

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>\$</u> | <u>2011</u> <u>\$</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 | 10,283,059 | 83,674,864 | 93,957,923 |
| 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 | 10,283,059 | 133,329,857 | 143,612,916 |

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.