

PARAMOUNT TRADING (JAMAICA) LIMITED
ADDENDUM TO PROSPECTUS ISSUED 12 DECEMBER 2012

This addendum (the "Addendum") is issued further to the prospectus of the Company dated 12 December 2012 (the "Prospectus").

The Addendum contains unaudited financial information for the 5 months ended 31 October 2012, and is intended to clarify and supplement the Unaudited Financial Information set out in Section 11 of the Prospectus, as follows:

1. Unaudited Income Statement for the 5 months ended 31 October 2012. This Statement indicates an accrued amount for taxation payable during the period (\$2,893,870), and adjustments to the number of shares in issue and earnings per share that did not appear in the Unaudited Financial Information set out in Section 11 of the Prospectus. All such adjustments to the Unaudited Financial Information presented in the Prospectus are highlighted for ease of reference.
2. Unaudited Statement of Financial Position for the 5 months ended 31 October 2012. This Statement makes adjustments to the amount of current liabilities, total liabilities and retained earnings that did not appear in the Unaudited Financial Information set out in Section 11 of the Prospectus. All such adjustments to the Unaudited Financial Information presented in the Prospectus are highlighted for ease of reference.
3. Unaudited Statement of Cash Flows and Unaudited Statement of Changes in Equity, in each case, for the 5 months ended 31 October 2012. This information is supplementary to the Unaudited Financial Information set out in Section 11 of the Prospectus and is included at the request of the Jamaica Stock Exchange.
4. Accordingly, paragraph 9.2 of section 9- Management Discussion & Analysis has been updated to reflect the above mentioned changes with respect to Unaudited Statement of Financial Position for the 5 months ended 31 October 2012.

14 December 2012

Unaudited Financial Information

PARAMOUNT TRADING (JAMAICA) LIMITED
Unaudited Income Statement
For the 5 Month Period Ended 31 October 2012

	2012 \$	2011 \$
Sales	242,436,929	237,867,961
Cost of Sales	169,817,981	167,325,589
Gross Profit	72,618,948	70,542,372
Other Income	1,258,946	344,420
Profit before expenses	73,877,894	70,886,792
Expenses		
Administration	43,177,988	40,737,371
Sales & Distribution	2,492,665	2,460,595
Financial	7,905,593	6,535,939
Depreciation	5,832,330	5,669,920
Total expenses	59,408,576	55,403,825
Profit before taxation	14,469,318	15,482,967
Taxation	2,893,870	2,562,672
Net profit after tax	11,575,448	12,920,295
Number of Shares in issue	10,283,059	10,283,059
Earnings per Share	1.13	1.26

Unaudited Financial Information

PARAMOUNT TRADING (JAMAICA) LIMITED
Unaudited Statement of Financial Position
For the 5 Month Period Ended 31 October 2012

	Unaudited Oct. 2012 \$	Unaudited Oct. 2011 \$	
Non-Current Assets			Non-Current Assets
Fixed Assets	88,053,838	90,325,743	Fixed Assets
Investment	763,480	10,366,609	Investment
Total Non-Current Assets	88,817,318	100,692,352	Total Non-Current Assets
Current Assets			Current Assets
Inventory	163,104,517	189,206,096	Inventory
Accounts Receivable	81,704,166	90,132,754	Accounts Receivable
Cash and Cash equivalent	12,940,282	8,944,114	Cash and Cash equivalent
Total Current Assets	257,748,965	288,282,964	Total Current Assets
Current Liabilities			Current Liabilities
Accounts Payable	59,504,927	134,367,667	Accounts Payable
Other Current Liabilities	make	15,305,954	Other Current Liabilities
Total Current Liabilities	91,172,093	149,673,621	Total Current Liabilities
Net Current Assets	166,576,872	138,609,343	Net Current Assets
	255,394,190	239,301,695	
Capital & Reserves			Capital & Reserves
Issued Share Capital	10,283,059	10,283,059	Issued Share Capital
Retained Earnings	133,329,857	83,674,864	Retained Earnings
	143,612,916	93,957,923	
Non-Current Liabilities			Non-Current Liabilities
Shareholders Loans	4,235,527	23,429,862	Shareholders Loans
Deferred Tax Liabilities	1,697,969	0	Deferred Tax Liabilities
Long Term Borrowings	105,847,778	121,913,910	Long Term Borrowings
	255,394,190	239,301,695	

Unaudited Financial Information

Paramount Trading (Jamaica) Limited
Unaudited Statement of Cash Flows
For the 5 Months Ended 31 October 2012

	<u>2012</u> \$	<u>2011</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Comprehensive income for the period	11,575,448	12,920,295
Adjustment for:		
Depreciation	5,832,330	5,669,920
Deferred tax	-	187,873
Operating cash flows before movements in working capital	17,407,778	18,778,088
Changes in operating working capital	(10,218,294)	(47,427,451)
Net cash provided by/(used in) operating activities	7,189,484	(28,649,363)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of fixed assets	(1,858,683)	(6,974,736)
Net cash used in investing activity	(1,858,683)	(6,974,736)
CASH FLOWS FROM FINANCING ACTIVITY		
Net loan (repayment)/advance	(38,509)	4,262,187
Net cash used in investing activity	(38,509)	4,262,187
Increase/(decrease) in cash and cash equivalents	5,292,292	(31,361,912)
Cash and cash equivalents at beginning of the period	8,411,470	50,672,635
Cash and cash equivalents at end of the period	13,703,762	19,310,723
Cash and cash equivalents made up as follows:		
Cash and bank balances	12,940,282	8,944,114
Investments	763,480	10,366,609
Cash and cash equivalents at the end of the period	13,703,762	19,310,723

Unaudited Financial Information

Paramount Trading (Jamaica) Limited Unaudited Statement of Changes in Equity For the 5 Months Ended 31 October 2012

	<u>Share Capital</u> \$	<u>Accumulated Profits</u> \$	<u>Total</u> \$
Balances at 31 May 2011	10,283,059	68,379,770	78,662,829
Deferred tax adjustment	-	2,374,799	2,374,799
Net profit for five months, being total comprehensive income	-	12,920,295	12,920,295
Balances at 31 October 2012	<u>10,283,059</u>	<u>83,674,864</u>	<u>93,957,923</u>
Balances at 31 May 2012	10,283,059	121,754,409	132,037,468
Net profit for five months, being total comprehensive income	-	11,575,448	11,575,448
Balances at 31 October 2012	<u>10,283,059</u>	<u>133,329,857</u>	<u>143,612,916</u>

Paragraph 9.2 – Management Discussion & Analysis

9.2 Unaudited Financial Information

In the 5 month period ended 31st October 2012, the Company's unaudited sales figures increased by approximately 2% over the same 5 month period in the prior year. Overall gross profit also grew in the 5 months to end October 2012, increasing by 3% over the same period in the previous year. Gross profit margin also grew to 29.95% in the 5 months to end October 2012, compared to 29.66% in the same period in 2011. Expenses grew at a faster pace, by just over 7%, with administrative expenses climbing by 7% due to increases in staffing. Finance expense increased by 21% as a result of the new facility agreement entered into with Pan Caribbean for the purchase of the 8 Bell Road property and manufacturing facility. Profit before taxation was J\$14.5 million at 31st October 2012, which represents a decrease of 7% over the same period in 2011. Net profit also decreased by 10.4% in the 5 months to end October 2012 with a corresponding decrease in earnings per share to \$1.13 from \$1.26 in the 5 months to end October 2011.

The unaudited statement of the Company's financial position as at 31st October 2012 indicates that both fixed assets and Investments decreased by approximately 2.5% and 93% respectively, as compared to the same period the prior year. The Company's payables also showed improvement, reducing from \$152 million at 31st October 2011 to \$91 million at 31st October 2012. The improvement is also reflected in the cash equivalent.