



MANAGING DIRECTOR'S STATEMENT

AMG Packaging & Paper Company Limited (AMG) presents our Unaudited Financial Statements for the 1st Quarter ending November 30, 2019.

- Revenues for the period to November 30, 2019, decreased 10.40%, moving from \$213.92 million (2018) to \$191.60 million (2019).
- Gross Profit for the quarter increased by 3.33%, moving from \$47.66 million in 2018 to \$49.25 million in 2019.
- Total Manufacturing Costs decreased 14.38% moving from \$166.25 million in 2018 to \$142.35 million in 2019.
- Administrative Expenses increased by 11.42% when compared to the previous year.
- Net Income for the 12 month period showed a decrease of 9.77%, moving from \$16.05 million (2018) to \$14.48 million (2019).

	3 months ending Nov. 30, 2019	3 months ending Nov. 31, 2018
Total Revenues	191,599,179	213,917,142
Gross Profit	49,251,676	47,660,866
Net Income After Tax	14,482,274	16,050,910
Total Assets	727,061,455	687,615,473

The KSAC has approved the purposed construction for 12 Retirement Crescent in this quarter. The board has identified a contractor and has agreed for them to complete the factory on 12 Retirement Crescent.

The Company is still in the investigation for new equipment that will assist with production speeds and efficiency.


 George Hugh
 Managing Director

AMG Packaging Paper Company Limited
Unaudited Statement of Comprehensive Income
Period Ended November 30, 2019

	3 months to November 30, 2019	Audited August 31, 2019	3 months to November 30, 2018	Audited August 31, 2018
	\$		\$	
Turnover	191,599,179	762,295,300	213,917,147	718,914,950
Cost of Inventories	(108,797,056)	(440,848,836)	(130,181,762)	(426,214,097)
Direct Costs	<u>(33,550,447)</u>	<u>(154,650,376)</u>	<u>(36,074,519)</u>	<u>(129,480,196)</u>
Total Manufacturing Costs	(142,347,504)	(595,499,212)	(166,256,281)	(555,694,293)
Gross Profit	49,251,676	166,796,088	47,660,866	163,220,657
Expenses:				
Administrative	(22,966,487)	(80,219,315)	(20,106,342)	(83,579,759)
Financial	(2,351,692)	(5,271,823)	(1,366,229)	(5,604,051)
Directors Fees	(2,720,000)	(11,413,333)	(3,373,333)	(12,403,331)
Depreciation	<u>(4,912,091)</u>	<u>(19,759,365)</u>	<u>(4,960,650)</u>	<u>(18,534,851)</u>
Total Expenses	(32,950,269)	(116,663,836)	(29,806,553)	(120,121,992)
Profit Before Tax	16,301,407	50,132,252	17,854,312	43,098,665
Other Income	249,763	14,097,405	497,498	1,337,498
Net Income before tax	16,551,170	64,229,657	18,351,810	44,436,163
Income Tax/Tax benefit	(2,068,896)	(5,092,473)	(2,300,900)	2,568,459
Income from Continuing Operations	14,482,274	59,137,184	16,050,910	47,004,622
<u>Discontinued Operations:</u>				
Loss on Discontinued operations	-	-	-	(70,353,646)
Total Comprehensive Income(Loss)	14,482,274	59,137,184	16,050,910	(23,349,024)
adj: Revaluation on disposal of assets net of Tax	-	-	-	(6,498,264)
	14,482,274	59,137,184	16,050,910	(29,847,288)
No. of Shares Issued	511,894,285	511,894,286	511,894,285	511,894,285
<u>Basic EPS</u>				
EPS - Continuing Operations	\$ 0.03	\$ 0.12	\$ 0.03	\$ 0.09
EPS - Discontinued Operations	\$ -	\$ -	\$ -	\$ (0.14)
Net Gain (Loss)	\$ 0.03	\$ 0.12	\$ 0.03	\$ (0.05)

AMG Packaging Paper Company Limited
 Unaudited Statement of Financial Position
 November 30, 2019

ASSETS EMPLOYED	Notes	November 2019	November 2018	Audited August 2019
		\$	\$	\$
Property, Plant & Equipment	4	362,451,888	323,760,666	363,383,364
Current Assets				
Inventories	5	122,040,860	193,828,951	179,011,859
Accts Receivable Net Allowance	6	107,336,082	104,376,063	79,458,412
Deposit on Property		-	10,069,000	-
Tax Recoverable		-	4,613,709	-
Cash & Cash Equivalents	7	135,232,624	50,967,084	90,468,108
Total Current Assets		364,609,566	363,854,807	348,938,379
Total Assets		727,061,455	687,615,473	712,321,743

EQUITY & LIABILITIES

Capital & Reserves:

Authorised Share Capital - JMD700,000,000

Share Capital	8	63,250,028	63,250,028	63,250,028
Revaluation Reserve		112,310,635	112,310,635	112,310,635
Retained Earnings		341,670,673	284,102,124	327,188,399
Total Capital		517,231,336	459,662,787	502,749,062

Long-Term Liabilities

Deferred Tax		31,785,379	33,769,334	31,785,379
Loans	10	100,000,000	29,121,515	-
Total Long-Term Liabilities		131,785,379	62,890,849	31,785,379

Current Liabilities

Current Portion of Long Term Loan	10	28,908,442	21,538,452	74,521,446
Accounts Payable & Accruals	11	46,905,584	143,523,385	103,104,037
Income Tax		2,230,715	-	161,819
Total Current Liabilities		78,044,741	165,061,837	177,787,302
Total Liabilities & Capital		727,061,455	687,615,473	712,321,743

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



Peter Chin
Chairman



Michelle Chin
Director

AMG Packaging Paper Company Limited
Statement of Changes in Stockholders' Equity
November 30, 2019

Q1 -2020

	Share Capital	Revaluation Reserves	Retained Earnings	Total
	\$	\$	\$	\$
<u>Notes</u>				
Balance at September 01, 2019	63,250,028	112,310,635	327,188,399	502,749,062
Profit(Loss), being total Comprehensive Income for the period	-	-	14,482,274	14,482,274
Balance at November 30, 2019	<u>63,250,028</u>	<u>112,310,635</u>	<u>341,670,673</u>	<u>517,231,336</u>

Q1 - 2019

	Share Capital	Revaluation Reserves	Retained Earnings	Total
	\$	\$	\$	\$
Balance at September 01, 2018	63,250,028	112,310,635	279,267,820	454,828,483
Profit, being total Comprehensive Income for the period	-	-	16,050,910	-
Adjustment on application of IFRS 9			(11,216,606)	(11,216,606)
Balance at November 30, 2018	<u>63,250,028</u>	<u>112,310,635</u>	<u>284,102,124</u>	<u>459,662,787</u>

AMG Packaging Paper Company Limited
Unaudited Statement of Cash Flow
Period Ended November 30, 2019

	November 30, 2019	November 30, 2018
	\$	\$
Profit for the Year	14,482,274	16,050,910
Adjustments for:		
Interest Expense	2,351,692	1,366,229
Depreciation	4,912,091	4,960,650
Tax Provision	2,068,896	2,300,900
	<u>23,814,952</u>	<u>24,678,688</u>
Changes in operating Assets and Liabilities:		
(Increase) Decrease in inventories	56,970,999	65,967,700
Decrease (Increase) in Receivables	(27,877,671)	(10,597,676)
Increase (Decrease) in Payables & Accruals	(55,590,001)	(42,550,277)
Cash flows provided by operating activities	(2,681,722)	37,498,435
Taxation Paid	-	(30,000)
Net cash flows provided by operating activities	<u>(2,681,722)</u>	<u>37,468,435</u>
<u>Cash Flow from Investing activities</u>		
Deposit on Property	-	(10,069,000)
Purchase of Property, Plant & Equipment	(3,980,615)	(63,000)
Proceeds From Sale of Equipment	-	-
Net cash flow used in Investing activities	<u>(3,980,615)</u>	<u>(10,132,000)</u>
<u>Cash Flow from Financing Activities</u>		
Loan Receipts	100,000,000	
Loan Payments	(45,613,003)	(22,078,003)
Interest Paid	(2,960,143)	(963,125)
Net cash flow used in Financing activities	<u>51,426,854</u>	<u>(23,041,128)</u>
Net increase(decrease) in cash & cash equivalents	44,764,516	4,295,307
Cash & Cash equivalents at beginning of the year	90,468,108	46,671,777
Cash & Cash equivalents at end of the year (note 7)	<u><u>135,232,624</u></u>	<u><u>50,967,084</u></u>

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

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 , 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
November 30, 2019

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:

IFRS 17	Insurance Contracts Effective for annual periods beginning on or after Jan 1, 2021
IFRS 16	Leases Effective for annual periods beginning on or after Jan 1, 2019
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts Effective for annual periods beginning on or after Jan 1, 2021

The Accounting Policies of the Company have remained unchanged from those set out in the annual Financial Statement as at August 31, 2019

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

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, 2019 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, 2019 the company faced liquidity risks as indicated below:

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

Liquidity Risk cont'd

	<u>Q1 - 2020</u>				
<u>Assets</u>	<u>Within 3 months</u>	<u>3 to 12 months</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	\$	\$	\$		\$
Cash Resources	135,232,624				135,232,624
Other	225,600,002	5,857,735			231,457,737
Total	360,832,626	5,857,735	-		366,690,361
<u>Liabilities</u>					
Loans	5,574,644	23,333,798	-	100,000,000	128,908,442
Payables	46,905,584		-		46,905,584
Total	52,480,228	23,333,798	-	100,000,000	175,814,026
Total Liquidity GAP	308,352,398	(17,476,063)	-	(100,000,000)	190,876,335
Cumulative GAP	308,352,398	290,876,335	290,876,335	190,876,335	-
	<u>Q1 - 2019</u>				
Total Liquidity GAP	220,323,771	(16,519,864)	(28,718,411)		175,085,496
Cumulative GAP	220,323,771	203,803,907	175,085,496		

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

c. **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 regularity 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, 2019

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 stated at the lower of cost and net realisable (NRV) value.

Cost should include all:

- (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

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.

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, 2019

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. **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. **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, 2019

h. 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
November 30, 2019

4 Property, Plant & Equipment

	Land, Buildings & Leasehold Improvement	Equipment	Motor Cycle/Motor Vehicle	Computer & Equipment	Furniture & Fixtures	Total
	\$	\$	\$	\$	\$	\$
<u>At cost</u>						
Balance as at September 1, 2019	276,236,424	128,374,232	180,258	6,294,846	12,576,981	423,662,741
Additions	-	3,421,209	-	109,871	449,535	3,980,615
Balance as at November 30, 2019	<u>276,236,424</u>	<u>131,795,441</u>	<u>180,258</u>	<u>6,404,717</u>	<u>13,026,516</u>	<u>427,643,356</u>
<u>Accumulated depreciation</u>						
Balance as at September 1, 2019	13,049,637	35,815,944	180,255	3,686,677	7,546,864	60,279,377
Current year charges	1,143,588	3,202,540	3	228,708	337,252	4,912,091
Balance as at November 30, 2019	<u>14,193,225</u>	<u>39,018,484</u>	<u>180,258</u>	<u>3,915,385</u>	<u>7,884,116</u>	<u>65,191,468</u>
<u>Net Book Value</u>						
Balance as at November 30, 2019	<u>262,043,199</u>	<u>92,776,958</u>	<u>-</u>	<u>2,489,332</u>	<u>5,142,400</u>	<u>362,451,888</u>
Balance as at November 30, 2018	<u>213,381,133</u>	<u>100,999,403</u>	<u>-</u>	<u>3,159,084</u>	<u>6,221,046</u>	<u>323,760,666</u>

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

5 Inventories	<u>Q1 -2020</u>	<u>Q1 -2019</u>
	\$	\$
Raw Materials	97,223,333	185,181,461
Finished Goods	7,918,305	8,647,490
Goods in transit	16,899,222	-
	<u>122,040,860</u>	<u>193,828,951</u>

6 Accounts Receivable	\$	\$
Trade Receivables	94,413,027	102,877,550
Provision for bad debts	<u>(2,080,794)</u>	<u>(20,096,749)</u>
	92,332,233	82,780,802
Other Receivables	15,003,850	21,595,261
	<u>107,336,082</u>	<u>104,376,063</u>

	<u>Aged Trade Receivables</u>			<u>Carrying</u>
	<u>Within 1</u>	<u>31 to 60</u>	<u>Over 60</u>	
	<u>Month</u>	<u>Days</u>	<u>Days</u>	<u>Value</u>
	\$	\$	\$	\$
Balance at				
30-Nov-19	<u>80,283,716</u>	<u>8,271,576</u>	<u>5,857,735</u>	<u>94,413,027</u>
30-Nov-18	<u>80,189,069</u>	<u>6,748,686</u>	<u>15,939,796</u>	<u>102,877,550</u>

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

7 <u>Cash & Cash equivalents</u>	<u>Q1 -2020</u>	<u>Q1 -2019</u>
	\$	\$
Bank of Nova Scotia Ja Ltd		
- Current accounts	25,679,936	30,514,043
- Savings account (US dollar denominated)	33,537,275	9,141,194
National Commercial Bank Limited		
- Current accounts	982,620	2,392,391
Alliance Financial Services Limited		
- Cash Securities(denominated in United States Dollars)	15,308,122	6,911,691
- Repurchase Agreement	1,092,676	1,047,926
JN Bank		
- Savings Account	656,544	645,238
Proven Wealth	57,925,452	-
Cash	50,000	314,600
	<u>135,232,624</u>	<u>50,967,084</u>
8 <u>Share Capital</u>	\$	\$
Authorised:		
700,000,000 ordinary shares at no par value		
Capital issued and fully paid-		
511,894,285 ordinary shares at no par value	63,250,028	63,250,028

AMG PACKAGING & PAPER COMPANY LTD
NOTES TO FINANCIAL STATEMENTS
November 30, 2019

10 Long-term Loans	Q1 -2020	Q1-2019
	\$	\$
Bank of Nova Scotia Jamaica Limited		
Loan 1	3,589,810	14,359,030
Loan 2	25,128,601	35,897,833
Loan 3	100,000,000	-
Accrued Interest	190,031	403,104
Total loans	128,908,442	50,659,967
Current portion of loans incl accrued interest	28,908,442	21,538,452
Long-term portion of loans	<u>100,000,000</u>	<u>29,121,515</u>

- (i) Loan 1 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.
- (ii) Loan 2- 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
- (iii) Bond Issue of JMD100 Million, bearing interest at a fixed rate of 7.20% p.a. Maturing August 2026

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 & equipment:
- 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, 2019

10 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)

11 Accounts Payable & Accruals

	<u>Q1 -2020</u>	<u>Q1-2019</u>
	\$	\$
Trade Payables	25,131,456	114,250,442
Accruals	14,196,528	10,953,302
Other Payables	4,436,639	16,305,821
Statutory Payables	2,848,359	1,719,128
Dividends	292,602	294,692
	46,905,584	143,523,385

	Aged Trade Payables				
	Within 1	31 to 60	Over 60		Amount
	Months	Days	Days		Due
<u>Balance at</u>	\$	\$	\$	\$	
30-Nov-19	21,363,688	1,510,365	2,257,403	25,131,456	
30-Nov-18	47,704,339	199,075	66,347,028	114,250,442	

12 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%

The Company completed its 5 year tax free period on May 2016

Tax is charged at the at the rate of 12.5% (50% of applicable tax rate of 25%)

AMG PACKAGING & PAPER COMPANY LIMITED

TOP 10 SHAREHOLDERS AS AT 30 NOVEMBER 2019

Issued Ordinary shares

511,894,285

SHAREHOLDERS	SHAREHOLDINGS	%
RANKINSTON LIMITED	161,758,590	31.600
GEORGE HUGH HOLDINGS LIMITED	121,318,960	23.700
HEISS HOLDINGS LIMITED	60,659,480	11.850
PANKAJ ASHOK BHATIA	60,081,144	11.737
SAGICOR POOLED EQUITY FUND	10,000,000	1.954
HAROLD SOLTAU	7,748,790	1.514
AUSTIN BROWN	4,000,100	0.781
MICHELLE CHIN	3,908,566	0.764
PAM - POOLED EQUITY FUND	3,636,465	0.710
GUARDIAN LIFE LTD. - GUARDIAN EQUITY FUND	3,219,480	0.629
JCSD TRUSTEE SERVICES LIMITED - SIGMA GLOBAL VENTURE	3,029,679	0.592
	439,361,254	85.830
NO. OF SHAREHOLDERS AT 30/11/2019	JCSD MAIN REGISTER	1,052 2
	TOTAL	1,054

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

DIRECTORS' NAMES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
ANTONIA HUGH	NIL	RANKINSTON LIMITED	161,758,590
GEORGE HUGH	NIL	GEORGE HUGH HOLDINGS LTD MICHELLE HUGH SHANNON HUGH ADAM HUGH BRANDON HUGH TOBY HUGH	121,318,960 345,550 413,550 1,189,331 706,990 NIL
MICHELLE CHIN	3,908,566	HEISS HOLDINGS LIMITED MARKHAM BETTING COMPANY LTD KATHRYN CHIN GABRIELLE CHIN KAYLA CHIN LUKE CHIN	60,659,480 NIL 320,895 320,895 NIL NIL
PETER D. CHIN	1,661,850		
MICHAEL FRASER	1,914,565		
METRY SEAGA	NIL		
DUKE HOLNESS	NIL		
BEVON FRANCIS	NIL		
	7,484,981		347,034,241

SENIOR MANAGERS

MICHAEL P. CHIN	1,441,990
LESLIE MCPHERSON	191,455
	1,633,445