

STATIONERY & OFFICE SUPPLIES LTD.

23 BEECHVVOOD AVENUE, KINGSTON 5, JAMAICA TELEPHONE: (876) 926-5688 • FAX (876) 968-8200 www.sos.com.jm

UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017

The Board of Directors is pleased to present the unaudited results for the company for the 2nd quarter ended June 30, 2017. It should be noted that it was just after the end of this quarter on August 10, 2017 that the company fulfilled its plan to list on the Jamaica Junior Stock Exchange.

For the 2nd quarter, revenues increased over the corresponding period in 2016 by just over 23% (\$171M - \$211M) which led to an increase in the gross profit of 25% (\$79M - \$99M). As expenses rose by 12% (\$71M - \$79M) the company experienced an increase in pre-tax profit of 147% for the quarter (\$8.2M - \$20.2M).

David McDaniel

Chairman of the Board &

Managing Director

Stationery & Office Supplies Limited

Statement of financial position

June 30 2017

The state of the s	June 2017	June 2016	2016
	Unaudited	Unaudited	Audited
Assets	\$	\$	\$
Non-current assets			
Property, plant and equipment	268,755,249	119,918,905	246,563,974
ntangible asset	5,661,552		5,661,552
	274,416,801	119,918,905	252,225,526
Current assets			
nventories	152,696,682	121,238,258	118,831,095
Trade and other receivables	101,831,886	74,315,319	87,500,057
Prepayments	18,651,500	13,823,428	20,999,958
Bank and cash	1,163,206	8,512,445	5,184,375
	274,343,274	217,889,450	232,515,485
Total assets	548,760,075	337,808,355	484,741,011
Equity and liabilities			
Equity			
Share capital	4,000	4,000	4,000
Capital reserve	112,423,398	5,049,313	112,423,398
Retained profits	171,864,524	113,898,724	130,213,625
Total equity	284,291,922	118,952,037	242,641,023
iabilities			
Non-current liabilities			
Borrowings	22,570,160	25,810,218	15,425,529
Other loans	58,460,769	58,830,526	58,378,114
inance lease	12,838,853	11,838,891	16,863,356
Deferred tax liability	24,805,419	9,687,313	24,805,419
	118,675,201	106,166,948	115,472,418
Current liabilities			
Bank overdraft	2,450,759	0	638,290
Frade and other payables	98,015,447	69,192,097	79,168,850
Dwing to Directors	582,687	2,556,008	1,472,320
Current portion of borrowings	26,099,418	19,456,189	23,010,424
Current portion of other loans	1,436,374	5,152,248	4,080,931
Current portion of finance lease	12,500,000	10,000,000	12,157,215
Faxation payable	4,708,267	6,332,828	6,099,540
	145,792,952	112,689,370	126,627,570
Total liabilities	264,468,153	218,856,318	242,099,988
Total equity and liabilities	548,760,075	337,808,355	484,741,011

_) Director

Marjow England Director

Stationery & Office Supplies Limited

Statement of profit or loss and other comprehensive income

Period ended June 30, 2017

	Quarter to		Quarter to		
	Jun-17 Unaudited	YTD -17 Unaudited	Jun-16 Unaudited	YTD 16 Unaudited	2,016 Audited
	\$	\$	\$	\$	\$
Revenue	211,603,364	431,785,755	171,045,058	353,477,988	702,070,851
Cost of sales	(112,062,571)	(223,601,387)	(91,711,624)	(180,654,671)	(363,402,612)
Gross Profit	99,540,793	208,184,368	79,333,434	172,823,317	338,668,239
Finance income					226,560
Other income	(40,806)	83,425	(113,261)	(116,165)	163,078
	99,499,987	208,267,793	79,220,173	172,707,152	339,057,877
Administrative and general expenses	(53,845,319)	(107,239,388)	(46,200,054)	(90,916,832)	(193,399,312)
Selling and promotional costs	(16,930,893)	(34,726,139)	(15,390,264)	(28,390,726)	(59,296,198)
Other operating expenses	(715,834)	(715,834)	0	0	(1,254,919)
Depreciation	(5,176,464)	(10,042,251)	(4,237,021)	(7,439,608)	(15,938,561)
Finance costs	(2,491,575)	(4,868,766)	(2,587,481)	(4,579,471)	(11,144,462)
Loss on foreign exchange	(45,498)	(269,515)	(2,546,024)	(3,600,985)	(4,871,347)
	(79,205,583)	(157,861,893)	(70,960,844)	(134,927,622)	(285,904,799)
Profit before tax	20,294,404	50,405,900	8,259,329	37,779,530	53,153,078
Income tax expense	(8,755,000)	(8,755,000)	0	(8,550,000)	(6,566,885)
Profit for the period	11,539,404	41,650,900	8,259,329	29,229,530	46,586,193
Other comprehensive income					
Revaluation of land and buildings	0	0	0	0	125,802,419
Deferred tax relating to revaluation of land and buildings	0	0	0	0	(18,428,334)
Other comprehensive income for the period	0	0	0	0	107,374,085
Total comprehensive income 221-					
Total comprehensive income for the period	11,539,404	41,650,900	8,259,329	43,955,900	153,960,278

Stationery & Office Supplies Limited Statement of changes in equity Period ended June 30, 2017

	Share	Capital	Retained	
	Capital	Reserve	Profits	Total
	\$	\$	\$	\$
Balance at January 1, 2016	4,000	5,049,313	83,627,432	88,680,744
Profit for year			46,586,193	46,586,193
Other comprehensive income		107,374,085		107,374,085
Balance at December 31, 2016	4,000	112,423,398	130,213,625	242,641,022
Profit for the period, total comprehensive income for the period.	-		41,650,900	41,650,900
Balance at June 30, 2017.	4,000	112,423,398	171,864,525	284,291,922

Stationery & Office Supplies Limited Statement of cash flows

Period ended June 30, 2017

Cash flows from operating activities: Profit before tax 50,405,900 53,153,078 Adjustments for: Depreciation Loss on foreign exchange on foreign currency loans Loss on disposal of property, plant and equipment interest income in inventories Increase in inventories Increase in inventories Increase in trade and other receivables Decrease/(Increase) in prepayments Increase in owing to Directors Cash generated from operations Net cash provided by operating activities Cash flows from investing activities Proceeds from Borrowings Proceeds from finance lease Proceeds from finance lease Proceeds (Increase) in cash and cash quivalents at beginning fyear det increase/(decrease) in cash and cash quivalents at beginning fyear det increase/(decrease) in cash and cash quivalents at end of erriod Proceeds equivalents at end of erriod 10,042,251 15,938,561 15,938,561 15,938,561 15,938,561 15,938,561 15,938,561 15,938,561 15,938,561 12,949,307 122,473 122,473 122,473 122,473 122,473 122,473 122,473 123,200 123,563 133,663,373 13,673,374 14,07,147 14,07,		June 2017	December 2016
Cash flows from operating activities: 50,405,900 53,153,078 Adjustments for: Depreciation 10,042,251 15,938,561 Loss on foreign exchange on foreign currency loans 132,473 5,449,307 Loss on foreign exchange on foreign currency loans 132,473 5,449,307 Loss on disposal of property, plant and equipment equipment 121,547 - Interest expense 4,400,516 11,144,462 fot,979,487 85,458,848 Increase in inventories -33,865,587 -11,964,919 Increase in inventories -14,331,829 -13,720,495 Decrease/(Increase) in prepayments 2,348,458 -8,781,403 Increase/(decrease) in rade and other receivables 18,846,597 13,764,115 Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations 37,087,493 63,049,374 Interest paid -4,400,516 -11,144,462 Increase paid -9,976,533 -1,906,772 Cash generated from operating activities 22,710,444 47,510,862 Cash flows from investing activities 123,		Unaudited	Audited
Profit before tax 50,405,900 53,153,078 Adjustments for: Depreciation 10,042,251 15,938,561 Loss on foreign exchange on foreign currency loans Loss on disposal of property, plant and equipment depreciation 121,547 - 123,200 - 226,560 11,144,462 64,979,487 55,458,848 Increase in inventories Increase in inventories Increase in trade and other receivables Decrease in trade and other receivables Decrease in wing to Directors Decrease in owing to Directors 2348,458 Decrease in owing to Directors 2389,633 -1,706,772 Cash generated from operations 37,087,493 63,049,374 -4,400,516 -11,144,462 -9,976,533 -4,394,050 Net cash provided by operating activities Cash flows from investing activities Cash flows from investing activities Cash flows from financing activities Cash flows from finance lease 3,640,000 20,693,079 22,695,437 -6,191,218 22,710,717 -10,371,417 24,546,085 1,097,445		\$	\$
Adjustments for: Depreciation Loss on foreign exchange on foreign currency loans Loss on disposal of property, plant and equipment interest expense Increase in inventories In	Cash flows from operating activities:		
Depreciation	Profit before tax	50,405,900	53,153,078
Loss on foreign exchange on foreign currency loans			
132,473	Depreciation	10,042,251	15,938,561
121,547		132,473	5,449,307
Interest expense		121,547	-
Interest expense	Interest income	-123,200	-226.560
Increase in inventories	Interest expense		
Increase in trade and other receivables Decrease/(Increase) in prepayments 14,331,829 -14,331,829 -13,720,495 Decrease/(decrease) in trade and other bayables Decrease in owing to Directors 2,348,458 -8,781,403 Increase/(decrease) in trade and other bayables Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations Interest paid -4,400,516 -11,144,462 -9,976,533 -4,394,050 Detrease in owing to Directors -889,633 -1,706,772 Cash generated from operations Interest paid -4,400,516 -11,144,462 -9,976,533 -4,394,050 Detrease provided by operating activities Cash flows from investing activities: Interest received net of withholding tax Purchase of property, plant and equipment Purchase of intangible asset -5,661,552 Detrease in owing to Directors -889,633 -1,706,772 -11,144,462 -9,976,533 -4,394,050 -4,394,050 -4,394,050 -22,710,444 -23,400,556 -28,893,346 -28,893,346 -28,893,346 -28,893,346 -28,893,346 -34,328,834 -34,400,556 -34,328,834 -34,328,834 -34,400,051 -34,328,834 -34,400,051 -34,328,834 -34,328,834 -34,400,051 -34,328,834 -34,328,834 -34,348,640 -34,348,6	_	Value International Control	0,0,1,7, 0,0,0,0,0,0,0,0
Decrease/(Increase) in prepayments 2,348,458 2,348,458 3,781,403 Increase/(decrease) in trade and other bayables Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations Increase/(decrease) in trade and other bayables Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations Increase paid -4,400,516 -11,144,462 -9,976,533 -4,394,050 Alter cash provided by operating activities Interest received net of withholding tax -22,710,444 -7,510,862 Cash flows from investing activities: Interest received net of withholding tax -32,400,556 -28,893,346 -29,710,444 -20,556 -34,328,834 Cash flows from financing activities Proceeds from Borrowings -32,400,556 -34,328,834 Cash flows from finance lease -36,40,000 -30,693,079 -32,400,556 -34,328,834 Cash flows from finance lease -36,40,000 -30,693,079 -30,693,099 -30,693,099 -30,	Increase in inventories	-33,865,587	-11,964,919
Decrease/(Increase) in prepayments 2,348,458 -8,781,403 Increase/(decrease) in trade and other payables Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations nterest paid -4,400,516 -11,144,462 -9,976,533 -4,394,050 Net cash provided by operating activities Cash flows from investing activities: Interest received net of withholding tax Purchase of property, plant and equipment Purchase of intangible asset Let cash used in investing activities Cash flows from financing activities Cash flows from finance lease 3,640,000 20,693,079 20,693,079 20,693,079 21,3863,832 22,710,444 23,7177 24,333,888 Lepayment of other loans 22,695,437 24,997,653 25,400,556 26,474 26,985 27,321,717 27,333,388 Lepayment of finance lease 27,321,717 28,733,388 Lepayment of finance lease 28,833,638 3,448,640 3,	Increase in trade and other receivables	-14 331 829	-13 720 495
Increase/(decrease)in trade and other payables Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations nterest paid -4,400,516 -11,144,462 -9,976,533 -4,394,050 Net cash provided by operating activities Cash flows from investing activities: nterest received net of withholding tax Purchase of property, plant and equipment Purchase of intangible asset Set cash used in investing activities Cash flows from financing activities Cash flows from financing activities Purchase of intangible asset Act cash used in investing activities Cash flows from financing activities Cash flows from finance lease Activities Cash flows from financing activities Activi	Decrease/(Increase) in prepayments	State of the state	
Decrease in owing to Directors -889,633 -1,706,772 Cash generated from operations Interest paid Income taxes paid Inc			
Cash generated from operations 37,087,493 63,049,374 -4,400,516 -11,144,462 -9,976,533 -4,394,050	The state of the s	Sa Sa	
Interest paid Interest paid Income taxes paid In		-889,633	-1,706,772
ncome taxes paid -9,976,533 -4,394,050 Net cash provided by operating activities Cash flows from investing activities: Interest received net of withholding tax Purchase of property, plant and equipment Purchase of intangible asset -5,661,552 Net cash used in investing activities Cash flows from financing activities Cash flows from investing activities Cash flows	Cash generated from operations	37,087,493	63,049,374
Net cash provided by operating activities 22,710,444 47,510,862 Cash flows from investing activities: Interest received net of withholding tax 123,200 226,064 Purchase of property, plant and equipment Purchase of intangible asset 23,400,556 24,893,346 25,661,552 Let cash used in investing activities Cash flows from financing activities Cocceeds from Borrowings Cocceeds from finance lease Cocceeds from fin	nterest paid	-4,400,516	-11,144,462
Cash flows from investing activities: Interest received net of withholding tax Purchase of property, plant and equipment Purchase of intangible asset Purchase of property, plant and equipment Purchase of property of plants Purchase of property of pla	ncome taxes paid	-9,976,533	-4,394,050
Purchase of property, plant and equipment Purchase of intangible asset Pur	Net cash provided by operating activities	22,710,444	47,510,862
Purchase of property, plant and equipment Purchase of intangible asset Purchase of intangible asset Purchase of intangible asset Proceeds from financing activities Proceeds from Borrowings Proceeds from finance lease Repayment of borrowings Repayment of other loans Repayment of finance lease Repayment of finance leas	Cash flows from investing activities:		
Purchase of intangible asset Net cash used in investing activities Proceeds from Borrowings Proceeds from Borrowings Proceeds from finance lease Repayment of borrowings Repayment of other loans Repayment of finance lease Proceeds from finance lease Repayment of other loans Repayment of other loans Repayment of finance lease Proceeds from Borrowings Repayment of other loans Repayment of other loans Repayment of finance lease Proceeds from Borrowings Repayment of other loans Proceeds from Borrowings Proceeds from Borrowings Proceeds from Borrowings Proceeds from Borrowings Repayment of borrowings Proceeds from Borrowings Proceeds		123,200	226,064
Purchase of intangible asset Net cash used in investing activities Proceeds from financing activities Proceeds from Borrowings Repayment of borrowings Repayment of other loans Repayment of finance lease -7,321,717 Ret cash provided by financing activities Ret increase/(decrease) in cash and cash quivalents ash and cash equivalents at beginning f year 4,546,085 1,097,445 1,237,553	Purchase of property, plant and equipment	-32,400,556	-28,893,346
Action of the cash used in investing activities Cash flows from financing activities Croceeds from Borrowings Croceeds from Borrowings Croceeds from finance lease Croceeds from Borrowings 13,540,001 Croceeds from Borrowings Croceeds from Borrowings 13,640,000 Croceeds from Borrowings 13,540,000 Croceeds from Borrowings 13,640,000 Croceeds fro	Purchase of intangible asset		-5,661,552
Proceeds from Borrowings 18,540,001 - 20,693,079 Proceeds from finance lease 3,640,000 20,693,079 Repayment of borrowings -8,306,373 -13,863,832 Repayment of other loans -2,695,437 -6,191,218 Repayment of finance lease -7,321,717 -10,371,417 Ret cash provided by financing activities 3,856,474 -9,733,388 Ret increase/(decrease) in cash and cash quivalents as ash and cash equivalents at beginning f year 4,546,085 1,097,445 Ash and cash equivalents at end of 2,277,553	let cash used in investing activities	-32,400,556	
Proceeds from Borrowings 18,540,001 - 20,693,079 Repayment of borrowings -8,306,373 -13,863,832 Repayment of other loans -2,695,437 -6,191,218 Repayment of finance lease -7,321,717 -10,371,417 Ret cash provided by financing activities 3,856,474 -9,733,388 Ret increase/(decrease) in cash and cash quivalents as hand cash equivalents at beginning f year 4,546,085 1,097,445	Cash flows from financing activities		
Proceeds from finance lease 3,640,000 20,693,079 Repayment of borrowings -8,306,373 -13,863,832 Repayment of other loans -2,695,437 -6,191,218 Repayment of finance lease -7,321,717 -10,371,417 Ret cash provided by financing activities 3,856,474 -9,733,388 Ret increase/(decrease) in cash and cash quivalents at beginning f year 4,546,085 1,097,445 ash and cash equivalents at end of cash cash equivalents at each equivalent e		18 540 001	
Repayment of borrowings -8,306,373 -13,863,832 -2,695,437 -6,191,218 -6,191,218 -7,321,717 -10,371,417 Repayment of finance lease -7,321,717 -10,371,417 Ret cash provided by financing activities 3,856,474 -9,733,388 Ret increase/(decrease) in cash and cash quivalents as hand cash equivalents at beginning f year 4,546,085 1,097,445 ash and cash equivalents at end of posicion -1,287,553			20 602 070
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tet cash provided by financing activities ash and cash equivalents at beginning fyear ash and cash equivalents at end of ash and cash equivalents at end of			
et increase/(decrease) in cash and cash quivalents as hand cash equivalents at beginning f year 4,546,085 1,097,445			
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quivalents -5,833,638 3,448,640 ash and cash equivalents at beginning f year 4,546,085 1,097,445 ash and cash equivalents at end of	et cash provided by financing activities	0,000,414	
quivalents -5,833,638 3,448,640 ash and cash equivalents at beginning f year 4,546,085 1,097,445 ash and cash equivalents at end of 0,1297,552	let increase/(decrease) in cash and cash		
f year 4,546,085 1,097,445 ash and cash equivalents at end of	quivalents	-5,833,638	3,448,640
1 297 EE2	f year	4,546,085	1,097,445
		-1,287,553	4,546,085

Stationery & Office Supplies Limited Notes to the Unaudited Financial Statements June 30, 2017

Identification and activities

Stationery and Office Supplies Limited is a limited liability company incorporated under the Laws of Jamaica on July 23, 1965. The company became a subsidiary of Outlook Limited (see note 3) and is domiciled in Jamaica with registered offices located at 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies.

The main activity of the company is the sale of office furniture, fixtures, stationery and other office supplies.

These financial statements are presented in Jamaica Dollars.

Articles Of Incorporation

At an Extraordinary General Meeting held on March 29, 2017 the company approved the adoption of new Articles of Incorporation to replace the existing Articles and Memorandum of Association; as is necessary for the transition to a public company. The Articles of Incorporation were amended in order to make them complaint with the requirements of a public company pursuant to the Companies Act of Jamaica, and to also make the Articles compliant with the requirements of a public listed company pursuant to the rules of the Junior Market of the Jamaica Stock Exchange.

3. Share Capital

Following a Directors Meeting and an Extraordinary General Meeting held on March 29, 2017 approval was given to restructure the share capital of the company. The authorised ordinary share capital moved from 2,000 shares without par value to 10,000,000 ordinary shares without par value. The Companys ordinary share capital was then sub divided with each ordinary share being divided into 50 ordinary shares. Under a scheme of reorganisation Outlook Limited were allotted 199,996,400 shares; the shares held by David & Marjorie McDaniel (100,000) were also transferred to Outlook Limited.

4 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).