



Interim Report to Stockholders

FOR THE SIX MONTHS ENDED 30TH JUNE 2018



**PRESIDENT & CEO'S REPORT
TO
2nd QUARTER UNAUDITED
FINANCIAL STATEMENTS**

**PRESIDENT AND CHIEF EXECUTIVE OFFICER
INTERIM REPORT TO STOCKHOLDERS**

For the six (6) months ended 30th June 2018

FINANCIAL PERFORMANCE

The Group's unaudited financial statements are presented for the six months ended June 30, 2018.

The results for the period ended June 2018 showed \$30.95 billion in revenues, and \$1.05 billion in profits. The revenue performance indicates a 13.07% increase over the corresponding period in 2017, while direct expenses were \$27.68 billion, or 12.38% higher than prior year. This result included prize payout totalling \$17.5 billion for year to date 2018, a 16.57% increase over the same prior year period. The Group also saw a 10.32% increase in statutory licence fees to the government of Jamaica, which totalled \$2.7 billion for the period under review.

Gross profits increased by \$527.58 million, a 19.27% increase over the same period to June 2017, attributed to higher gross profit amounts for Cash Pot, Pick 4, Money Time, Super Lotto, Horse Racing, VLT and Sports Betting.

Net results for the three months ended June 30 showed a decline over prior year, from \$501.92 million to \$432.42 million. This is mainly attributable to game behaviour and design, and the fluctuation which sometimes arises from the unpredictability of the payout ratios of the games offered, particularly Cash Pot. We expect that this will normalise by the end of the year. Additionally, SVREL incurred a loss for the period, attributed mainly to increased expenditure on necessary repairs and maintenance, as well as the unavoidable delay with the implementation of the new AMTOTE system, which is expected to assist with expanding the revenue base.

The Group's performance for the period is attributed mainly to the continued focus on its strategic priorities and execution of key initiatives, which include:

1. **Revenue Growth** - the 13.07% growth in revenue was due primarily to a 72% increase from Sports Betting (2% of revenue) and a 10% increase from lottery products (72% of revenue). PIN code sales declined by a marginal 1% (16% of revenue). Horse Racing revenues continued to improve, recording an 81% increase (six months in current year versus four months, and accounts for 10% of revenue). VLTs recorded a 10% decline in Net Win performance versus June 2017, despite an increase in coin-in of \$5.23 billion for six months to June 30, 2018, versus \$5.21 billion for corresponding six months to June 30, 2017.
2. **Optimizing Cost Efficiencies** – The increase in the Group's operating expenses (\$341 million or 23%) was mainly due to operations at Caymanas Park (SVREL) for a full four months, as well as the timing of operating expenses. Accordingly, the Group's operating expense ratio (operating expenses expressed as a percentage of revenue) remained relatively flat at 6%, which is an indication of operating cost efficiencies.

The primary component of finance costs for the period comprised interest charges relating to the funding of the acquisition and development of the Caymanas Park operations, which includes a finance lease arrangement. Interest income is lower than the prior year due to the early settlement of a major receivable in Q4 2017, and lower interest rates on deposits held with financial institutions, consistent with the general market trend.

Earnings per share for Q2 (the three months ended June 30), 2018 is 16.40 cents (2017: 19.03 cents), while the year to date increase in earnings per share is 39.85 cents, versus 34.80 cents in 2017 - an increase of 5.04 cents.

Group assets amounted to \$5.99 billion, representing a decline of \$186.18 million or 3.02% when compared to the position as at December 31, 2017. The major reductions are due to the partial settlement of the Sagicor loan, as well as payment of taxes and dividends in relation to December 2017. The major additions for the period include acquisition of machinery and equipment.

SEGMENT RESULTS

Revenues from the lottery games portfolio have continued showing a strong growth trend from the previous quarter. Stimulated by the successful deployment of marketing and retail initiatives, the Cash Pot, Money Time and Pick 4 games in particular, continue to increase in popularity and sales. The major promotional activities for the year to date include Mega Pot, Mega Cup and Cash Pot in The Streets.

Sports Betting revenues have grown significantly for the current period, benefiting from the execution of key initiatives and product offerings. The launch of the JustBet Goal Rush campaign in Q2 provided further momentum in increasing customer awareness and promoting the brand. These initiatives contributed to a favourable increase in the segment results of 50%, versus the same period in 2017. We noted a positive trend in sales for the World Cup tournament.

The VLT business recorded marginal growth in coin-in activity, but lower net wins when compared to the similar period in prior year due to increased customer activity and higher payouts. There is a continued focus on superior customer experience that will encourage patronage and higher bets.

The Horse Racing segment recorded an increase in revenue, and management is focused on consistent delivery of an improved product to maintain the momentum achieved, despite the legacy challenges being faced. The segment incurred a loss for the period, particularly resulting from increased expenditure on necessary repairs and maintenance, and an unavoidable delay of revenue generation via the network distribution expansion plans, which is a part of technological enhancement investment plans for SVREL. We continue to invest in infrastructure and replacement of machinery and equipment to enhance the operations and offering to our punters.

OUTLOOK

The Group will continue to maintain the positive momentum achieved in the first six months of 2018 through the timely execution of key strategic initiatives for the remainder of the year.

The performance of the Horse Racing segment in particular is being closely monitored in order to reverse the losses experienced year to date, and several key initiatives are already being deployed to positively impact the business.

VLT continues its growth strategy with improvements in, and continuation of its gaming offerings and various customer enhanced strategies, coupled with effective lounge management. Another key initiative being focused on, is the deployment of a mobile solution to further enhance the Group's product offerings and customer experience.

We have made significant strides with the due diligence and related activities to enter the market in Guyana, with the objective being a 2018 rollout.

CORPORATE SOCIAL RESPONSIBILITY

The Supreme Ventures Group continues to play its part in nation-building through several initiatives, mainly in the areas of health, sports and education. Our contribution to various Good Causes for the quarter totalled approximately \$424 million.

During the quarter, the Company embarked on a number of initiatives aimed at improving the lives of Jamaica's youth. Of particular note is a \$10 million donation to the Walker's Place of Safety, which is the foundation of a fruitful partnership with the institution, as it embarks on the process of rebuilding after having been gutted by fire in January of this year. SVL also partnered with voluntary organization, Hear the Children's Cry, to the tune of \$2.8 million, to establish its new Missing Children's Family & Community Social Work Programme.

SVL's work in the area of health saw the Company joining hundreds of Jamaicans, including cancer survivors, for the Jamaica Cancer Society's 15th staging of Relay for Life. The Company's contributions also assisted in the purchase of two laparoscopic towers for the Mandeville Regional and May Pen Hospitals.

Our unwavering commitment to Sports was also demonstrated in the quarter under review, mainly through our support of the JAAA National Junior & Senior Championships at the National Stadium.

As always, I thank all our stakeholders for their continued confidence in Supreme Ventures. I extend special gratitude to our shareholders, Board of Directors, Retailer network, management, staff and our loyal patrons, for their continued support.



David McConnell

CHAIRMAN

SUPREME VENTURES LIMITED



Ann-Dawn Young Sang

PRESIDENT & CEO

SUPREME VENTURES LIMITED



FINANCIAL STATEMENTS

Six Months Ended June 30, 2018

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SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES**Group Statement of Financial Position****June 30, 2018***(Expressed in thousands of Jamaica dollars)*

	Unaudited Six Months Ended June 30, 2018	Audited Year Ended December 31, 2017	Unaudited Six Months Ended June 30, 2017
ASSETS			
Non-current assets			
Property and equipment	1,225,135	1,164,479	978,769
Investment properties	600,285	618,299	793,428
Goodwill and intangible assets	302,399	317,555	647,668
Long-term receivables	29,217	29,782	473,695
Available-for-sale investments	1,883	1,883	11,279
Other investments	18,852	18,852	18,837
Deferred tax assets	176,471	166,180	176,758
Other assets	-	-	65,321
Total non-current assets	<u>2,354,242</u>	<u>2,317,030</u>	<u>3,165,755</u>
Current assets			
Inventories	160,510	197,461	182,414
Income tax recoverable	22,235	25,680	18,577
Assets held for sale	-	92,010	-
Short-term investments	-	100,000	-
Trade and other receivables	937,768	1,002,229	866,924
Cash and cash equivalents	2,514,222	2,440,750	2,268,730
Total current assets	<u>3,634,735</u>	<u>3,858,130</u>	<u>3,336,645</u>
Total assets	<u>5,988,977</u>	<u>6,175,160</u>	<u>6,502,400</u>
EQUITY AND LIABILITIES			
Stockholders' equity			
Share capital	1,967,183	1,967,183	1,967,183
Capital reserves	62,486	62,486	62,486
Fair value reserves	-	-	5,916
Retained earnings	823,753	1,091,555	2,078,309
Total shareholders' equity	<u>2,853,422</u>	<u>3,121,224</u>	<u>4,113,894</u>
Non-current liabilities			
Long-term payables	161,354	276,871	308,947
Finance lease obligation	347,182	315,712	-
Total non-current liabilities	<u>508,536</u>	<u>592,583</u>	<u>308,947</u>
Current liabilities			
Prize liabilities	417,694	400,780	237,338
Trade and other payables	2,134,750	1,746,177	1,652,294
Income tax payable	74,575	314,396	189,927
Total current liabilities	<u>2,627,019</u>	<u>2,461,353</u>	<u>2,079,559</u>
Total stockholders' equity and liabilities	<u>5,988,977</u>	<u>6,175,160</u>	<u>6,502,400</u>

Approved and authorized for issue by the Board of Directors on July 23 2018 and signed on its behalf by:

W. David McConnell – Chairman

Ann-Dawn Young Sang – President & CEO

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Group Statement of Profit or Loss and Other Comprehensive Income
Period Ended June 30, 2018
(Expressed in thousands of Jamaica dollars)

	Unaudited Six Months Ended June 30, 2018	Unaudited Six Months Ended June 30, 2017	Unaudited Three Months Ended June 30, 2018	Unaudited Three Months Ended June 30, 2017
Revenue	30,948,933	27,372,002	15,663,694	13,980,484
Direct expenses	<u>(27,684,063)</u>	<u>(24,634,709)</u>	<u>(14,111,833)</u>	<u>(12,466,872)</u>
Gross profit	3,264,870	2,737,293	1,551,861	1,513,612
Operating expenses	<u>(1,858,681)</u>	<u>(1,517,665)</u>	<u>(955,629)</u>	<u>(842,506)</u>
Profit from operations	1,406,189	1,219,628	596,232	671,106
Interest income	37,654	42,068	17,240	23,756
Net foreign exchange loss	(9,139)	(877)	(8,121)	555
Finance costs	<u>(34,879)</u>	<u>(19,564)</u>	<u>(15,944)</u>	<u>(10,784)</u>
Profit before taxation	1,399,825	1,241,255	589,407	684,633
Taxation	<u>(349,000)</u>	<u>(323,430)</u>	<u>(156,992)</u>	<u>(182,711)</u>
Profit for the period	1,050,825	917,825	432,415	501,922
Other comprehensive income				
Item that may be reclassified to profit or loss				
Unrealised gain on available-for-sale investments	-	2,436	-	-
Total comprehensive income for the period	<u>1,050,825</u>	<u>920,261</u>	<u>432,415</u>	<u>501,922</u>
Earnings per stock unit	<u>39.85 cents</u>	<u>34.80 cents</u>	<u>16.40 cents</u>	<u>19.03 cents</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Group Statement of Changes in Equity
Period Ended June 30, 2018
(Expressed in thousands of Jamaica dollars)

	Share capital	Capital reserves	Fair value reserves	Retained earnings	Total
Unaudited Six Months Ended June 30, 2018					
Balance as at December 31, 2017	1,967,183	62,486	-	1,091,555	3,121,224
Profit for the period	-	-	-	1,050,825	1,050,825
Total comprehensive income for the period	-	-	-	1,050,825	1,050,825
Transactions with stockholders					
Distributions	-	-	-	(1,318,627)	(1,318,627)
Balance as at June 30, 2018	<u>1,967,183</u>	<u>62,486</u>	<u>-</u>	<u>823,753</u>	<u>2,853,422</u>
Unaudited Six Months Ended June 30, 2017					
Balance as at December 31, 2016	1,967,183	62,486	3,480	1,767,052	3,800,201
Profit for the period	-	-	-	917,825	917,825
Other comprehensive income:					
Unrealised gain on available-for-sale investments	-	-	2,436	-	2,436
Total comprehensive income for the period	-	-	2,436	917,825	920,261
Transactions with stockholders					
Distributions	-	-	-	(606,568)	(606,568)
Balance as at June 30, 2017	<u>1,967,183</u>	<u>62,486</u>	<u>5,916</u>	<u>2,078,309</u>	<u>4,113,894</u>

SUPREME VENTURES LIMITED AND ITS SUBSIDIARIES
Group Statement of Cash Flows
Period Ended June 30, 2018
(Expressed in thousands of Jamaica dollars)

	Unaudited Six Months Ended June 30, 2018	Unaudited Six Months Ended June 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for period	1,050,825	917,825
Adjustments for:		
Depreciation of property and equipment	123,654	96,029
Depreciation of investment properties	18,014	21,847
Amortisation of intangible assets	16,264	7,621
(Gain)/Loss on disposal and write-off of property and equipment	(29,953)	13,581
Bad debts recovered	(1,032)	12,530
Net foreign exchange gain on cash and cash equivalents	(5,853)	(1,242)
Interest income	(37,654)	(42,068)
Interest expense	34,879	19,564
Taxation	349,000	323,425
Operating cash flow before movement in working capital	1,518,144	1,369,112
Decrease/(increase) in operating assets		
Inventories	36,951	10,187
Trade and other receivables	105,506	37,757
Increase/(decrease) in liabilities		
Trade and other payables	391,354	218,382
Other assets	-	(104,514)
Prizes liabilities	16,914	(4,671)
Cash generated by operations	2,068,869	1,526,253
Income tax paid	(595,667)	(218,424)
Interest paid	(50,606)	(19,564)
Cash provided by operating activities	1,422,596	1,288,265
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(197,978)	(355,987)
Acquisition of intangible assets	(1,108)	(9,584)
Proceeds on disposal of property and equipment	108,295	254
Long-term receivables	565	35,107
Short-term investments	100,000	-
Interest received	40,704	41,123
Cash provided by/(used in) investing activities	50,478	(289,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(1,318,627)	(606,568)
Long term payables repaid	(118,298)	(5,964)
Finance lease net	31,470	380,934
Cash used in financing activities	(1,405,455)	(231,598)
NET INCREASE IN CASH AND CASH EQUIVALENTS	67,619	767,580
Effect of exchange rate changes on the balance of cash held in foreign currency	5,853	1,242
Cash and cash equivalents at the beginning of the period	2,440,750	1,499,908
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2,514,222	2,268,730

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2018**

(Expressed in thousands of Jamaica dollars)

1. Identification

Supreme Ventures Limited (the Company) is a public limited liability company which is listed on the Jamaica Stock Exchange. The Company's registered office is located at the 4th Floor, The R. Danny Williams Building, 28-48 Barbados Avenue, Kingston 5, Jamaica, W.I.

The main activity of the Company is the management of its subsidiary companies ("subsidiaries").

The Company and its subsidiaries are collectively referred to as "the Group" and are all incorporated in Jamaica.

The subsidiaries that are consolidated and their principal activities are as follows:

<u>Name of company</u>	<u>Principal activity</u>	<u>Percentage ownership</u>
Prime Sports (Jamaica) Limited and its wholly-owned subsidiaries:	Betting, gaming and lottery operations licensed by the Betting, Gaming and Lotteries Commission (BGLC)	100 %
Bingo Investments Limited	Not trading	
Chillout Ventures Limited	Not trading	
Big 'A' Track 2003 Limited	Pin code sales	100 %
Supreme Ventures Racing and Entertainment Limited	Betting and horse-racing operations licensed by BGLC and Jamaica Racing Commission (JRC)	100 %
Supreme Ventures Financial Services Limited	Not trading	100 %
Supreme Ventures Lotteries Limited	Not trading	100 %
Transtel Jamaica Limited	Not trading	100 %
Jamaica Lottery Company Holdings Limited	Not trading	100 %
Supreme Ventures Holding Limited	Not trading	100 %
Socrates Betting Company Limited	Not trading	100 %

2. Statement of compliance and basis of preparation

(a) Statement of Compliance

These unaudited interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended December 31, 2017. They do not include all of the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements. The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements as at and for the year ended December 31, 2017.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the inclusion of available-for-sale investments at fair value.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2018**

(Expressed in thousands of Jamaica dollars)

2. Statement of compliance and basis of preparation (continued)

(c) Functional and presentation currency

The financial statements are presented in Jamaica dollars (\$), which is the functional currency of the Company and all its subsidiaries.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of, and disclosures relating to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the period ended. Although these estimates are based on management's best knowledge of current events and actions, actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017.

(e) Where necessary, comparative amounts have been reclassified to conform with changes in the presentation in the current reporting period.

3. Standards issued but not yet adopted

- a) The Group is required to adopt IFRS 9 Financial Instruments from January 1, 2018. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Based on its preliminary assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for trade receivables, loans and securities purchased under resale agreements. However, the Group is still in the process of its assessment and the final impact is not yet known.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2018**
(Expressed in thousands of Jamaica dollars)

3. Standards issued but not yet adopted (continued)

- b) IFRS 15, Revenue From Contracts With Customers, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC 13, Customer Loyalty Programmes, IFRIC 15, Agreements for the Construction of Real Estate, IFRIC 18, Transfer of Assets from Customers and SIC-31 Revenue, Barter Transactions Involving Advertising Services. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has conducted an assessment in order to determine the qualitative and quantitative impacts of the implementation of the new revenue recognition standard. Based on this assessment, the Group does not expect no material impact due to the transition to IFRS 15. However, the assessment is still ongoing and the Group the final impact is not yet known.

4. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results are reported to the Group's executive management (collectively considered the chief operating decision maker) which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All transactions between business segments are conducted on an arm's length basis, with intersegment revenue and cost eliminated on consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

No geographical segment reporting is recognised as the Group's operations are located solely in Jamaica.

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2018**
(Expressed in thousands of Jamaica dollars)

4. Segment reporting (continued)

Period ended June 30, 2018

	Sports							Eliminations	Group
	Lottery	Gaming	Horsereading	Betting	Pin Codes	Other	Unallocated		
External revenue	22,134,043	170,494	3,051,837	544,900	4,813,833	178,173	55,653	-	30,948,933
Result									
Segment result	1,435,104	2,306	(103,741)	(17,070)	42,916	14,575	32,099	-	1,406,189
Interest income									37,654
Net foreign exchange loss									(9,139)
Finance cost									(34,879)
Other gains and losses									-
Profit before taxation									1,399,825
Taxation									(349,000)
Profit for the year									1,050,825
Other information									
Capital expenditure	34,848	17,420	92,830	928	-	-	53,060	-	199,086
Depreciation, amortisation and write-offs	38,356	15,777	58,817	9,632	-	-	43,935	-	166,517
Segment assets	2,398,606	271,247	860,862	21,766	1,142,434	-	1,294,062	-	5,988,977
Segment liabilities	1,370,868	62,120	763,531	20,370	827,744	-	90,922	-	3,135,555

Period ended June 30, 2017

	Sports							Eliminations	Group
	Lottery	Gaming	Horsereading	Betting	Pin Codes	Other	Unallocated		
External revenue	20,222,159	193,612	1,757,131	317,618	4,867,476	3,884	7,660	-	27,369,540
Inter-segment revenue			2,461					(2,461)	-
Total revenue	20,222,159	193,612	1,759,592	317,618	4,867,476	3,884	7,660	(2,461)	27,369,540
Result									
Segment result	1,328,069	14,864	(105,094)	(33,904)	70,231	960	(55,498)	-	1,219,628
Interest income									42,068
Net foreign exchange loss									(877)
Finance cost									(19,564)
Profit before taxation									1,241,255
Taxation									(323,430)
Profit for the year									917,825
Other information									
Capital expenditure	82,050	7,502	259,371	-	-	-	16,648	-	365,571
Depreciation, amortisation and write-offs	23,590	26,591	14,023	11,021	-	-	63,853	-	139,078
Segment assets	2,134,018	763,312	524,699	184,075	1,030,655	-	1,865,641	-	6,502,400
Segment liabilities	890,002	27,741	569,961	17,697	811,796	-	71,309	-	2,388,506

**SUPREME VENTURES LIMITED
AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
UNAUDITED SIX MONTHS ENDED JUNE 30, 2018**
(Expressed in thousands of Jamaica dollars)

5. Contingencies – Litigations

Epsilon Global Equities:

On December 15, 2008, a civil suit was filed by Epsilon Global Equities Limited (Epsilon) naming as defendants the Company and its founding stockholders. The matter was decided in 2011, with a judgment in favour of the stockholders and the Company. Epsilon appealed the judgment. The Judgment in the appeal was delivered on May 30, 2017 and the Company was successful. Epsilon has since indicated that it proposes to appeal to the Privy Council in the United Kingdom (which is our highest appellate body) in an effort to reverse the Court of Appeal's decision and to that end it has filed an application in the Court of Appeal seeking conditional leave to appeal to the Privy Council. The application has not yet been heard. We have been advised that the Company will succeed in the appeal to the Privy Council, if the appeal is pursued.

Talisman Capital Alternative Investment Fund and EGE Limited:

In August 2012, a civil suit was filed in the Courts of Florida, USA, by Talisman Capital Alternative Investment Fund and EGE Limited citing as defendants the Company and certain of its stockholders. This suit is in respect of most of the same issues decided in the Supreme Court in Jamaica in favour of the Company and some of its stockholders (see above).

In April 2013, the Federal Bankruptcy Court in Florida granted a motion by SVL and other defendants to dismiss the complaint. The plaintiffs then filed objections to the dismissal. Subsequently, the court granted a motion by SVL and other defendants to strike out the objections. The plaintiffs then moved for reconsideration of the order. The motions were heard and SVL and other defendants were successful on the motions and were either discharged from the proceedings or the plaintiffs were ordered to re-file the proceedings. The Plaintiffs have appealed the Order. The appeal has been heard and the decision is pending.

The attorneys representing SVL expect SVL's position to be upheld by the Appeal Court.



SHAREHOLDINGS

SUPREME VENTURES LIMITED
TOP 10 SHAREHOLDINGS
As at June 30, 2018

NAME	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
Zodiac Caribbean Ventures Limited	Brent Sankar	819,957,783	31.091
Mayberry Jamaican Equites Limited	Christopher Berry; Gary Peart	398,255,341	15.101
Ian Kent Levy	Matthew Levy	320,541,171	12.154
		4,000,000	0.152
		324,541,171	12.306
Janette Stewart	Steven Hudson	105,005,043	3.982
		65,000,000	2.465
		587,433	0.022
		170,592,476	6.469
Stephen Castagne		94,052,136	3.566
ST. Elizabeth International Limited	William David McConnell	65,814,807	2.496
Sagicor Pooled Equity Fund		48,313,478	1.832
JCSD Trustee Services Ltd - Sigma Optima		40,523,713	1.537
PWL Bamboo Holdings Group Limited	Christopher Berry	31,187,670	1.183
Konrad Berry	Christopher Berry	27,582,898	1.046

**SUPREME VENTURES LIMITED
DIRECTORS' SHAREHOLDINGS
As at June 30, 2018**

NAME	PRIMARY HOLDER	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
W David McConnell	St. Elizabeth Holdings Ltd	Director / Shareholder	2,600,000	0.0986
	Ironrock Insurance Company Limited	Director / Shareholder	-	-
	Scotia Investments Limited	Director / Shareholder	-	-
	St. Elizabeth International Ltd	Director / Shareholder	65,814,807	2.4956
			68,414,807	2.5942
Ian Kent Levy	Ian Kent Levy	Matthew Kent Levy	320,541,171	12.1543
	Ian Kent Levy		4,000,000	0.1517
			324,541,171	12.3060
Steven A. Hudson	Janette Stewart	Steven A. Hudson	587,433	0.0223
	Janette Stewart	Connected	105,000,000	3.9814
	Janette Stewart	Connected	65,000,000	2.4647
			170,587,433	6.4684
Peter McConnell	Peter McConnell	Stephanie McConnell	8,271,842	0.3137
	United Estates Ltd Pension Fund	Connected	638,224	0.0242
	Trade Winds Citrus Ltd, Pension Fund	Connected	591,121	0.0224
	Wakefield Farms Ltd.	Connected	2,000,000	0.0758
	Worthy Park Estate	Director / Shareholder	-	-
	RSF Holdings	Director / Shareholder	-	-
	Stephen McConnell	Son	5,010	0.0002
	Rebecca Ashley McConnell	Daughter	-	-
	Fraser Nicholas McConnell	Son	-	-
	Stephanie Ann McConnell	Wife	-	-
			11,506,197	0.4363
Brent Sankar	Zodiac Caribbean Ventures Limited	Officer	819,957,783	31.0913
	Ice Jamaica Ltd	Director	-	-
			819,957,783	31.0913
Ian Moore	Ian Moore	Connected	-	-
	CWS Limited		-	-
			-	-
Ansel Howell	Ansel Howell		-	-
Ann-Dawn Young Sang	Ann-Dawn Young Sang	Connected	-	-
	Young Sang Bakery & Superette		-	-
	Gerald Young Sang		-	-
			-	-
Lance Hylton	Lance Hylton	Hylton & Hylton Attorneys-At-Law	-	-

SUPREME VENTURES LIMITED
DIRECTORS' SHAREHOLDINGS CONT'D
As at June 30, 2018

NAME	PRIMARY HOLDER	JOINT HOLDER/CONNECTED INTERESTS	VOLUME	PERCENTAGE
Christopher Berry	Mayberry Jamaican Equites Limited	Director	398,255,341	15.1011
	PWL Bamboo Group Holdings Limited	Director	31,187,670	1.1826
	Apex Pharmacy	Shareholder	5,000,000	0.1896
	Apex Health Care	Shareholder	-	-
	Konrad Limited	Connected	2,000,000	0.0758
	Broadleaf Properties	Connected	-	-
	Konrad Berry	Connected	27,582,898	1.0459
	A+ Plus Medical Centre Ltd	Shareholder	500,000	0.0190
	Mayberry Investments Ltd	Director	-	-
	Lasco Financial	Director	-	-
	Caribbean Producers Jamaica	Director	-	-
	Ho Choi Ltd	Shareholder	13,000,000	0.4929
	Patricia Yap	Connected	-	-
	William Berry	Connected	-	-
	Lauren Berry	Connected	-	-
			477,525,909	18.1069
Gary Peart	VDWSD Ltd	Shareholder	24,161,128	0.9161
	Mayberry Jamaican Equites Limited	Connected	-	-
	Ironrock Insurance Company Limited	Director / Shareholder	1,403,509	0.0542
	Lasco Financial Services Ltd	Director / Shareholder	-	-
	Lasco Distributors Ltd	Director / Shareholder	-	-
	Mayberry Managed Employee Portfolio	Connected	-	-
			25,591,637	0.9704

SUPREME VENTURES LIMITED
SENIOR MANAGEMENT'S SHAREHOLDINGS
As at June 30, 2018

NAMES	JOINT HOLDERS/CONNECTED INTEREST	VOLUME	PERCENTAGES
Ann-Dawn Young Sang	Ann-Dawn Young Sang	-	-
	Young Sang Bakery & Superette	-	-
	Gerald Young Sang	-	-
		-	-
Dennis Chung		-	-
		-	-
Heather Goldson	David Goldson	253,800	0.0096
	Victor Shields	-	-
	Panzie Shields	-	-
	Greig Shields	-	-
	Tryphene Goldson	-	-
	Asfrid Goldson	-	-
	Andrea Goldson	-	-
	Roger Goldson	-	-
	Curistine Shields	-	-
	Brian Goldson	-	-
	253,800	0.0096	
Lorna Gooden	Gregory Paul Anthony Gooden	8,300	0.0003
		10,000	0.0004
		8,300	0.0003
		26,600	0.0010
Andrew Bromley		4,000	0.0002
Adam Harris		-	-
Krista-Gaye Fisher		-	-
Tashia Hutton		-	-
Andre Marks	Opel Marks	2,200	0.0001
		8,000	0.0003
		10,200	0.0004
Simone Clarke-Cooper		-	-
Perry Crawford		-	-
Carolyn Bolt-Nicholas		-	-



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