

AMG Packaging Paper Company Limited
 Unaudited Statement of Comprehensive Income
 3 months
 to November 30, 2015

	3 months to November 30, 2015	Audited August 31, 2015	3 months to November 30, 2014	Audited August 31, 2014
Turnover	\$ 149,267,668	\$ 633,192,733	\$ 151,478,775	\$ 607,016,670
Cost of Inventories	(73,881,549)	(384,146,470)	(94,068,535)	(377,611,244)
Direct Expenses	(23,907,745)	(90,466,985)	(23,111,197)	(113,273,502)
Total Manufacturing Costs	(97,789,295)	(474,613,455)	(117,179,732)	(490,884,746)
Gross Profit	51,478,373	158,579,278	34,299,044	116,131,924
Expenses:				
Administrative	(11,573,567)	(50,215,969)	(12,955,398)	(46,632,496)
Financial	(2,146,719)	(10,209,090)	(2,435,495)	(10,630,658)
Directors Fees	(1,863,333)	(3,080,000)	(706,667)	(3,486,666)
Depreciation	(3,278,562)	(12,947,658)	(3,222,893)	(11,976,895)
Prelim Expenses- Toilet Paper operation	(5,876,522)	(5,231,129)	-	-
Profit Before Tax	26,739,671	76,895,432	14,978,590	43,405,209
Other Income	2,068,445	2,604,963	524,349	2,191,686
(Loss) Profit, Total Comprehensive Income for the period	28,808,116	79,500,395	15,502,939	45,596,895
No. of Shares Issued	102,378,857	102,378,857	102,378,857	102,378,857
EPS	\$ 0.28	\$ 0.78	\$ 0.15	\$ 0.45

AMG Packaging Paper Company Limited
Unaudited
Statement of Financial Position
November 30, 2015

		November 2015	November 2014	<u>Audited</u> August 2015
ASSETS EMPLOYED				
	<u>Notes</u>	\$	\$	\$
Property, Plant & Equipment	4	286,472,447	237,721,619	232,455,910
Current Assets				
Inventories	5	147,601,791	113,295,321	122,640,713
Accts Receivable Net Allowance	6	68,902,378	68,259,727	89,538,525
Deposit on Equipment	7	1,586,788	-	59,112,881
Cash & Cash Equivalents	8	87,449,893	33,336,703	63,863,562
Total Current Assets		305,540,849	214,891,750	335,155,681
Total Assets		592,013,297	452,613,369	567,611,591

EQUITY & LIABILITIES

Capital & Reserves:

Authorised Share Capital - JMD140,000,000

Share Capital	9	63,250,028	63,250,028	63,250,028
Revaluation Reserve	10	48,928,537	48,928,537	48,928,537
Retained Earnings		293,737,815	219,360,437	264,929,699
Total Capital		405,916,380	331,539,002	377,108,264

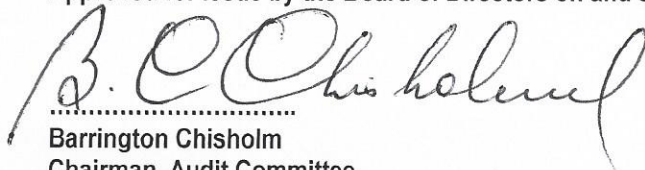
Long-Term Liabilities

Loans	11	117,949,157	48,249,075	130,897,876
Related Parties		-	283,971	-
Total Long-Term Liabilities		117,949,157	48,533,046	130,897,876

Current Liabilities

Current Portion of Long Term Loan	11	27,736,217	27,481,880	20,722,070
Accounts Payable & Accruals	13	40,411,543	45,059,441	38,883,381
Total Current Liabilities		68,147,760	72,541,321	59,605,451
Total Liabilities & Capital		592,013,297	452,613,369	567,611,591

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


.....
Barrington Chisholm
Chairman, Audit Committee


.....
Peter Chin
Director

AMG Packaging Paper Company Limited
Statement of Changes in Stockholders' Equity
November 30, 2015

		2016			
		Share Capital	Revaluation Reserves	Retained Earnings	Total
		\$	\$	\$	\$
	<u>Notes</u>				
Balance at September 01, 2015		63,250,028	48,928,537	264,929,699	377,108,264
Profit, being total Comprehensive Income for the period		-	-	28,808,116	28,808,116
Balance at November 30, 2015		<u>63,250,028</u>	<u>48,928,537</u>	<u>293,737,815</u>	<u>405,916,380</u>

		2015			
		Share Capital	Revaluation Reserves	Retained Earnings	Total
		\$	\$	\$	\$
Balance at September 01, 2014		63,250,028	48,928,537	203,857,498	316,036,063
Profit, being total Comprehensive Income for the period		-	-	15,502,939	15,502,939
Balance at November 30, 2014		<u>63,250,028</u>	<u>48,928,537</u>	<u>219,360,437</u>	<u>331,539,002</u>

AMG Packaging Paper Company Limited
Unaudited Statement of Cash Flow
3 months ending
November 30, 2015

	3 months to November 30, 2015	3 months to November 30, 2014
	\$	\$
Profit for the Year	28,808,116	15,502,939
Adjustments to reconcile income for year to net cash provided by operating activities		
Depreciation	4,023,712	3,222,893
	32,831,828	18,725,832
(Increase)/Decrease in inventories	(24,961,078)	4,303,318
Decrease Related parties	-	(3,137,387)
(Increase)/Decrease in Receivables	20,636,147	12,740,186
Increase/(decrease) in Payables & Accruals	1,528,162	(26,246,763)
Net cash flows provided by operating activities	30,035,059	6,385,186
 <u>Cash Flow from Investing activities</u>		
Purchase of Property, Plant & Equipment	(514,157)	(1,344,739)
Net cash flow used in Investing activities	(514,157)	(1,344,739)
 <u>Cash Flow from Financing Activities</u>		
Loan Acquisition/(Payments)	(5,934,572)	6,429,530
	(5,934,572)	6,429,530
Net increase(decrease) in cash & cash equivalents	23,586,330	11,469,977
Cash & Cash equivalents at beginning of the year	63,863,562	21,866,726
Cash & Cash equivalents at end of the year (note 8)	87,449,892	33,336,703

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

1 Identification and principal activities

AMG Packaging & Paper Company Limited "the company"

- (a) The company was incorporated on the 26th of September 2005, under the Jamaica Companies Act and is a wholly owned Jamaican company. It's registered office is located at 9 Retirement Crescent, Kingston 5.

The company was re-registered in July 2011 under the Companies Act 2004 as a public company

- (b) The company is engaged primarily in the manufacturing, distribution and retailing of cartons of various sizes

(c) **Stock Exchange Listing**

The company has been listed on the Jamaica Junior Stock Exchange since July 14, 2011

2 Reporting Currency

The amounts in these financial statements are expressed in Jamaican dollars, which is the primary currency in the country which it operates.

3 Statement of Compliance, Basis of Preparation and Significant Accounting Policies

(a) **Statement of compliance**

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretation adopted by the International Accounting Standards Board, and have been prepared under the historical convention.

(b) **Basis of Preparation and Significant Accounting Policies**

These statements have been prepared using historical cost basis except for certain financial instruments that are measured at fair value as explained in the accounting policies below.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between marketing participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurement are categorised into level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follow:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
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New and Revised IFRSs' in issue but not yet effective

The Company has not applied the following new and revised IFRSs' that have been issued but are not yet effective:

Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IFRS 7	Amendments resulting from September 2014 Annual Improvements to IFRSs'
Effective for annual periods beginning on or after 1 January 2016	
Application of the new and revised International Financial Reporting Standards (IFRSs')	
IFRS 13, 'Fair Value Measurement'	Short -term receivables and payables and clarifying the interrelationship between IFRS 3 IAS 40 when classifying property as investment property or owner-occupied property
IAS 16 Property, Plant and Equipment	Revaluation method-proportionate restatement of accumulated depreciation
IAS 38 Intangible Assets	Revaluation method-proportionate restatement of accumulated depreciation

IFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exemption), paragraph 52 of IFRS 13 includes a scope of exception for measuring the fair value of a company of financial assets and financial liabilities on a net basis. This is referred to as the portfolio exception. The objective of this amendment is to clarify that the portfolio exception applies to all contracts within the scope of IAS 39 *Financial Instruments: Recognition and Measurements* or IFRS 9 *Financial Instruments*, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in IAS 32 *Financial Instruments: Presentation*

IAS 16 Property, Plant and Equipment: Revaluation Method- proportionate restatement of accumulated depreciation clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount.

IAS 38 Intangible Assets: Revaluation method - proportionate restatement of accumulated amortisation clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

IFRS 7: Financial Instruments: Disclosures

This standard requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosure are required in relation to transferred financial assets and a number of other matters.

The Accounting Policies of the Company have remained unchanged from those set out in the annual Financial Statement as at August 31, 2015

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Financial Risk Management

Interest Rate Risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in market interest rates.

The company faces significant interest rate risk in respect to loans and investments

Credit Risks

Credit risk is the risk of exposure occasioned by one party to financial instruments when the other party fails to discharge an obligation thus causing the other party to suffer a financial loss.

The company is exposed to credit risk at November 30, 2015 in respect to receivables from other companies

Foreign Currency Risk

A foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rates.

The company has direct exposure to foreign currency risk regarding United States dollar denominated savings account and foreign payables.

Liquidity Risk

Liquidity risk is that risk which a company faces when it encounters difficulty in raising funds to meet commitments associated with its financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities.

At November 30, 2015 the company faced liquidity risks as indicated below:

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

Liquidity Risk cont'd

	2016			
	Within 3 months	3 to 12 months	1 to 5 years	Total
Assets				
Cash Resources	\$ 87,449,893			\$ 87,449,893
Other	57,284,936	15,940,835		73,225,770
Total	144,734,828	15,940,835	-	160,675,663
Liabilities				
Loans	7,216,623	20,519,594	117,949,157	145,685,374
Payables	40,411,543	-	-	40,411,543
Total	47,628,166	20,519,594	117,949,157	186,096,916
Total Liquidity GAP	97,106,663	(4,578,759)	(117,949,157)	(25,421,254)
Cumulative GAP	97,106,663	92,527,903	(25,421,254)	-
2015				
Total Liquidity GAP	18,151,515	14,438,133	(48,249,075)	(15,659,427)
Cumulative GAP	18,151,515	32,589,648	(15,659,427)	

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

(c) IAS 16 Property, Plant and Equipment

This standard shall be applied in accounting for property, plant and equipment except when another standard requires or permits a different accounting treatment.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

(a) It is probable that future economic benefits associated with the item will flow to the entity; and

(b) The cost of the item can be measured reliably

Items of property, plant and equipment may be acquired for safety or environmental reasons. The acquisition of such property, plant and equipment, although not directly increasing the future economic benefits of any particular existing item or property, plant and equipment, may be necessary for an entity to obtain the future economic benefits from its other assets. Such items of property, plant and equipment qualify for recognition as assets because they enable an entity to derive future economic benefits from related assets in excess of what could be derived had those items not been acquired,

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

Revaluation:

After recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment loss. Revaluations shall be made sufficient regularly to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of revaluation, the asset is treated in one of the following ways:

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and that carrying amount of the asset after taking into account accumulated impairment losses; or

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

IAS 16 Property, Plant and Equipment (cont'd)

(b) the accumulated depreciation is eliminated against the gross carrying amount of the asset.

After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The depreciation charge for each period shall be recognised in profit or loss unless it is included in the carrying amount of another asset.

The company recognises depreciation under the expense heading of "depreciation".

The depreciable amount of an asset shall be allocated on a systematic basis over its useful life.

The depreciation method used by the company is the straight line basis and is designed to write off the assets over its useful life.

Rates are as follows:

Buildings	2.5%
Machinery & Equipment	10%
Computer	20%
Furniture & Fixtures	10%
Motor Vehicle	12.5%

Repairs and Maintenance expenditures are charged to the profit or loss in the statement of comprehensive income during the financial period in which they are incurred.

Inventories include assets held for sale in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in progress) and materials and supplies that are consumed in production (raw materials), [IAS 2.6]

d. Inventory

Inventories are required to be stated at the lower of cost and net realisable (NRV) value. [IAS 2.9]

Cost should include all: [IAS 2.10]

- (i) costs of purchase (including taxes, transport, and handling) net of trade discounts received
- (ii) costs of conversion (including fixed and variable manufacturing overheads) and
- (iii) other costs incurred in bringing the inventories to their present location and condition

IAS 2 allows the FIFO or weighted average cost formulas. [IAS 2.25]. The LIFO formula which had been allowed prior to the 2003 revision of IAS 2, is no longer allowed.

NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale, [IAS 2.6]. Any write-down to NRV should be recognised as an expense in the period in which the write-down occurs. Any reversal should be recognised in the income statement in the period in which the reversal occurs.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

e. Cash & Cash Equivalents

Cash and cash equivalents are held for the purpose of meeting short term commitments rather than for investments for other purposes. For an investment to qualify it must be convertible to a known amount of cash and be subject to an insignificant risk of change in value, An investment normally qualifies as a cash equivalent when it has a short maturity of three months or less from date of acquisition

f. IAS 18 - Revenue

This standard outlines the accounting requirements as to when to recognise revenue from the sale of goods, rendering of services, and for interest, royalties and dividends. Revenue is measured at fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue.

The company's main revenue source is manufactured and printed boxes which is recognised on the Sales -basis method. Under this method revenue is recognised at the time of sale, which is defined as the moment when title of the goods is transferred to the buyer. The company recognises other income when rights and obligations have been transferred to the entity.

g IAS 21 - Effects of changes in foreign exchange rates

An entity may carry on foreign activities in two ways. It may have transactions in foreign currencies or it may have foreign operations.

This Standard shall be applied:

(a) In accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of IFRS 9 Financial Instruments;

(b) In translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or equity method; and

(c) In translating an entity's results and financial position into a presentation currency.

This company owns a foreign currency savings account which is subject to changes in exchange rate.

A foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign exchange amount the spot exchange rate between the functional currency and foreign currency at the date of the transaction.

At the end of each reporting period foreign currency monetary items shall be translated using the closing rate.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

h. IAS 24 -Related Party Disclosures

The objective of this standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

A related party is a person or entity that is related to the entity that is preparing the financial statements (in this standard referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or

(b) An entity is related to a reporting entity if any of the following condition apply:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary, fellow subsidiary is related to the others)
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS

4 Property, Plant & Equipment

<u>At cost</u>	Land, Buildings & Leasehold Improvement	Equipment	Motor Cycle	Computer & Equipment	Furniture & Fixtures	Total
	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2015	188,410,403	81,727,298	180,258	2,194,041	6,288,913	278,800,913
Additions	5,561,190	46,399,005	-	76,984	6,003,071	58,040,250
Balance as at November 30, 2015	193,971,593	128,126,303	180,258	2,271,025	12,291,984	336,841,163
<u>Accumulated depreciation</u>						
Balance as at September 1, 2015	14,155,036	29,058,997	67,597	950,804	2,112,571	46,345,005
Current year charges	1,186,402	2,511,600	5,633	85,574	234,503	4,023,711
Balance as at November 30, 2015	15,341,438	31,570,597	73,230	1,036,378	2,347,074	35,027,278
<u>Net Book Value</u>						
Nov 30, 2015	178,630,155	96,555,706	107,028	1,234,647	9,944,910	286,472,447
Nov 30, 2014	174,407,356	57,236,043	129,561	1,422,598	4,526,061	237,721,619

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

5 Inventories		<u>2015</u>	<u>2014</u>
		\$	\$
Raw Materials		131,237,175	110,031,309
Finished Goods		2,840,528	3,264,013
Goods in transit		13,524,088	-
		<u>147,601,791</u>	<u>113,295,321</u>

6 Accounts Receivable		<u>2015</u>	<u>2014</u>
		\$	\$
Trade Receivables		68,099,350	66,667,863
Provision for bad debts		<u>(4,323,392)</u>	<u>(2,765,241)</u>
		63,775,959	63,902,622
Other Receivables		<u>5,126,420</u>	<u>4,357,105</u>
		<u>68,902,378</u>	<u>68,259,727</u>

	<u>Aged Trade Receivables</u>			
	<u>Within 1</u>	<u>31 to 60</u>	<u>Over 60</u>	<u>Carrying</u>
	<u>Month</u>	<u>Days</u>	<u>Days</u>	<u>Value</u>
	\$	\$	\$	\$
Balance at				
30-Nov-15	<u>57,284,936</u>	<u>2,958,172</u>	<u>7,856,243</u>	<u>68,099,350</u>
30-Nov-14	<u>47,244,740</u>	<u>5,637,498</u>	<u>13,785,625</u>	<u>66,667,863</u>

7 Deposits		<u>2015</u>	<u>2014</u>
		\$	\$
Equipment		1,586,788	-

This represents deposits made on machinery and equipment for new business segment

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8 Cash & Cash equivalents

	<u>2015</u>	<u>2014</u>
	\$	\$
Bank of Nova Scotia Ja Ltd		
- Current accounts	20,475,184	19,280,303
- Savings account (US dollar denominated)	4,859,261	340,913
National Commercial Bank Limited		
- Current accounts	2,730,199	2,851,190
Alliance Financial Services Limited		
- Cash Securities(denominated in United States Dollars)	57,697,106	9,207,000
- Repurchase Agreement	1,007,444	994,098
JN Fund Managers		
- Repurchase Agreement	645,238	632,998
Petty Cash	35,461	30,200
	<u>87,449,893</u>	<u>33,336,703</u>

9 Share Capital

	<u>2015</u>	<u>2014</u>
	\$	\$
Authorised:		
140,000,000 (2010 - 15,000,000) ordinary shares no par value		
Capital issued and fully paid-		
102,387,857 ordinary shares at no par value	63,250,028	63,250,028

- (i) The company's authorised share capital was increased by five million dollars to 20 million dollars by the creation of 5 million ordinary shares of \$1.00 each. The new shares are to rank pari-passu with the existing shares.
- (ii) By resolution on May 31, 2011, each ordinary share has been sub-divided into 7 ordinary shares such that the total issued shares of 20 million is now multiplied by 7 making a total of 140 million shares.

10 Revaluation Reserves

Revaluation reserve results from the difference between the revaluation of land, building and equipment and their carrying value at February 12, 2011. The valuation was carried out by professional appraisers Valerie Levy & Associates Limited and Stellar Caribbean (Ja.) Limited

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

11 Long-term Loans	2015	2014
	\$	\$
Bank of Nova Scotia Jamaica Limited		
Loan 1	1,582,385	4,295,045
Loan 2	46,666,690	57,435,910
Loan3	68,205,529	-
Loan 4	29,230,770	-
Loan 5	-	14,000,000
	<hr/>	<hr/>
Total loans	145,685,374	75,730,955
Current portion of loans	<hr/> 27,736,217	<hr/> 27,481,880
Long-term portion of loans	<hr/> <u>117,949,157</u>	<hr/> <u>48,249,075</u>

- (i) Loan 1 has a duration of 5 years and a moratorium period of four (4) months on the principal payments. This loan is at an interest rate of 8.95% per annum.
- (ii) Loan 2 has a duration of 7 years with a six (6) months moratorium on the principal repayments. This Loan has a Fixed Interest rate of 9.25% for five (5) years, thereafter the Weighted Average (180 days) Treasury Bill Yield (WATBY), plus 3.25% per annum.
- (iii) Loan 3- has a duration of 5 years, inclusive of a 6 months moratorium on principal repayments (to be funded by the Development Bank of Jamaica (DBJ) with the Bank of Nova Scotia Jamaica Limited as the approved Financial Institution).
Interest rate: The DBJ authorised lending rate, present effective all in rate -10% per annum
- (iv) Loan 4 has a duration of 5 years, inclusive of a 6 months moratorium on principal repayments. This Loan has a Fixed Interest rate of 11% for Three (3) years, thereafter the bank Base Lending Rate (currently 15.75% per annum) in effect from time to time minus 3.5% per annum.
Current effective rate 12.25% per annum.
- (v) Revolving Loan expected to be repaid within 90 days

Securities:

Bank of Nova Scotia Jamaica Limited

- (1) Assignment of Commercial All Risks policy in favour of the bank to cover replacement value of the machinery equipment
- (2) Second legal mortgage stamped an aggregate of \$25,600,000 and registered over commercial property located at lot # 30,10 Retirement Crescent, Kingston 5 and Lot B Collins Green, Kingston 5. Volume 1094 Folio 743 and Volume 1402 Folio 431 respectively. Appraised value of Real Estate pledged \$80,000,000 as at 1 March 2011.
- (3) Bill of sale stamped \$25,600,000, collateral to 2nd legal mortgage over the above property, and over the following machinery & equipments:
- i) Model: 2003 Dock stocker DSX40
 - ii) SG-3 Semi-auto gluing machine L1400x W2800mm; MS Strapping machine; Pallet jacks
 - iii) Two colors printer and rotary die cutting machine chain feeding.
 - iv) Machine spare parts

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2015

11 cont'd

(4) Joint and several Demand Debenture to be stamped \$202,000,000 from AMG Packaging and Paper Company Limited, creating a first Charge over fixed assets, and a floating charge over other assets of the company supported by:—

- First, Second and Third Legal Mortgages to be stamped \$202,000,000 jointly over Commercial Premises located at (a) 9B Retirement Crescent registered in the name AMG Packaging and Paper Company Limited. (b) 10 Retirement Crescent registered in the name of AMG Packaging and Paper Company Limited and collateral to the aforementioned Demand Debenture

(5) Assignment of "All Risk" insurance coverage over 9B Retirement Crescent for the full replacement (covers over building, inventory, furniture, fixtures and equipment owned by the company)

12 Related Parties

	<u>2015</u>	<u>2014</u>
Director's Loan	-	283,971

This is a vendor's mortgage for balance owing to a director for land sold to the company

13 Accounts Payable & Accruals

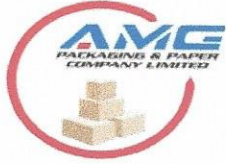
	<u>2015</u>	<u>2014</u>
Trade Payables	\$ 26,114,445	\$ 33,111,349
Accruals	9,598,845	8,516,280
Other Payables	3,007,189	1,967,482
Statutories Payable	1,514,768	1,323,760
Dividends	176,296	140,570
	40,411,543	45,059,441

	Aged Trade Payables			
	<u>Within 1</u> <u>Months</u>	<u>31 to 60</u> <u>Days</u>	<u>Over 60</u> <u>Days</u>	
<u>Balance at</u>				
Nov 30, 2015	\$ 24,349,940	\$ 460,365	\$ 1,304,139	\$ 26,114,445
Nov 30, 2014	26,130,898	5,485,041	1,495,410	33,111,349

14 Taxation

The Company having been listed on the Junior Stock Exchange in 2011 became eligible for remission of Income Tax for 10 years, as below, provided the shares remain listed for at least 15 years

Years 1 to 5	100%
Years 6 to 10	50%



GENERAL MANAGER'S REPORT

AMG Packaging & Paper Company Limited (AMG) is pleased to present our financial statements for the 3 months ended November 30, 2015.

AMG has continued our positive performance with decreases in key financial areas for the three month period. Revenues for the period ending November 30, 2015 decreased by 1.48% to \$149.26 million over the prior year. Gross Profit increased by 50.08%, to \$51.48 million, even with the decrease in revenues for the period. Manufacturing Costs decreased by 19.83%, moving from \$117.18 million (2014) to \$97.79 million (2015). Administrative expenses decreased by 11.94% for the three month period, which resulted in AMG producing Net Profit of \$28.81 million up 85.83% from the corresponding prior year period (\$15.50 million). Cost of Inventories decreased 27.70%, (\$94.07 million 2014 - \$73.88 million 2015).

	3 Months to November 30, 2015	3 Months to November 30, 2014
Total Revenues	149,267,668	151,478,775
Gross Profit	51,478,373	34,299,044
Profit	28,808,116	15,502,939
Total Assets	592,013,297	214,891,750

Management is focused on continuing the positive trends being met by the AMG team. Searching to find the most reasonable costs for all our raw materials, as well as containing our Manufacturing and Admin. Costs in all areas is a priority for Management.

With the continued support of our Board of Directors and the determination of the AMG team in succeeding, we are optimistic for this financial year.



Michael Chin
General Manager

AMG PACKAGING & PAPER COMPANY LIMITED

TOP 10 SHAREHOLDERS AT 30 NOVEMBER 2015

Issued Ordinary shares

102,378,857

SHAREHOLDERS	SHAREHOLDINGS	%
RANKINSTON LIMITED	32,351,718	31.600
GEORGE HUGH HOLDINGS LIMITED	24,263,792	23.700
HEISS HOLDINGS LIMITED	24,263,792	23.700
JCSD TRUSTEE SERVICES SIGMA VENTURE FUND	1,915,428	1.871
HAROLD SOLTAU	1,361,605	1.330
CHESTON JAMAICA LIMITED	1,072,687	1.048
COLIN STEELE	887,465	0.867
SJLIC FOR SCOTIABRIDGE RETIREMENT SCHEME	860,371	0.840
JCSD TRUSTEE SERVICES SIGMA OPTIMA	847,629	0.828
GUARDIAN LIFE LIMITED GUARDIAN EQUITY FUND	643,896	0.629
	88,468,383	86.413
NO. OF SHAREHOLDERS AT 30/11/2015	JCSD	307
	MAIN REGISTER	3
	TOTAL	310

**AMG PACKAGING & PAPER COMPANY LIMITED
DIRECTORS SHAREHOLDINGS**

DIRECTORS' NAMES	SHAREHOLDING	CONNECTED PARTY
ANTONIA HUGH	32,351,718	RANKINSTON LIMITED
MARK CHIN/PAUL CHIN	24,263,792	HEISS HOLDINGS LIMITED
GEORGE HUGH	24,263,792	GEORGE HUGH HOLDINGS LTD
PETER D. CHIN	332,370	
MICHAEL FRASER	382,913	
BARRINGTON CHISHOLM	76,583	
	81,671,168	

SENIOR MANAGERS

MICHAEL P. CHIN	394,487
LESLIE MCPHERSON	38,291
CHRISTOPHER HENDRIKS	1,249
	434,027