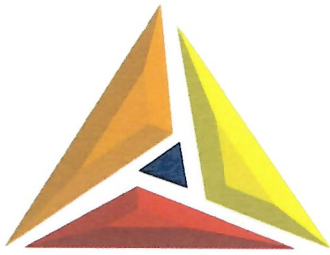


**P A R A M O U N T**  
J a m a i c a

**PARAMOUNT TRADING (JAMAICA) LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

FIRST QUARTER ENDED AUGUST 31, 2023



# PARAMOUNT Jamaica

## **Paramount Trading (Jamaica) Limited Report to Stockholders Three months ended August 31, 2023**

The Board of Directors is pleased to present the unaudited results of the Company for the three (3) months ended August 31, 2023.

The financial highlights are as follows:

**Revenue \$426.1 million; (2022: \$595.2 million)**

**Profit Before Tax of \$64.9 million; (2022: \$97.4 million)**

**Earnings per share of \$0.037; (2022: \$0.054)**

**Book value of \$ 1,187.7 million; (2022: \$993.1 million)**

In Q1 2023, our total revenue amounted to \$426.1 million. This represented a decrease compared to the same period last year, where we recorded \$595.2 million. The most notable impact on this decline was observed in the Construction business unit due to the conclusion of a major 6-month contract to supply admixtures.

Our Profit Before Tax for Q1 2023 reached \$64.9 million, down from the Q1 2022 figure of \$97.4 million. This decline can be attributed to shifts in market demand and cost fluctuations.

The Earnings per Share for Q1 2023 stood at \$0.037, down from \$0.054 in Q1 2022. The company's Book Value reached \$1,187.7 million, marking an increase from the Q1 2022 figure of \$993.1 million. This growth in book value underscores our commitment to bolstering the financial stability and long-term outlook of our organization.

Our strategic focus remains resolute as we move forward. We are dedicated to sustaining profitability, optimizing operational efficiencies, and diversifying revenue streams. Our investments in innovation, market expansion, and talent development continue to underpin our growth strategy. Furthermore, we are proactively monitoring industry trends and adapting the business model to remain agile and responsive to evolving market conditions. Our unwavering commitment to delivering long-term value to our shareholders remains at the forefront of our efforts.

Thanks to our management team, team members, customers, shareholders and other stakeholders for their support and confidence in us.

  
.....  
Radcliff Knibbs  
Chairman

# Paramount Trading (Jamaica) Limited

**First Quarter ended August 31, 2023**

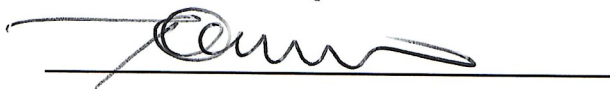
---

	<b>Page</b>
<b>Unaudited Financial Statements</b>	
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to the Interim Financial Statements	5 -7
Schedule of Top 10 Stockholders, Directors', and Senior Officers' Interests	8

**PARAMOUNT TRADING (JAMAICA) LIMITED**  
**Statement of Financial Position**  
**as at August 31, 2023**

	<b>Unaudited August 2023</b>	<b>Unaudited August 2022</b>	<b>Audited May 2023</b>
	\$	\$	\$
<b>Non-Current Assets:</b>			
Property, plant & equipment	543,623,906	554,419,462	551,029,165
Right of Use Asset	53,204,799	62,457,807	55,518,051
Investments	52,589,285	180,177,645	52,024,323
<b>Current Assets:</b>			
Inventories	742,692,455	814,103,312	739,752,598
Taxation Recoverable	7,178,580	937,381	7,105,112
Receivables	744,064,659	403,185,772	744,734,802
Cash and cash equivalents	91,078,452	46,006,552	68,864,703
	<b>1,585,014,146</b>	<b>1,264,233,017</b>	<b>1,560,457,215</b>
<b>Current Liabilities</b>			
Payables	524,805,755	572,789,219	553,372,092
Taxation Payable	39,326,627	13,448,208	36,164,532
Current portion of long term borrowings	327,380,568	326,902,886	329,536,900
Current portion of Lease Liability	10,920,167	9,416,166	10,754,390
	<b>902,433,117</b>	<b>922,556,479</b>	<b>929,827,914</b>
<b>Net current assets</b>	<b>682,581,029</b>	<b>341,676,538</b>	<b>630,629,301</b>
<b>Total assets less current liabilities</b>	<b>1,331,999,019</b>	<b>1,138,731,452</b>	<b>1,289,200,840</b>
<b>Equity:</b>			
Issued capital	77,492,243	77,492,243	77,492,243
Retained earnings	1,110,251,732	915,615,913	1,053,511,998
	<b>1,187,743,975</b>	<b>993,108,155</b>	<b>1,131,004,241</b>
<b>Non-current liabilities:</b>			
Long term borrowings	59,555,102	63,315,101	70,643,283
Lease Liability	55,575,070	62,327,225	58,428,444
Deferred Tax Liability	29,124,872	19,980,970	29,124,872
	<b>144,255,044</b>	<b>145,623,296</b>	<b>158,196,599</b>
<b>Total equity and non-current liabilities</b>	<b>1,331,999,019</b>	<b>1,138,731,452</b>	<b>1,289,200,840</b>

Approved and signed on behalf of the Board by:

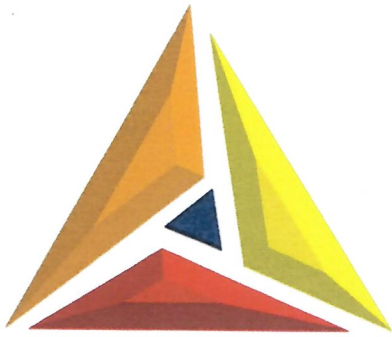


**Director**



**Director**



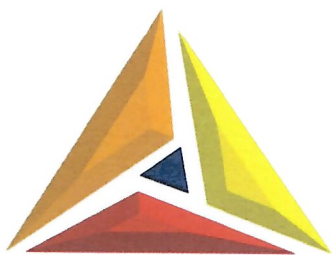


**P A R A M O U N T**  
J a m a i c a

**PARAMOUNT TRADING (JAMAICA) LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

FIRST QUARTER ENDED AUGUST 31, 2023



# PARAMOUNT Jamaica

## **Paramount Trading (Jamaica) Limited** **Report to Stockholders** **Three months ended August 31, 2023**

The Board of Directors is pleased to present the unaudited results of the Company for the three (3) months ended August 31, 2023.

The financial highlights are as follows:

**Revenue \$426.1 million; (2022: \$595.2 million)**

**Profit Before Tax of \$64.9 million; (2022: \$97.4 million)**

**Earnings per share of \$0.037; (2022: \$0.054)**

**Book value of \$ 1,187.7 million; (2022: \$993.1 million)**

In Q1 2023, our total revenue amounted to \$426.1 million. This represented a decrease compared to the same period last year, where we recorded \$595.2 million. The most notable impact on this decline was observed in the Construction business unit due to the conclusion of a major 6-month contract to supply admixtures.

Our Profit Before Tax for Q1 2023 reached \$64.9 million, down from the Q1 2022 figure of \$97.4 million. This decline can be attributed to shifts in market demand and cost fluctuations.

The Earnings per Share for Q1 2023 stood at \$0.037, down from \$0.054 in Q1 2022. The company's Book Value reached \$1,187.7 million, marking an increase from the Q1 2022 figure of \$993.1 million. This growth in book value underscores our commitment to bolstering the financial stability and long-term outlook of our organization.

Our strategic focus remains resolute as we move forward. We are dedicated to sustaining profitability, optimizing operational efficiencies, and diversifying revenue streams. Our investments in innovation, market expansion, and talent development continue to underpin our growth strategy. Furthermore, we are proactively monitoring industry trends and adapting the business model to remain agile and responsive to evolving market conditions. Our unwavering commitment to delivering long-term value to our shareholders remains at the forefront of our efforts.

Thanks to our management team, team members, customers, shareholders and other stakeholders for their support and confidence in us.

  
.....  
Radcliff Knibbs  
Chairman

# **Paramount Trading (Jamaica) Limited**

**First Quarter ended August 31, 2023**

---

	<b>Page</b>
<b>Unaudited Financial Statements</b>	
Statement of Financial Position	1
Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Changes in Equity	4
Notes to the Interim Financial Statements	5 -7
Schedule of Top 10 Stockholders, Directors', and Senior Officers' Interests	8

**PARAMOUNT TRADING (JAMAICA) LIMITED**  
**Statement of Financial Position**  
**as at August 31, 2023**

	<b>Unaudited August 2023</b>	<b>Unaudited August 2022</b>	<b>Audited May 2023</b>
	\$	\$	\$
<b>Non-Current Assets:</b>			
Property, plant & equipment	543,623,906	554,419,462	551,029,165
Right of Use Asset	53,204,799	62,457,807	55,518,051
Investments	52,589,285	180,177,645	52,024,323
<b>Current Assets:</b>			
Inventories	742,692,455	814,103,312	739,752,598
Taxation Recoverable	7,178,580	937,381	7,105,112
Receivables	744,064,659	403,185,772	744,734,802
Cash and cash equivalents	91,078,452	46,006,552	68,864,703
	<b>1,585,014,146</b>	<b>1,264,233,017</b>	<b>1,560,457,215</b>
<b>Current Liabilities</b>			
Payables	524,805,755	572,789,219	553,372,092
Taxation Payable	39,326,627	13,448,208	36,164,532
Current portion of long term borrowings	327,380,568	326,902,886	329,536,900
Current portion of Lease Liability	10,920,167	9,416,166	10,754,390
	<b>902,433,117</b>	<b>922,556,479</b>	<b>929,827,914</b>
<b>Net current assets</b>	<b>682,581,029</b>	<b>341,676,538</b>	<b>630,629,301</b>
<b>Total assets less current liabilities</b>	<b>1,331,999,019</b>	<b>1,138,731,452</b>	<b>1,289,200,840</b>
<b>Equity:</b>			
Issued capital	77,492,243	77,492,243	77,492,243
Retained earnings	1,110,251,732	915,615,913	1,053,511,998
	<b>1,187,743,975</b>	<b>993,108,155</b>	<b>1,131,004,241</b>
<b>Non-current liabilities:</b>			
Long term borrowings	59,555,102	63,315,101	70,643,283
Lease Liability	55,575,070	62,327,225	58,428,444
Deferred Tax Liability	29,124,872	19,980,970	29,124,872
	<b>144,255,044</b>	<b>145,623,296</b>	<b>158,196,599</b>
<b>Total equity and non-current liabilities</b>	<b>1,331,999,019</b>	<b>1,138,731,452</b>	<b>1,289,200,840</b>

Approved and signed on behalf of the Board by:



Director



Director



**PARAMOUNT TRADING (JAMAICA) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FIRST QUARTER ENDED AUGUST 31, 2023**

<u>Notes</u>	<b>Unaudited Three Months ended August 31, 2023</b>	<b>Unaudited Three Months ended August 31, 2022</b>	<b>May 31, 2023 year ended Audited</b>
	\$	\$	\$
<b>Revenue</b>	426,050,351	595,169,388	2,463,873,384
Direct Expenses	246,450,937	391,840,567	1,742,604,833
<b>Gross Profit</b>	<b>179,599,414</b>	<b>203,328,821</b>	<b>721,268,551</b>
Other Operating Income	18,796,667	29,365,959	84,279,847
	<b>198,396,081</b>	<b>232,694,780</b>	<b>805,548,398</b>
<b>Less Operating Expenses:</b>			
Administrative	114,595,123	122,578,619	436,096,581
Selling & Distribution	4,603,899	2,598,479	31,686,732
	119,199,022	125,177,098	467,783,313
<b>Operating Profit before Finance Costs</b>	<b>79,197,059</b>	<b>107,517,682</b>	<b>337,765,085</b>
Finance Costs	(14,364,248)	(11,079,514)	(48,790,157)
Interest Income	12,598	919,380	1,747,402
<b>Net Finance Costs</b>	<b>(14,351,650)</b>	<b>(10,160,134)</b>	<b>(47,042,755)</b>
<b>Profit Before Taxation</b>	<b>64,845,409</b>	<b>97,357,548</b>	<b>290,722,330</b>
Taxation	8,105,676	13,448,209	45,308,433
<b>Net Profit for the period</b>	<b>56,739,733</b>	<b>83,909,339</b>	<b>245,413,897</b>
<b>Earning per share</b>	5	<b>0.037</b>	<b>0.159</b>
		<b>0.054</b>	

**PARAMOUNT TRADING (JAMAICA) LIMITED**
**Statement of Cash Flow**
**Three Months ended August 31, 2023**

	<b>August 2023</b>	<b>August 2022</b>	<b>May 2023</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Net Profit for the period	56,739,733	83,909,339	245,413,897
<b>Adjustments for:</b>			
Depreciation	9,441,110	9,898,839	41,808,757
Depreciation-Right of Use	2,313,252	2,313,252	9,253,008
Income tax expense	8,105,676	13,448,209	45,308,433
Interest income	(12,598)	(919,380)	(1,767,402)
Interest expense	14,364,248	11,079,514	48,790,157
Gain on sale of assets	-	-	(500,000)
Prior year adjustment	-	-	(23,608,473)
Operating cash flows before movements in working capital	<b>90,951,421</b>	<b>119,729,773</b>	<b>364,698,377</b>
<b>Changes in operating assets and liabilities:</b>			
Inventories	(2,939,857)	(143,262,752)	(68,912,038)
Receivables	670,143	(71,626,913)	(413,175,944)
Payables	(28,639,802)	52,484,808	33,067,683
Taxation Paid	(4,943,581)	(134,936)	(6,302,667)
	<b>(35,853,097)</b>	<b>(162,539,793)</b>	<b>(455,322,966)</b>
Cash generated from operations	55,098,324	(42,810,020)	(90,624,589)
Interest received	12,598	919,380	1,767,402
Interest Paid	(14,364,248)	(11,079,514)	(48,790,157)
<b>Net cash flow provided by/(used in) operating activities</b>	<b>40,746,674</b>	<b>(52,970,154)</b>	<b>(137,647,344)</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment	(2,035,851)	(15,234,907)	(43,754,529)
Proceeds from sale of assets	-	-	500,000
<b>Net Cash flows used in investing activities</b>	<b>(2,035,851)</b>	<b>(15,234,907)</b>	<b>(43,254,529)</b>
<b>Cash flows from financing activities:</b>			
Loans Received	-	-	25,725,000
Loans Repaid	(13,244,512)	(9,716,328)	(31,885,699)
Finance Lease	(2,687,597)	(3,846,011)	
<b>Net Cash used in financing activities</b>	<b>(15,932,109)</b>	<b>(13,562,339)</b>	<b>(6,160,699)</b>
Net increase/(decrease) in cash resources	22,778,714	(81,767,399)	(187,062,570)
Cash resources at the beginning of the year	120,889,026	307,951,596	307,951,596
<b>Cash resources at the end of the period</b>	<b>143,667,740</b>	<b>226,184,197</b>	<b>120,889,026</b>
<b>Represented by:</b>			
Investments	52,589,285	180,177,645	52,024,323
Cash and cash equivalents	91,078,455	46,006,552	68,864,703
	<b>143,667,740</b>	<b>226,184,197</b>	<b>120,889,026</b>

**PARAMOUNT TRADING (JAMAICA) LIMITED**
**STATEMENT OF CHANGES IN EQUITY**
**First quarter ended August 31, 2023**

	<b><u>Share Capital</u></b>	<b><u>Retained Earnings</u></b>	<b><u>Total</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>Balances at May 31, 2022</b>	77,492,243	831,706,574	909,198,817
Total comprehensive income	-	83,909,339	83,909,339
<b>Balances at August 31, 2022</b>	<u>77,492,243</u>	<u>915,615,913</u>	<u>993,108,156</u>

	<b><u>Share Capital</u></b>	<b><u>Retained Earnings</u></b>	<b><u>Total</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>Balances at May 31, 2023</b>	77,492,243	1,053,511,998	1,131,004,241
Total comprehensive income	-	56,739,734	56,739,734
<b>Balances at August 31, 2023</b>	<u>77,492,243</u>	<u>1,110,251,732</u>	<u>1,187,743,975</u>



# Paramount Trading (Jamaica) Limited

## Notes to Interim Financial Statements

**First quarter ended August 31, 2023**

---

### 1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

The Company operates in Jamaica and has its registered office at 39 Waltham Park Road Kingston 13. The principal activity of the Company is importation and distribution of chemical raw materials and other related products. The Company manufactures and distributes lubricants and is a distributor of the “SIKA” line of construction products. This line includes admixtures, adhesives and sealants with applications that range from the do-it-yourself to road construction.

Effective 31 December 2012, the Company’s shares were listed on the Junior Market of the Jamaica Stock Exchange.

### 2. BASIS OF PREPARATION

These interim financial statements have been prepared in accordance with IAS 34, interim reporting and should be read in conjunction with the audited financial statements for the year ended May 31, 2023, which have been prepared in accordance with IFRS and comply with the Jamaican Companies Act.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these interim financial statements are consistent with those used in the audited financial statements for the year ended May 31, 2023.

#### (a) Depreciation:

Property, plant and equipment are stated at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Depreciation is calculated on the straight-line basis at such rates that will write off the carrying value of the assets over the period of their estimated lives.

#### (b) Trade receivables

Trade receivables are carried at anticipated realisable value. A provision is made for impairment of trade receivables when it is established that there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. When a trade receivable is uncollectible, it is written off against the allowance for trade receivables. Subsequent recoveries of amounts previously written off are credited to the profit and loss.



# Paramount Trading (Jamaica) Limited

## Notes to Interim Financial Statements First quarter ended August 31, 2023

---

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Inventories

Inventories are stated at the lower of cost, determined consistently on the same bases, and net realizable value. The cost of inventories is determined based on weighted average cost and includes costs incurred in bringing the inventories to their present location and condition. Inventories comprised finished goods and work-in-progress comprise raw and packaging materials, direct labour, other direct costs and a proportion of related production overheads. In the case of manufactured inventories, net realizable value is the estimated costs of completion and selling expenses.

#### (d) Borrowing and borrowing costs

Bank and borrowings are recognized initially at cost. Borrowings are subsequently stated at amortized cost, with any difference between cost and redemption value being recognized in the profit and loss over the period of the borrowing on an effective interest basis.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of these assets. Capitalization of such borrowing costs cease when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit and loss in the period in which they are incurred.

### 4. TAXATION

The Company's shares were listed on the Junior Market of the Jamaica Stock Exchange on December 31, 2012. Consequently, the Company is entitled to a remission of taxes for 10 years in the proportions set out below, provided the shares remain listed for at least 15 years:

Years 1 to 5	100%
Years 6 to 10	50%

As at January 1, 2023 the company pays full corporation taxes due to the expiration of the full remission of taxes. Therefore seven (7) months [June – December 2022] and five (5) months [January – May 2023] of the financial year was subject to 50% and 100% taxes respectively.

### 5. EARNINGS PER STOCK UNIT

Earnings per stock unit are calculated by dividing the profit for the period by the weighted average number of shares in issue for the period.

## Paramount Trading (Jamaica) Limited

### Notes to interim Financial Statements First quarter ended August 31, 2023

---

#### 6. SHARE CAPITAL

	<u>August 2023</u>	<u>May 2022</u>
<b>Authorised:</b>		
1,620,000,000 (2022 - 1,620,000,000) Ordinary shares of no-par value		
<b><u>Issued and fully paid</u></b>		
<b>1,542,467,080 (1,542,467,080) shares</b>	77,492,243	77,492,243

---

**TOP 10 STOCKHOLDERS, DIRECTORS' AND SENIOR OFFICERS'  
 INTERESTS**

First quarter ended August 31, 2023

**Top 10 Stockholders**

	<b>Number of Shares Held</b>
Hugh Graham	1,233,966,840
Radcliff Knibbs	83,560,404
Anna Maria Graham	63,749,360
Carmen Rhoden	26,956,070
Barita Unit Trust	23,214,693
Mayberry Jamaican Equities Limited	15,315,016
Ursus Corporation Limited	12,541,170
Vaughn Phang	5,982,104
G.I. Enterprises Limited	4,920,000
Lannaman and Morris Ltd	4,208,000

**Directors and Senior Officers**

	<b>Number of Shares Held</b>
Hugh Graham	1,233,966,840
Jacqueline Somers	0
Sharon Donaldson	1,410,000
Radcliff Knibbs	83,560,404
Richard Rogers	420,120
Anna Maria Graham	63,749,360
Metry Seaga	0
Daniel Chin	0
Emanuel DaRosa	0
Thausha Martin	0
Jacqueline Leckie	470,379