6 bags per minute. The house has two 5-T AC units and a hand wash station to conform to the food safety regulations.
- Each line consists of one bag scale filler machine with hump magnets and one sewing machine.
- Common to both lines are a bag flattener, a printing conveyor for printing batch codes, production dates & expiration dates, a metal detector to ensure bags are free from metal particles and a check weigh machine to confirm the weight of each bag.
- The bags are palletized manually; pallets are moved by forklift and stocked in designated areas for shipment.
- There is also a holding storage area for non-conforming products.

New/ Upgraded Equipment

Equipment		Year
Upgrade	Boilers	2011
Installation	De-Superheater	2011
Purchase	Excavator	2011
Purchase	Backhoe	2011
Purchase	Tractors	2011
Installation	Magma Pump	2012
Installation	2 Broadbent Centrifugal Machines	2012
Installation	Modern Bagging Line	2012
Installation	Preparator	2012-2013
Installation	Cane Belt	2013

Equipment		Year
Installation	Donnelly Chute at 1 st Mill	2013
Installation	Raw Juice Pump	2013
Installation	Condensate pumps, mud and Filtrate pumps, Maceration Pump	2013
Installation	3 Crystallizers Gearbox	2013
Installation	2 nash Vacuum Pumps	2014
Installation	Sugar sifter system	2015

Source: Seprod's Management Reports

Key Performance Indicators

KPI	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Crop Days	163	179	160	185	228	146	175	206	163	143
Tonnes Canes Ground	163,580	180,586	173,460	181,510	255,024	196,631	166,224	151,060	139,731	118,305
Tonnage Sugar	12,587	16,123	15,524	14,107	19,403	16,012	11,282	11,299	10,248	7,310
Total TCH	82.02	81.80	82.54	76.60	85.15	85.38	12.57	76.56	72.93	75.17
Total TCTS	12.99	11.20	11.17	12.87	13.14	12.28	14.73	13.37	13.63	16.18
Tonnage Molasses	6,632	6,600	5,400	7,389	10,576	7,740	7,617	5,958	5,473	5,709
F.R.I.	82.96	88.36	92.55	84.80	87.35	89.06	79.02	84.74	81.62	65.47

Source: Seprod's Management Reports

Agreements In Place



Agreements in place with suppliers and customers are as follows:

- Mature good quality canes are purchased via a purchase order issued by the manufacturers to the farmers and follows the regulations as set out by the Sugar Industry Authority (SIA).
- Each supplier is responsible for harvesting their canes and delivering to the manufacturer.
- Purchased canes must be delivered to the manufacturer within 72 hours and paid for based on quality of the tonnage delivered. A core laboratory is set up and operated by SIA to determine the farmers payment.
- The cane payment is made in 3 parts. Based on the sugar price being set and the all island JRCS and Factory Fraction, first payment is 70%, second payment 27.5% and final payment 2.5%.
- There are instances where sub-standard canes (over 72 jrs., below 12 brix etc.) may be accepted by the manufacturer. A one off payment is accepted at the end of the crop.

Opportunities for Eco-Tourism

- Factory lies on the range of the Blue Mountain (highest mountain in Jamaica at 2,256 m).
- Factory is located in a tropical rainforest area.
- Sugar Estate is bounded by the Holland Bay Beach (*see link for video done by “Mishi the Explorer” uploaded on 8 June 2015: <https://www.youtube.com/watch?v=UpQvX35JpKA>*).
- The estate has many estate houses nestled in the surrounding hills.
- Close proximity to Bath Minerals (Hot Spring) - The Bath Fountain, located in the foothills of the John Crow mountains in St. Thomas is reputed to have healing qualities. The natural spring waters are believed to aid in the recovery of a wide range of ailments, including gout, rheumatism and skin conditions. There are two springs, one cold and one *piping* hot, which flow through the rocks in bamboo pipes.
- Government will be constructing a dual highway linking Kingston and the international airport, NMIA (70 km from Duckenfield, St. Thomas).
- Ken Jones Airport is a distance of 42 km, North-West from Duckenfield.



Bowden Bay



Map: BowdenHarbour



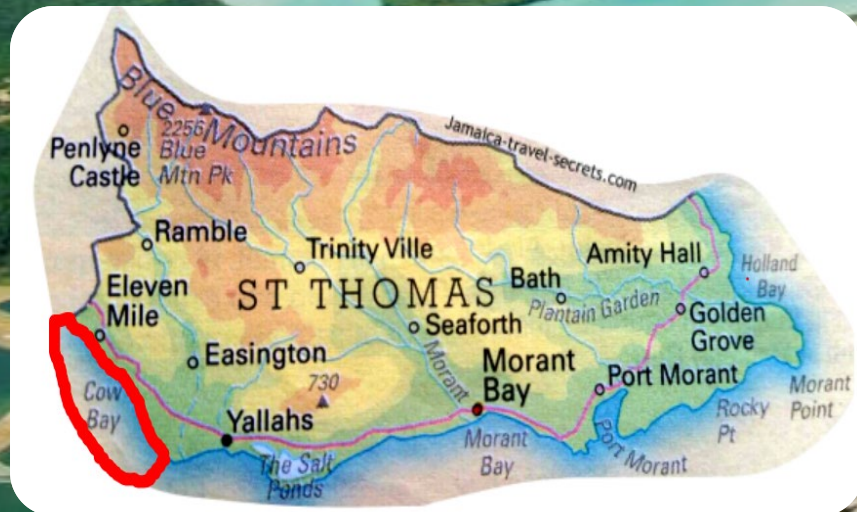
Bowden Coast Guard and Marine Police Facility

- Bowden Bay is a community located 1.5 miles east of major town of Port Morant and 7.5 miles from the Golden Grove Sugar Factory.
- The Harbour is well protected from wind and sea and has a very attractive view of the Blue and John Crow Mountains.
- It had one of the busiest wharves in Jamaica, shipping banana and sugar when those commodities thrived.
- The now defunct United Fruit Company operated in Bowden as a place for fruit exports.
- The Jamaica Defense Force has a coast guard outpost at Bowden, it was opened on December 7, 2007 to help help in the fight against the illicit guns for drug trade, as well as preserve the integrity of Jamaica Territorial waters.
- The Government announced in 2017 that the old Bowden Wharf will be developed as a bulk port to move minerals including limestone which are used in construction and other activities. It will also help to preserve the road realignment and widening project by China Harbour Engineering Company Limited CHEC under the Southern Coastal Highway Improvement Project (SCHIP).
- Bowden is now a destination for sport fishing and also has a Government-run oyster farming program, providing locals and tourists with the delicacy.

Cow Bay



- Cow Bay is a community located in close to St Thomas' major town of Yallahs, it located approximately 30 miles from the Golden Grove Sugar Factory.
- In the late 17th century, it was once an area where buccaneers frequently hunted sea cows (manatees). Hence the name Cow Bay.
- In 2013, the Government of Jamaica through the Ministry of Industry, Investment and Commerce announced a proposed commodity port, as a part of Jamaica's Global Logistics Hub.
- The commodity port will include storage and processing of huge volumes of grain and wheat and energy, oil and natural gas.
- The Government also believes it is ideally located and suited to accommodate the largest cargo ships in the world.
- Cow Bay has one of the deepest harbors in the Western Hemisphere with at a natural depth of 51 metres.
- Currently, the residents of Albion use the bay for fishing and it also has a beach for tourist attraction.



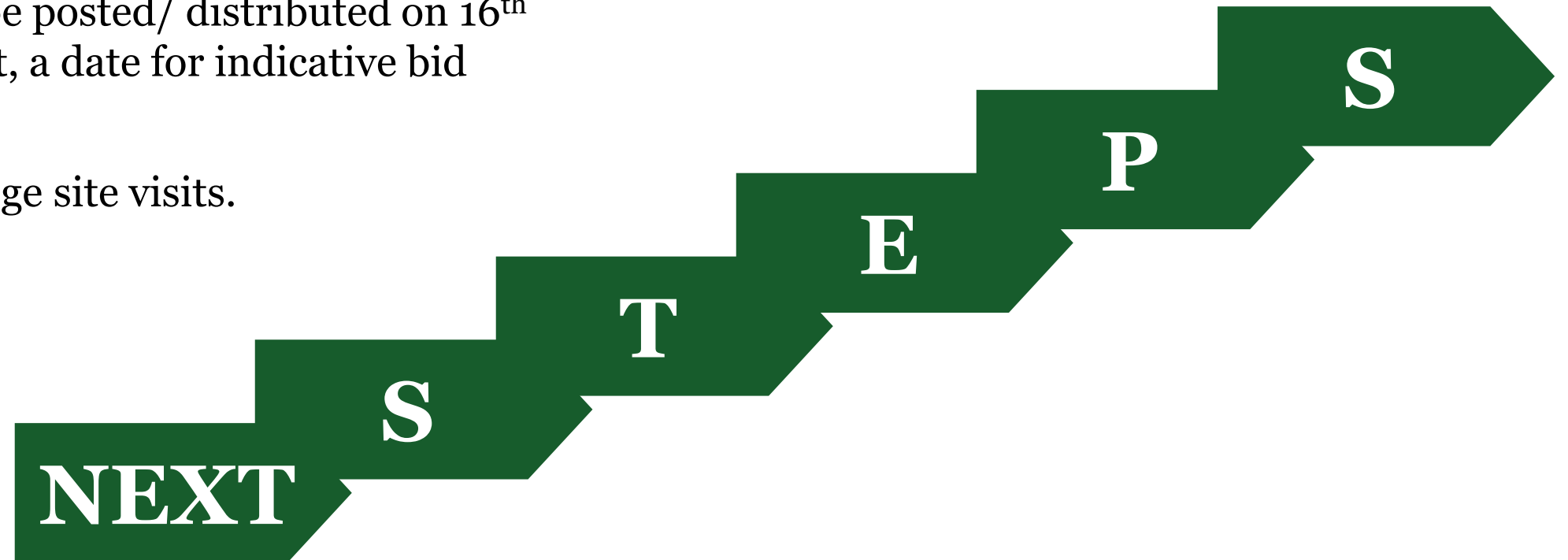
Next Steps

- If you are interested in this opportunity, please let us know so that we can send you an NDA for execution.
- We will grant you access to the dataroom once the NDA is executed.
- Participants will be asked to perform their own due diligence.
- Criteria of bid process will be posted/ distributed on 16th October 2019 at which point, a date for indicative bid submission will be set.
- You may contact us to arrange site visits.

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**Telephone: 876-922-6230 ext. 7509;
876-393-8703**



Appendices

Financial Statements Highlights

Golden Grove Sugar Company Limited Company Financial Statements JMD'000

	2014	2015	2016	2017	2018
Income Statement (extract)					
Sales	1,684,332	1,248,270	1,126,714	1,154,055	977,558
Balance Sheet (extract)					
Non-Current Assets					
Property, Plant & Equipment	1,216,619	1,118,020	978,312	844,527	711,029
Long-term Receivables	-	31,084	112,448	138,375	-
Investment in Subsidiary	9	9	9	9	9
	1,216,628	1,149,113	1,090,769	982,911	711,038
Current Assets					
Biological Assets	659,227	510,516	513,198	508,745	439,303
Inventories	123,452	127,851	140,761	246,062	501,296
Receivables	268,752	188,055	161,337	142,188	117,759
Taxation Recoverable	475	481	486	490	490
Current Portion of Long-term Receivables	-	32,082	28,743	19,122	151,439
Due from Related Parties	-	-	59,871	46,590	68,063
Short-term Deposits	-	-	-	-	-
Cash and Cash Equivalents	11,488	9,444	18,903	18,683	2,859
	1,063,394	868,429	923,299	981,880	1,281,209
Total Assets	2,280,022	2,017,542	2,014,068	1,964,791	1,992,247

Jamaican Dollars (JMD) to United States Dollars (USD) exchange rate is JMD 134.14 to USD 1 as at 30 September 2019

Source: Company's Financial Statements

Industry Statistics

Select Industry Statistics - Jamaica

Estate	Statistics	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Appleton	Total Crop Days	127	140	171	126	152	139	-	199	155	118
	Tonnes Cane Ground	298,737	303,327	325,049	293,861	369,802	316,882	-	300,685	218,230	171,435
	Sugar Tonnes Made	29,025	31,033	29,794	29,513	33,890	26,914	-	18,936	16,480	10,925
	Tonnes Cane per Tonne Sugar	10.29	9.77	10.91	9.96	10.91	11.77	-	15.88	13.24	15.09
	Tonnes Cane Per Hour	133.79	133.44	138.54	140.44	137.29	132.04	-	118.55	121.57	115.92
Frome	Total Crop Days	146	152	146	142	146	164	145	96	147	118
	Tonnes Cane Ground	479,024	518,539	435,667	440,170	505,951	426,981	396,077	247,079	327,098	240,814
	Sugar Tonnes Made	40,830	41,687	34,278	36,700	38,603	32,785	27,507	20,451	23,275	17,288
	Tonnes Cane per Tonne Sugar	11.73	12.44	12.71	11.99	13.11	13.02	14.40	12.08	14.05	13.93
	Tonnes Cane Per Hour	142.78	165.84	152.72	168.35	189.37	187.52	179.49	174.04	157.10	141.21
Worthy Park	Total Crop Days	156	176	158	148	173	174	185	207	192	118
	Tonnes Cane Ground	184,504	202,293	189,889	193,381	247,019	247,606	252,849	261,616	238,841	214,734
	Sugar Tonnes Made	20,908	22,083	21,688	22,708	26,237	27,632	24,054	26,077	24,251	23,588
	Tonnes Cane per Tonne Sugar	8.82	9.16	8.76	8.52	9.41	8.96	71.06	10.03	9.85	9.10
	Tonnes Cane Per Hour	69.26	62.43	67.78	67.76	69.18	68.20	9.64	70.26	70.60	69.18
Golden Grove	Total Crop Days	163	179	160	185	228	146	175	206	163	143
	Tonnes Cane Ground	163,580	180,586	173,460	181,510	255,024	196,631	166,224	151,060	139,731	118,305
	Sugar Tonnes Made	12,587	16,123	15,524	14,107	19,403	16,012	11,282	11,299	10,248	7,310
	Tonnes Cane per Tonne Sugar	82.02	81.80	82.54	76.60	85.15	85.38	12.57	76.56	72.93	75.17
	Tonnes Cane Per Hour	12.99	11.20	11.17	12.87	13.14	12.28	14.73	13.37	13.63	16.18
Monymusk	Total Crop Days	219	197	131	108	107	151	151	158	119	-
	Tonnes Cane Ground	237,256	313,607	297,314	221,017	270,177	253,415	242,164	176,029	104,192	-
	Sugar Tonnes Made	17,007	28,668	26,329	18,501	23,091	19,775	16,985	11,230	8,105	-
	Tonnes Cane per Tonne Sugar	13.95	13.06	11.29	11.95	11.70	12.81	14.26	15.67	12.86	-
	Tonnes Cane Per Hour	145.13	141.70	157.28	158.95	162.61	131.85	133.12	118.39	126.25	-
Everglades	Total Crop Days	99	-	104	95	132	145	107	-	-	-
	Tonnes Cane Ground	29,260	-	55,718	71,995	131,111	138,579	62,747	-	-	-
	Sugar Tonnes Made	1,457	-	3,984	6,674	11,724	11,103	3,027	-	-	-
	Tonnes Cane per Tonne Sugar	20.08	-	13.98	10.79	11.18	12.48	20.60	-	-	-
	Tonnes Cane Per Hour	52.86	-	67.98	65.75	74.23	69.58	54.51	-	-	-

Source: Sugar Industry Authority (SIA) Jamaica

Thank you

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