PARAMOUNT TRADING (JAMAICA) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2026

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the members of
PARAMOUNT TRADING (JAMAICA) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Paramount Trading (Jamaica) Limited (the “Company”), set out on pages 7 to 42 which comprises the statement of financial position as at May 31, 2026, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended and a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at May 31, 2026 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards and the Jamaican Companies Act (the "Act").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of the Company for the year ended May 31, 2025, were audited by another auditor who expressed an unqualified opinion on those statements on July 25, 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report (cont'd)

To the members of
PARAMOUNT TRADING (JAMAICA) LIMITED

Key audit matters (cont'd)

Key Audit matters	How the matter was addressed in our audit
1) Expected Credit Loss on Trade Receivables The Company is required to recognise expected credit loss (ECL) on trade receivables, the determination of which is highly subjective and requires management to make significant judgement and estimates including determination of the appropriate variables and assumptions used and the application of forward-looking information. The risk of material misstatement increases as significant management judgement is used in determining the appropriate variables and assumptions used in the ECL calculations.	Our audit procedures in response to this matter included: • Obtaining an understanding of the model used by management for the calculation of expected credit loss on trade receivables. • Testing the completeness and accuracy of the data used in the ECL model to the underlying accounting records on a sample basis. • Reviewing the ECL model to assess the appropriateness of the Company's impairment methodology and management's assumptions and compliance with the requirements of IFRS 9, Financial Instruments. • Evaluating the appropriateness of the economic parameters including the use of forward-looking information. • Testing the accuracy of the ECL calculation. • Testing the recording and ageing of trade receivables. • Assessing the adequacy of the disclosures of the key assumptions and judgements for compliance with IFRS 9, Financial Instruments.

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Independent Auditor's Report (cont'd)

To the members of
PARAMOUNT TRADING (JAMAICA) LIMITED

Key audit matters (cont'd)

Key Audit matters	How the matter was addressed in our audit
2) Carrying value of inventory Inventory is reported at $861.7 million and represents 40% of total assets of the Company making it a significant balance in the financial statements as at May 31, 2026. The valuation and existence of inventory are subject to inherent risk, including potential obsolescence, errors in costing and challenges in verifying physical quantities. Given its materiality and the level of judgement involved in assessing inventory valuation, we determined that the inventory is a key audit matter.	Our audit procedures in response to this matter included: • Evaluating the appropriateness of management's costing methodologies and assessing compliance with applicable accounting standards. • Reviewing the adequacy of provisions for slow-moving and obsolete items. • Performing physical verification procedures, including attendance at stock counts, to confirm existence and reconcile quantities. • Testing a sample of inventory items to verify accuracy of valuation and classification. • The results of our sample stock counts were reconciled against the inventory records, and identified variances were extrapolated to the overall inventory population. Based on the procedures performed, we concluded that the carrying value of inventory is fairly stated.

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Independent Auditor's Report (cont'd)

To the members of
PARAMOUNT TRADING (JAMAICA) LIMITED

Other Information

Management is responsible for the other information. The other information comprises information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditor's report. This description, which is located at page 6, forms part of our auditor's report.

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Independent Auditor's Report (cont'd)

To the members of
PARAMOUNT TRADING (JAMAICA) LIMITED

Report on additional matters as required by the Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Leary Mullings.

CrichtonMullings & Assoc.

CrichtonMullings & Associates
Chartered Accountants

Kingston, Jamaica
July 30, 2026

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Independent Auditor's Report (cont'd)

To the members of
PARAMOUNT TRADING (JAMAICA) LIMITED

Appendix to the Independent Auditor's Report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PARAMOUNT TRADING (JAMAICA) LIMITED
STATEMENT OF FINANCIAL POSITION
YEAR ENDED MAY 31, 2026

	Note	2026 $	2025 $	
ASSETS				
Non-current Assets				
Property, plant and equipment	4	702,857,116	694,424,545	
Right-of-use asset	15(a)	-	59,556,540	
Investments	5	94,971,246	96,157,338	
Total non-current assets		797,828,362	850,138,423	
Current Assets				
Inventories	6	861,740,384	862,934,579	*
Trade and other receivables	7	408,806,779	481,874,096	*
Taxation recoverable	13	7,380,402	16,413,079	*
Cash and bank balances	8	125,200,882	98,166,456	
Total current assets		1,403,128,147	1,459,388,210	
TOTAL ASSETS		2,200,956,809	2,309,526,633	
EQUITY AND LIABILITIES				
Equity				
Share capital	11	77,492,243	77,492,243	
Accumulated profits		1,047,199,887	988,166,438	
Total equity		1,124,692,130	1,065,658,681	
Non-current Liabilities				
Lease liability	15(b)	-	51,984,011	
Deferred tax liability	12	81,209,927	51,332,535	
Long-term loans	10	448,864,557	533,121,116	
Total non-current liabilities		530,074,484	636,437,662	
Current Liabilities				
Lease liability	14(b)	-	18,061,397	
Trade and other payables	9	461,933,635	478,966,989	*
Current portion of long-term loans	10	84,256,560	110,401,905	
Total current liabilities		546,190,195	607,430,290	
TOTAL EQUITY AND LIABILITIES		2,200,956,809	2,309,526,633	

APPROVED, on behalf of the Board of Directors on July 30, 2026 by:

Director – Hugh Graham

Director - Kathryn Lewis-Green

***Reclassified to conform with current year presentation**

The accompanying notes form an integral part of the financial statements

PARAMOUNT TRADING (JAMAICA) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MAY 31, 2026

	Note	2026	2025
		$	$
Revenues	17	1,686,640,528	1,722,312,843
Cost of sales	18	(1,035,175,453)	(1,075,691,322)
Gross profit		651,465,075	646,621,521
Other operating income / (expenses)	19	138,102,809	(22,396,209)
		789,567,884	624,225,312
Less:			
Administrative and general expenses	22(a)	517,635,172	476,591,151
Selling and distribution expenses	22(b)	56,010,783	16,837,648
		573,645,955	493,428,799
Operating profit		215,921,929	130,796,513
Finance income	23(a)	2,704,168	2,878,645
Finance costs	23(b)	(80,385,907)	(88,965,767)
Net finance income		(77,681,739)	(86,087,122)
Profit before taxation		138,240,190	44,709,391
Taxation charge	24	(39,102,597)	(18,572,887)
Net profit, being total comprehensive income for the year		99,137,593	26,136,504
Earnings per share of profit attributable to the shareholders	14	$0.06	$0.02

The accompanying notes form an integral part of the financial statements

PARAMOUNT TRADING (JAMAICA) LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED MAY 31, 2026

	Share Capital $	Accumulated Profits $	Total $
Balance at May 31, 2024	77,492,243	962,029,934	1,039,522,177
Net profit, being total comprehensive income for the year	-	26,136,504	26,136,504
Balance at May 31, 2025	77,492,243	988,166,438	1,065,658,681
Net profit, being total comprehensive income for the year	-	99,137,593	99,137,593
Dividends paid (note 26)	-	(40,104,144)	(40,104,144)
Balance at May 31, 2026	**77,492,243**	**1,047,199,887**	**1,124,692,130**

The accompanying notes form an integral part of the financial statements

PARAMOUNT TRADING (JAMAICA) LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2026

	Note	2026 $	2025 $	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit for the year		99,137,593	26,136,504	
Adjustments for items not affecting cash resources:				
Income tax expense		9,225,205	8,890,433	*
Adjustment of property, plant and equipment		(810,069)	123,985	
Interest expense		80,385,907	88,965,767	
Interest income		(2,704,168)	(2,878,645)	
Gain on de-recognition of right-of-use asset		(10,488,868)	-	
Deferred taxation		29,877,392	9,682,454	*
Depreciation - right -of-use asset		-	13,948,465	
Depreciation on property, plant and equipment	4	51,443,663	50,546,528	
		256,066,655	195,415,491	
Decrease / (increase) in operating assets:				
Inventories		1,194,195	(198,638,975)	
Trade and other receivables		73,067,316	71,932,012	
Taxation recoverable		(732,527)	(5,701,210)	
(Decrease) / increase in operating liabilities:				
Trade and other payables		(17,033,352)	75,312,830	
Cash flows provided by operating activities		313,102,287	138,320,148	
Taxation paid		-	(6,824,876)	
Net cash provided by operating activities		313,102,287	131,495,272	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		2,704,168	2,878,645	
Acquisition of property, plant and equipment	4	(59,066,165)	(127,866,436)	
Net cash used in investing activities		(56,361,997)	(124,987,791)	*
CASH FLOWS FROM FINANCING ACTIVITIES				
Loans received		-	188,000,000	
Lease liability, net		-	(15,623,265)	*
Dividends paid		(40,104,144)	-	
Repayment of long-term loans		(110,401,905)	(109,177,445)	
Interest expense paid		(80,385,907)	(88,965,767)	
Net cash used in provided by financing activities		(230,891,956)	(25,766,477)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		25,848,334	(19,258,996)	
CASH AND CASH EQUIVALENTS - Beginning of the year		194,323,794	213,582,790	
CASH AND CASH EQUIVALENTS - End of the year		220,172,128	194,323,794	
Represented by:				
Investments	5	94,971,246	96,157,338	
Cash and bank balances	8	125,200,882	98,166,456	
		220,172,128	194,323,794	

***-Reclassified to conform with current year presentation**

The accompanying notes form an integral part of the financial statements

1. IDENTIFICATION

Paramount Trading (Jamaica) Limited (the "Company") is a limited liability company incorporated in jamaica in 1991, under the Jamaican Companies Act (the "Act").

The Company is domiciled in Jamaica with its registered office at 39 Waltham Park Road, Kingston 13.

On December 31, 2012, the Company's shares were listed on the Jamaica Stock Exchange Junior Market (JSE), becoming a public entity. the Company became a public listed entity on the Jamaica Stock Exchange Junior Market. Consequently, the Company is entitled to a 100% remission of income taxes for the first five (5) years and 50% remission for the next five (5) years thereafter, providing that the Company complies with the requirements of the Jamaica Stock Exchange Junior Market.

The Company's 50% remission ended December 31, 2022.

The Company's principal activity is the importation, distribution and manufacturing of chemicals, lubricants, and other related products. The Company also provides haulage services.

The Company operates a lubricant blending plant under franchise from Allegheny Petroleum Products, distributing lubricants to the transportation, manufacturing and industrial sectors. The Company's license, supply and distribution agreement with Allegheny Petroleum Products Company permits the company to use formula trademark and related know-how exclusively for the manufacturing of Allegheny lubricant in Jamaica with exclusive distribution rights to all member states of the Caribbean Community ("CARICOM").

The Company also has a license and distributing agreement with SIKA to market and distribute its line of construction and construction-related products. The product line includes anchoring, adhesives and sealants primarily used in the building and construction sector.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to the current year presentation.

(a) Statement of compliance:

The Company's financial statements have been prepared in accordance and comply with IFRS Accounting Standards and the relevant requirements of the Act.

The financial statements have been prepared under the historical cost convention and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements requires management to make judgements, as well as estimates, based on assumptions, that effect the application of accounting policies, and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual results could differ from these estimates.

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

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(b) Changes in accounting standards and interpretations:

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following interpretations and amendments are relevant to its operations:

- *IAS 21 'Lack of Exchangeability-Amendment', issued in August 2023.*
  Effective for annual periods beginning on or after January 1, 2025.

The following new standards, amendments and interpretations, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

- *IFRS 7 & IFRS 9 'Classification and measurement of financial instruments - Amendment', issued May 30, 2024.*
  Effective for annual periods commencing on or after January 1, 2026. The amendment is to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'.

  The Company anticipates that the adoption of these standards, amendments and interpretations, which are relevant in future periods is unlikely to have any material impact on the financial statements.

- IFRS 18 *'Presentation and Disclosures in Financial Statements*'-issued April 2024.
  Effective for periods commencing on or after 1 January 2027. The standard sets out requirements to present specified categories for classifying income and expenses such as operating, investing and financing, and defined subtotals in the statement of profit or loss. It also provides disclosures on management defined performance measures (MPMs) in the notes to the financial statements. The standard improves aggregation and disaggregation and requires retrospective application with specific transition provisions.

  The Company will continue to assess and analyse the impact of adopting IFRS 18 on the financial statements and will develop the plan for implementation.

(c) Use of estimates and judgements

The preparation of the financial statements to conform with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and 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 year then ended. Actual amounts could differ from those estimates.

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

Judgements made by management in the application of IFRS Accounting Standards that have a significant effect on the financial statements and estimates with material uncertainty that have a significant effect on amounts in the financial statements or that have a significant risk of material adjustment in the next financial year are set out below:

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(c) Use of estimates and judgements (cont'd)

(i) Critical accounting judgements in applying the Company's accounting policies
For the purpose of these financial statements, prepared in accordance with IFRS Accounting Standards, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS Accounting Standards. For the purpose of these financial statements, prepared in accordance with IFRS Accounting Standards, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the principles set out in IFRS Accounting Standards.

(a) Expected credit loss (ECL) on trade receivables

The ECL is determined upon the origination of the trade accounts receivable based on a model that calculates the expected credit loss (ECL) of the trade receivables. Under the ECL model, the Company segments its accounts receivable in a matrix by the days due. It determines for each age bracket an average rate of ECL, taking into account history, actual credit loss experience over the last 60 months and analysis of potential future delinquency of each customer balance.

The average ECL rate increases in each segment of "days past due" as the days outstanding on the receivable balance increase and are reclassified to another age bracket. The use of future assumptions, based on experience that is applied to the balance makes uncertainty inherent in these estimates.

(b) Financial Assets

Financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss based on (i) the company's business model for managing the financial assets and (ii) the contractual cash flow characteristic of the financial assets. Judgment is required in determining the business model and its objective.

(c) Revenue from contract with customers

Judgment is required in (i) identifying performance obligations and determining the timing of the satisfaction of the performance obligations and (ii) the transaction price and the amount allocated to the performance obligations. If the consideration promised in a contract includes a variable amount, the company is required to estimate the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

(c) Use of estimates and judgements (cont'd)

(i) Critical accounting judgements in applying the Company's accounting policies (cont'd)

(d) Impairment of assets

At each reporting date, management assesses whether assets show signs of impairment. If the carrying amount of an asset exceeds its recoverable amount (the higher of fair value less costs to sell or value in use), the asset is written down. Value in use is calculated by discounting future cash flows using a pre-tax rate that reflects market conditions and asset-specific risks. Impairment losses are recognized in comprehensive income, and reversals are allowed only when estimates change, limited to the asset's original carrying amount.

(e) Inventories

Inventories are measured at the lower of cost and net realizable value. The estimation of net realized value is based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. Additionally, estimation is required for inventory provision due to shrinkage, slow-moving, and obsolescence.

(f) Income and other taxes

Income and other taxes are subject to Government policies. In calculating current and recoverable income and other taxes, management uses judgment when interpreting the tax rules and determining the tax position. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business.

Estimates are required in determining the provision. Management recognizes liabilities for possible tax issues based on estimates of whether additional taxes may be due.

(g) Post-employment benefits

The employees have Individual Retirement Accounts ("IRA"). The Company, at their discretion, matches their contributions up to a maximum of 5% of certain long serving employees.

(h) Investment Property

Management applies judgment in determining whether a property qualifies as an investment property. Criteria are developed to allow management to exercise that judgment consistently.

(i) Others

Other estimates include determining the useful lives of property, plant and equipment for depreciation; in accounting for and measuring payables and accruals and in measuring fair values of financial instruments.

3. MATERIAL ACCOUNTING POLICIES

(a) Share capital

Ordinary shares are classified as equity and carried at cost. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(b) Foreign currencies

Foreign currency transactions that require settlement in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities measured at historical cost denominated in currencies other than Jamaican dollars are translated at the exchange rate in effect at the date of the transactions or initial recognition. Non-monetary items in a foreign currency measured at fair value are translated using the exchange rates when the fair value was determined.

Gains and losses arising from fluctuations in exchange rates are generally included in profit or loss. However, foreign currency differences resulting from the translation of equity investments are recognized in other comprehensive income, except on impairment. The foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss.

Exchange rates are determined by the Bank of Jamaica's published weighted average rate at which commercial banks trade in foreign currencies.

(c) Property, plant and equipment

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. The land is carried at cost and is not depreciated.

Depreciation is calculated on a straight-line method at such rates as it will write off the carrying value of the assets over the period of their expected useful lives. Current annual rates of depreciation are:

Buildings	2-6%
Plant, machinery and equipment	5-10%
Furniture and fixtures	10%
Mobile equipment and motor vehicles	20%
Computer software and equipment	10%

The assets' residual values and useful lives are reviewed periodically for impairment. Where the assets' carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognized in other income in the statement of comprehensive income.

Repairs and maintenance expenditures are included in the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the initially assessed standard of performance of the existing asset will flow to the Company.

3. MATERIAL ACCOUNTING POLICIES

(c) Property, plant and equipment (cont'd)

The cost of self-constructed assets includes the cost of materials, direct labour and related cost to put the asset into service. Borrowing costs, including but not limited to interest on borrowings and exchange differences arising on such borrowings that are directly attributable to the acquisition and/or construction of a qualifying asset, are capitalized as part of the cost of that asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its use are complete. Thereafter, borrowing costs are recognized in profit or loss when they are incurred.

(d) 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, work-in-progress, and raw and packaging materials.

Net realizable value is the estimated selling price of inventory during the normal course of business, less estimated selling expenses.

(e) Cash and bank balances

Cash and bank balances comprise cash in hand and at the bank. The Company does not operate an overdraft facility. Cash and bank balances are recorded at amortized cost.

(f) Financial instruments – recognition and measurement

A financial instrument is any contract that gives rise to a receipt or payment in cash or its equivalents and a financial asset of one party, and a financial liability or equity instrument of another party. Financial assets and financial liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of a financial instrument. All financial instruments are measured at fair value on initial recognition. Subsequent measurement of these assets and liabilities is based on fair value or amortized cost using the effective interest method.

Transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as fair value through profit or loss (FVTPL), are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in net income.

Classification and subsequent measurement.

Financial instruments – assets

The Company classifies financial assets according to its business model for managing the financial assets and the contractual terms of the cash flows. Classification choices for financial assets are:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Classification choices for financial liabilities are:

- Amortized cost
- FVTPL

3. MATERIAL ACCOUNTING POLICIES

(f) Financial instruments – recognition and measurement (cont'd)

Amortized cost

Financial assets are classified as amortized cost because the financial assets are held within a business model with the objective to hold financial assets to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding. These assets are measured at amortized cost using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

(g) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recorded at amortised cost.

(h) Trade receivables

Trade and other receivables are carried at anticipated realizable value. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The asset's carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognized in bad debt expense in the statement of comprehensive income. When a trade receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized as recovery and credited to bad debt expense in the statement of comprehensive income. The above is guided by the ECL principles of IFRS 9.

Credit risk and expected loss

The Company is primarily exposed to credit risk on its trade receivables, and as such, does not provide for any lifetime expected credit loss (LECL). It applies the practical experience of not adjusting the promised consideration receivable because the period is less than 12 months. The Company recognizes a loss allowance on a forward-looking basis at an amount equal to its expected credit model (ECL) that is being continuously developed each year regarding its financial assets measured at amortized cost.

(i) Debt: borrowings and borrowing costs

Debt is classified as current when the Company expects to settle the liability in its normal operating cycle, it holds the liability primarily for trading, the liability is due to be settled within 12 months after the date of the statement of financial position, or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position; Otherwise, it is classified as long-term. After initial recognition, Debt is measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in net income in the period that the liability is derecognized.

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 ceases when the assets are substantially ready for their intended use or sale.

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

3. MATERIAL ACCOUNTING POLICIES

(j) Revenue recognition

(i) Sale of goods

Revenue is recognized when the performance obligation, satisfied at a point-in-time to transfer goods and services to the customer, is complete. The completion is assessed when the customer takes control and or obtains the benefits of the goods and /or services, and the company has a present right to payment as evidence by an invoice or the right to invoice.

(ii) Finance income

Finance income comprises interest-earned on invested funds. Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(iii) Other operating income

Other operating income includes gains on disposal of assets, recognized when the asset is sold, foreign exchange gains, and miscellaneous inflows recognized when received.

(k) Leases

Leases of property, plant and equipment where the Company has substantially taken over all the risks and rewards of ownership are classified as finance leases. Finance leases are recognized at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to comprehensive income over the lease period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life or the lease term.

Right of use assets is measured at cost comprising the following:

(1) The amount of initial measurement of the lease liability

(2) Any lease payments made at or before the commencement date less any lease incentives received.

(l) Dividends

Dividends declared and payable to the Company’s ordinary shareholders are recognised as a liability in the statement of financial position in the period in which the Company’s Board of Directors approves the dividends.

(m) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is charged to the statement of comprehensive income net of any reimbursement.

3. MATERIAL ACCOUNTING POLICIES

(n) Impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating units' fair value less costs to sell and its value in use. It is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in comprehensive income.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

(o) Pension and employee benefits

The Company does not have a Pension Plan, but it has implemented an Individual Retirement Account (IRA) scheme, operated by Sagicor Limited, a licensed Investment management entity for some categories of staff. The Company contributes 5% to the IRA for each participating individual based on their gross salary. The Company recognizes a liability and an expense for its contribution to the IRA.

Employees' benefits include current or short-term benefits such as salaries, statutory contributions paid, annual vacation and sick leave, and non-monetary benefits such as medical care. Entitlement to annual leave and other benefits are recognized when they accrue to employees.

(p) Investments

Certificate of Deposits, quoted shares and other investments are recognised at fair value.
Income from these investments is accounted for based on the accrual basis.

(q) Expenses

(i) Expenses are recognised on the accrual basis.
(ii) Finance costs comprise interest incurred on borrowings, calculated using the effective interest method, foreign exchange losses and bank-related charges.
(iii) Payments under leases are recognised in profit or loss on the straight-line basis over the term of the lease.

3. MATERIAL ACCOUNTING POLICIES

(r) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net income attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period.

(s) Interest-bearing borrowing

Interest-bearing borrowings are recognised at cost. After initial recognition, interest-bearing borrowings are stated at amortized cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowing on an effective-interest basis.

(t) Related party disclosure

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 Related Party Disclosures as the "reporting entity").

(a) A person or close member of that person's family is related to a reporting entity if that person:

(i) Has control or joint control over the reporting entity;
(ii) Has significant influence over the reporting entity; or
(iii) Is a member of the key management personnel of the reporting entity or a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions apply:

- The Company and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One company 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).
- Both companies are joint ventures of the same third party.
- One company is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The company is a post-employment benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity.
- The company is controlled or jointly controlled by a person identified in (a) above.
- A person identified in ((a) (i)) above has significant influence over the company or is a member of the key management personnel of the company (or of a parent of the company).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

3. MATERIAL ACCOUNTING POLICIES

(u) Income taxes

The income tax expense for the year comprises a current and deferred tax. Income tax expense is recognized in net income, except to the extent that it relates to items recognized either in OCI or directly in equity.

(i) Current taxation

The current tax charge is the expected tax payable on the taxable income for the year, using tax rates in effect at the reporting date plus any over or under the provision of tax in respect of previous years.

(ii) Deferred taxation

Deferred tax liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognized for temporary differences, which will result in deductible amounts in future periods, but only to the extent, it is probable that sufficient taxable profits will be available against which these differences can be utilized.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period in which the asset will be realized, or the liability will be settled based on enacted rates.

The Company’s shares were listed on the Jamaica Stock Exchange Junior Market (JSE) on December 31, 2012. Under the Junior Market of the JSE incentive regime, the 100% income tax-free status expired on December 31 2017, and its 50% tax-free status expired on December 31 2022. As a consequence of the tax relief expiration, the Company is now subjected to tax at 100% of its taxable income.

3. MATERIAL ACCOUNTING POLICIES

(v) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) 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, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Management considers the Company to have five (5) strategic business units, which offer different products and services and principally require different technology and marketing strategies.

The primary reportable business units are:

Distribution:

- of imported chemicals and lubricants
- of SIKA branded construction and adhesive products

Manufacturing:

- of branded chemical products
- manufacturing of lubricants
- sanitizing and surface cleaning products

Haulage

- haulage services provided to external customers

The manufacturing operations are conducted at 6 and 8 East Bell Road, Kingston 11 and the distribution of chemicals is done from both the Company's warehouses at East Bell Road and 39 Waltham Park Road, Kingston 13.

Financial and other transactions between business units have been eliminated where necessary, in preparing the financial statements.

PARAMOUNT TRADING (JAMAICA) LIMITED
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YEAR ENDED MAY 31, 2026

4. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Computer Equipment	Furniture & Fittings	Land & Building	Motor Vehicle	Forklift Total	Leasehold Improvement	Leased Vehicles	Total
	$	$	$	$	$	$	$	$	$
At Cost:									
Balance at June 1, 2024	395,154,934	33,948,537	13,976,181	380,281,784	148,890,070	25,084,413	1,553,800	4,461,475	1,003,351,194
Additions	4,567,241	654,000	1,120,424	79,696,200	38,712,731	130,000	2,985,840	-	127,866,436
Adjustment	(123,985)	-	-	-	-	-	-	-	(123,985)
Balance at May 31, 2025	399,598,190	34,602,537	15,096,605	459,977,984	187,602,801	25,214,413	4,539,640	4,461,475	1,131,093,645
Adjustment	-	-	-	-	810,069	-	-	-	810,069
Additions	30,066,462	2,265,141	-	-	26,734,562	-	-	-	59,066,165
Balance at May 31, 2026	**429,664,652**	**36,867,678**	**15,096,605**	**459,977,984**	**215,147,432**	**25,214,413**	**4,539,640**	**4,461,475**	**1,190,969,879**
Accumulated Depreciation:									
Balance at June 1, 2024	157,062,505	18,646,860	10,046,645	58,391,349	127,254,752	9,715,156	543,830	4,461,475	386,122,572
Charge for year	18,888,255	2,887,492	1,027,547	7,978,719	15,486,224	3,704,893	573,398	-	50,546,528
Balance at May 31, 2025	175,950,760	21,534,352	11,074,192	66,370,068	142,740,976	13,420,049	1,117,228	4,461,475	436,669,100
Charge for year	19,449,137	2,987,389	1,060,866	7,979,881	15,480,681	3,613,722	871,987	-	51,443,663
Balance at May 31, 2026	**195,399,897**	**24,521,741**	**12,135,058**	**74,349,949**	**158,221,657**	**17,033,771**	**1,989,215**	**4,461,475**	**488,112,763**
Net Book Value:									
Balance at May 31, 2026	**234,264,755**	**12,345,937**	**2,961,547**	**385,628,035**	**56,925,775**	**8,180,642**	**2,550,425**	**-**	**702,857,116**
Balance at May 31, 2025	223,647,430	13,068,185	4,022,413	393,607,916	44,861,825	11,794,364	3,422,412	-	694,424,545
Balance at May 31, 2024	238,092,429	15,301,677	3,929,536	321,890,435	21,635,318	15,369,257	1,009,970	-	617,228,622

5. INVESTMENTS

	2026 $	2025 $	
Fair values:			
J$ Securities purchased under resale agreement (i)	342,884	342,884	
NCB J$ Investments (see note 10 (iii))	44,835,584	43,385,519	
3.5% VMBS US Investment	32,991,301	32,727,629	
Quoted shares – (Derrimon Trading)	16,801,477	19,701,306	
	94,971,246	96,157,338	

(i) Securities purchased under agreement to resell are regarded as cash and cash equivalents for the statement of cash flows. The average effective interest rate at the year-end was approximately 3.1% (2025 - 3.6%)

6. INVENTORIES

	2026 $	2025 $	
Chemicals	633,670,794	666,201,202	
Construction and adhesives	114,510,357	74,980,029	*
Manufacturing raw materials	14,321,558	17,643,050	
	762,502,709	758,824,281	
Goods in transit	131,420,256	120,142,748	
Less: provision for obsolete stock	(32,182,581)	(16,032,450)	
	861,740,384	862,934,579	*

7. TRADE AND OTHER RECEIVABLES

	2026 $	2025 $	
Trade receivables	435,033,495	450,078,472	
Less: expected credit loss	(96,168,587)	(50,419,813)	
	338,864,909	399,658,659	
Environmental levy recoverable	29,984,706	26,005,387	*
Other receivables	39,957,165	56,210,050	*
	408,806,779	481,874,096	*

8. CASH AND BANK BALANCES

	2026 $	2025 $
Cash	294,000	284,000
Deposit in transit	5,843,839	1,922,334
US$ bank accounts	71,592,643	38,938,697
JA$ bank accounts	47,470,400	57,021,425
	125,200,882	98,166,456

*** Reclassified to conform with current year presentation**

9. TRADE AND OTHER PAYABLES

	2026	2025	
	$	$	
Foreign payables	340,982,245	369,627,444	
Local payables	64,269,168	38,617,376	
Accrued expenses	12,052,777	10,544,978	
Credit card payables	12,351,773	13,175,890	
Other payables	32,277,672	47,001,301	*
	461,933,635	478,966,989	*

*** Reclassified to conform with current year presentation**

10. LONG-TERM LOANS

	2026	2025
	$	$
4 % Allegheny Loan(i)	-	26,510,395
9% NCB loans(ii)	13,121,117	17,012,626
12% Corporate Bond(iii)	520,000,000	600,000,000
	533,121,117	643,523,021
Less: current portion of long-term loans	(84,256,560)	(110,401,905)
Non-current portion of long-term loans	448,864,557	533,121,116

(i) This represents a vendor's mortgage from Allegheny relating to the acquisition of the lubricant plant. The mortgage bears interest at 4% per annum and is repayable over five years in ten instalments of US$78,754. The mortgage matured in December 2025.

(ii) The Company obtained two NCB Senior Automobile Loans to finance the purchase of two motor vehicles. The loans are secured by bills of sale over the respective vehicles and mature in October 2029 and September 2028, respectively.

(iii) The Company obtained a $700 million bond facility from NCB Capital Markets Limited (NCBCM) to bolster the Company's expansion plans, strengthen its market position, capitalize on emerging opportunities in the sector and refinance maturing obligations. The Company obtained an instalment drawdown of $512 million on January 22, 2024, and subsequently a final drawdown of $188 Million during the year ended 31 May 2025.

NCB Capital Markets Limited ("NCBCM") also retained and invested a portion of the funds amounting to $44.8 million representing a Debt Service Reserve Account (DSRA) equivalent to the first quarter's principal and interest payment amount. This DSRA is being held at NCBCM until the bond matures on January 22, 2029. See investment note 5.

11. SHARE CAPITAL

	2026	2025
	$	$
Authorized:		
1,620,000,000 (2025 – 1,620,000,000) ordinary shares of no-par value		
Issued and fully paid:		
1,542,467,080 (2025 – 1,542,467,080) shares of no-par value	77,492,243	77,492,243

12. DEFERRED TAX LIABILITY

Deferred income tax is calculated on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes, using an effective tax rate of 25%.

	2026	2025
	$	$
	81,209,927	51,332,535

Deferred tax liabilities are attributable to the following:

	2026	2025
	$	$
Property, plant and equipment	81,209,927	51,332,535

The movement during the year in the Company's deferred tax position was as follows:

	2026	2025
	$	$
Balance at the beginning of the year	51,332,535	41,650,081
Movement recognised in profit or loss	29,877,392	9,682,454
Balance at the end of the year	81,209,927	51,332,535

13. TAXATION RECOVERABLE

	2026	2025
	$	$
Balance at the start of the year	16,413,079	18,122,346
Income tax charge for the year	(9,225,205)	(8,890,433)
Taxation paid during the year	-	6,824,877
Withholding tax during the year	192,527	356,289
Balance at the end of the year	7,380,402	16,413,079

14. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue for the year.

	2026	2025
	$	$
Net profit attributable to shareholders	99,137,593	26,136,504
Weighted average number of ordinary shares in issue	1,542,467,080	1,542,467,080
Basic earnings per share	$ 0.06	$ 0.02

15. RIGHT-OF-USE ASSET / LEASE LIABILITY

During the year, the Company's lease agreement expired and was not renewed. Accordingly, the related right-of-use asset and lease liability were derecognised in accordance with IFRS 16, Leases.

(a) Right-of-use Assets:

	$
At Valuation:	
Balance at June 1, 2025	119,770,046
Derecognition of right of use asset	(119,770,046)
Balance at May 31, 2026	-
Accumulated Depreciation charge:	
Balance at June 1, 2025	60,213,506
Derecognition of right of use asset	(60,213,506)
Balance at May 31, 2026	-
Net Book Value:	
Balance at May 31, 2026	-

(b) Lease Liability:

	2026	2025
	$	$
Non-current lease liability	-	51,984,011
Current lease liability	-	18,061,397

16. OPERATING SEGMENTS

The Company has five reportable operating segments: Chemicals, Construction and Adhesive, Manufacturing, Transportation, and Lubricants. The reportable operating segments are strategic business units offering different products and services. They are separately managed due to their distinct nature.

The following summary describes the operations in each of the Company's reportable segments:

- The distribution of chemicals and chemical products for food and pharmaceutical additives and ingredients.
- The construction and adhesive business are the distribution of the SIKA branded products and adhesive and hardware supplies, i.e., concrete admixtures, waterproofing/moisture protection, sealants, floor and protective coating, and more
- The manufacturing of food-grade; technical and industrial-grade chemicals for direct use or as raw materials; solvents, disinfectants, germicides, household laundry and cleaning products, paint resin, and many more.
- The transportation/haulage business provides island-wide delivery solutions.
- The manufacture and distribution of oils and lubricants; engine oils and fluids, industrial oils and greases, hydraulic, transmission and other fluids.

Performance is measured based on segment gross profit as included in the internal management reports. Management has determined that this measure is the most relevant in evaluating segment results and allocating resources. Information regarding the results of each reportable operating segment is as follows:

- Chemicals, including sanitization products, account for over 67% (2025 – 70%) of revenue.
- Construction and Adhesives is a wholesale distribution outlet trading under the SIKA brand and is located on Bell Road, in Kingston, and accounts for approximately 15% (2025 - 12%) of revenue.
- Manufacturing operates from both the 39 Waltham Park Road (food grade) and 8 East Bell Road (technical grade) locations and accounts for approximately 13% (2025 - 11%) of revenue.
- Transportation division operates from 39 Waltham Park Road and accounts for approximately 1% (2025-1%) of revenue.
- Lubricants division accounts for approximately 4% (2025 - 6%) of revenue.

16. OPERATING SEGMENTS (CONT'D)

The tables below reflect the revenues generated by each segment of the business.

2026

	Chemicals	Construction & Adhesives	Manufacturing	Transport	Lubricants	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenues	1,125,463	251,293	228,217	21,093	60,575	1,686,641
Cost of sales						1,035,175
Gross profit						**651,465**

The segment information presented by management does not provide a detailed analysis of the assets and liabilities related to the operations of the respective segments. Assets and liabilities are not assigned to each segment in the preparation of the Company's financial statements.

2025

	Chemicals	Construction & Adhesives	Manufacturing	Transport	Lubricants	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Revenues	1,209,315 *	198,344	195,402 *	12,832	106,420	1,722,313
Cost of sales						1,075,691
Gross profit						**646,622**

17. REVENUES

Revenues represent the total invoice prices for the products sold by the different segments of the business along with revenue from the provision of trucking and haulage services, net of discount and returns and General Consumption Tax.

	2026	2025
	$	$
Sale of goods	1,665,548,079	1,709,481,286
Services rendered	21,092,449	12,831,557
	1,686,640,528	1,722,312,843

***-Reclassified to conform with current year presentation**

18. COST OF SALES

	2026	2025
	$	$
Distribution	861,563,092	856,760,054
Manufacturing	173,612,361	218,931,268
	1,035,175,453	1,075,691,322

19. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expense) consists of the following:

	2026	2025
	$	$
Rental income - warehousing	8,143,617	9,602,017
Services rendered	33,906,654	-
Gain on derecognition of right-of-use asset	10,488,868	-
Unrealised exchange gain / (loss)	32,976,904	(4,652,803)
Loss on revaluation of quoted shares	(2,899,829)	(899,946)
Other income / (expense)	55,486,595	(26,445,477)
	138,102,809	(22,396,209)

Rental income is earned from unused warehousing space at the Company's Bell Road location.

Other income / (expense) relates to the following:

During the year, the Company wrote off a vendor liability of $54 million after the vendor confirmed that no amount was outstanding as the charges were settled by the vendor's parent entity. The amount was accordingly recognised as other income. The initial liability arose from chemical raw materials that the Company had sold to one of its major customers, of which sixty-three per cent (63%) of the items were non-conforming. The process of receival and disposal of these goods between March 2024 and May 2025 was protracted for varying commercial reasons. Other expenses also include off-terminal demurrage charges, chassis rental and disposal services, net of amounts received from the customer to defray a percentage of the associated costs.

20. OPERATING PROFIT BEFORE TAXATION

The following have been charged in arriving at operating profit.

	2026	2025
	$	$
	215,921,929	130,796,513
Stated after charging the following:		
Directors' emoluments:		
Fees	5,316,334	5,243,666
Executive management renumeration	5,622,500	5,619,750
Increase in expected credit loss provision	45,748,773	471,204
Audit and accounting	6,100,000	5,780,000
Depreciation	51,443,664	50,546,528
Depreciation: right of use assets	-	13,948,465
Staff costs (excluding management remuneration)	166,383,864	170,944,145

The average number of persons employed full-time by the Company during the year was 67 (2025: 60)

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21. STAFF COSTS

	2026	2025
	$	$
Salaries (excluding management's remuneration)	166,383,864	170,944,145
Employer's payroll taxes	18,127,679	19,306,176
Staff welfare	16,847,779	10,283,501
	201,359,322	200,533,822
Executive management renumeration	5,622,500	5,619,750
	206,981,822	206,153,572

22. EXPENSES BY NATURE

(a) **Administration and general expenses:**

	2026	2025
	$	$
Auditor's remuneration:		
Current year	5,900,000	5,780,000
Prior year	200,000	-
Depreciation	51,443,664	50,546,528
Depreciation right-of-use asset	-	13,948,465
Repairs and maintenance	12,309,194	7,999,334
Staff costs	206,981,822	206,153,572
Motor vehicle expenses	8,652,952	4,211,643
Insurance	65,528,791	62,677,014
Security	18,658,416	17,316,872
Director fees	5,316,334	5,243,666
Donation	3,606,964	2,343,408
Legal and professional fees	36,328,115	15,333,282
Meeting, accommodation and local travel	10,952,923	5,252,291
Royalty fees	16,499,993	15,950,000
Safety and cleaning	3,881,834	4,628,327
Software expense	4,412,620	11,276,258
Stationary, printing and office supplies	5,042,609	4,372,521
Subscription and registration fees	7,832,086	5,892,127
Utilities	27,081,403	29,164,508
Rent expense – expired lease arrangement	21,479,850	-
Other expenses	5,525,602	8,501,335
	517,635,172	476,591,151

(b) **Selling and distribution expenses:**

	2026	2025
Selling, advertising, promotion and distribution	10,262,010	16,366,444
Increase in expected credit loss provision	45,748,773	471,204
	56,010,783	16,837,648

23. FINANCE INCOME AND COSTS

		2026	2025
		$	$
(a)	**Finance income**		
	Interest income	2,704,168	2,878,645
(b)	**Finance costs**		
	Interest expenses	70,439,530	80,894,627
	Debt financing fees and expenses	9,946,377	8,071,140
		80,385,907	88,965,767

24. TAXATION

(a) Taxation payable is based on profits for the year, adjusted for taxation purposes, subject to the agreement of the Taxpayer Audit and Assessment Department less amount paid during the year and amounts that were outstanding at the beginning of the year.

	2026	2025
	$	$
Taxation for the year comprises:		
Current tax expense	9,225,205	8,890,433
Deferred tax (note 12)	29,877,392	9,682,454
	39,102,597	18,572,887

24. TAXATION (CON'TD)

Effective 1 January 2018, the 100% tax remission for the first five (5) years after listing on the Junior Market (JM) of the Jamaican Stock Exchange (JSE) expired, and the Company was subject to income tax at 12.5% on 50% of its chargeable income. This 50% tax regime ended on December 31, 2022. Consequently, the Company's profits became 100% taxable as of January 1, 2023.

(b) Reconciliation of effective tax rate and charge:

	2026		2025		
	$		$		
Profit before taxation	138,240,190		44,709,391		
Computed tax charge	34,560,047	25%	11,177,348	25%	
Adjustment for difference in treatment of:					
Depreciation and capital allowances	8,743,468	6%	12,531,798	28%	*
Items not allowable for tax purposes	(4,200,919)	-3%	(1,326,074)	-3%	
Employment tax credit	-	-	(3,810,185)	-9%	
Tax charge for the year	39,102,597	28%	18,572,887	42%	

(c) Remission of income tax:

By notice dated 13th August 2009, the Minister of Finance and the Public Service issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Market of the Jamaica Stock Exchange (JMJSE) if certain conditions were achieved after the date of initial admission.

Effective 31 December 2012, the Company’s shares were listed on the Junior Market of the JSE. Consequently, the Company is entitled to a remission of income taxes for ten years in the proportion set out below;

Years 1 to 5 (1 January 2013 - 31 December 2017) – 100%
Years 6-10: (1 January 2018 – 31 December 2022) – 50%

To be effective, the following conditions must be met:

(i) The Company remains listed for at least 15 years and is not suspended from the JSE for any breaches of its rules.
(ii) The subscribed participating voting share capital of the Company does not exceed J$500 million
(iii) The Company has at least 50 participating voting shareholders

The total income tax remission over the 10-year period to 31 December 2022, amounted to approximately $176 Million. This amount is a contingent liability, as the Company has to remain listed until the expiration of the next five years, ending 31 December 2027.

***-Reclassified to conform with current year presentation.**

25. RELATED PARTY TRANSACTIONS AND BALANCES

The statement of comprehensive income includes the following related party transactions
(i) Key management compensation

	2026	2025
	$	$
Salaries and wages	29,600,000	36,431,500
Statutory contributions	2,744,200	3,937,988
Other	1,050,000	351,313
	33,394,200	40,720,801

(ii) Due from related party

	2026	2025
	$	$
Director’s current account	(16,526,589)	7,250,625

26. DIVIDENDS

The Company at its Board of Directors meeting declared dividend on November 15, 2025 of $0.026 per share payable to shareholders on record on December 1, 2025 with a payment date of December 30, 2025.

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. A market price, where an active market (such as a recognized stock exchange) exists, is the best evidence of the fair value of a financial instrument. Market prices are not available for some of the financial assets and liabilities of the Company.

Fair values in the financial statements have therefore been presented using various estimation techniques based on market conditions existing at the statement of financial position date.

Generally, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Company would realise in a current market exchange.

The following methods and assumptions have been used.

The amounts included in the financial statements for cash and bank balances, investments, receivables and payables reflect the approximate fair values because of short-term maturity of these instruments.

The carrying amount of the Company's long-term loans approximates fair value as the interest rates on these loans are similar to current market rates. The fair value of the shareholders’ loans and amounts due from related parties cannot be reasonably estimated as they were granted under special terms. The related party lease prepayment is reflected at amortized cost.

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management

The Company's risk management policies are established to identify and analyse the risks faced by the company to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Board of Directors is ultimately responsible for the oversight of the Company's risk management and has established committees such as audit and governance committee, along with treasury committee to monitor risks. The Company seeks to minimize potential adverse effects on the Company's financial performance and manage these risks by closely monitoring each risk factor as noted below.

The Company has exposure to the following risks from the use of financial instruments:

(i) Market risk (including foreign currency and interest rate risk)
(ii) Credit risk
(iii) Liquidity risk; and

The Company has exposure to the following risks from its operations:

(iv) Operational risk; and
(v) Reputational risk

(i) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters while optimizing the return. The Company's financial risk management policy establishes guidelines on how the Company is to manage the market risk inherent in the business and provides mechanisms to ensure business transactions are executed in accordance with established limits, processes and procedures.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company conducts business globally and is exposed to these risks arising from various transactions denominated in foreign currencies, primarily the United States (US$) dollar.

The Company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Company further manages this risk by maximizing foreign currency earnings and holding foreign currency balances.

The Company's statement of financial position as at May 31, 2026, includes aggregate net foreign liabilities of approximately US$1,933,234 (2025-US$1,943,773) in respect of transactions arising in the ordinary course of business which were subject to foreign exchange rate changes as follows:

	2026 US$	2025 US$
Cash and cash equivalents	43,075	78,339
Trade receivables	213,705	301,387
Trade and other payables	(2,190,013)	(2,314,499)
Net exposure	(1,933,233)	(1,934,773)

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(i) Market risk (cont'd)

(i) Foreign currency risk

The rate of exchange of Jamaican dollar for one United States dollar applied in respect of the year under audit was 158.19 (2025: 156.52).

Sensitivity analysis
The sensitivity analysis represents the changes in the carrying amounts of outstanding foreign currency assets and liabilities adjusted for translation at the year-end (May 31) to reflect changes in foreign currency rates to arrive at the corresponding impact on profit.

A 1% (2025: 1%) increase in the foreign currency rate of the United States dollar against the Jamaican dollar would have decreased the profit for the year by $3,058,183 (2025: $3,020,568). The analysis assumes that all other variables, in particular interest rates, remain constant.

A 1.5% (2025: 3.5%) decrease in the foreign currency rate of the United States dollar against the Jamaican dollar would have increased the profit for the year by $4,587,274 (2025: 10,571,987). The analysis assumes that all other variables, in particular interest rates, remain constant.

(ii) Interest rate risk

Interest rate risk is the risk that a financial instrument's fair value or future cash flows will fluctuate due to changes in market interest rates. Interest–bearing financial assets are primarily cash and cash equivalent, securities purchased under resale agreements and investments. Loans and bank overdrafts represent interest-bearing financial liabilities.

The Company attempts to manage the risk relating to financial liabilities by procuring the most advantageous rates under contracts with interest rates that are fixed for the contract's life, where possible. A financial asset is primarily managed by investing excess cash in short-term deposits and maintaining interest-earning bank accounts with licensed financial institutions.

During the year, the Company experienced a reduction in the rates on certain of its loans. At the reporting date, the interest profile of the Company’s interest-bearing financial instruments was:

	2026 $	2025 $
Fixed-rate instruments		
Financial liabilities	533,121,117	713,568,430
Variable-rate instruments		
Financial assets	64,809,885	37,327,790

Fair value sensitivity analysis for fixed rate instruments

The Company’s financial instruments are principally fixed and as a consequence, at the reporting date, fluctuation in interest rates would not materially affect the loss or profit for the year.

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

Movement on the provision for expected credit loss on trade receivables

The movement on the provision for expected credit loss on trade receivables was as follows:

	2026 $	2025 $
Balance as at June 1, 2025	50,419,813	49,948,609
Increase in provision for receivables impairment	45,748,774	471,204
Balance as at May 31, 2026	96,168,587	50,419,813

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on the data that is determined to be predictive of the risk of loss. Factors that are considered in assessing customers include applying experienced credit judgment, management accounts, cash flow projections, audited financial statements and available creditable press information.
Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to available external credit ratings. Potential loss exposure within each credit risk grade and an ECL rate is calculated for the Company's customer based on delinquency status and actual historical credit loss experience.
The Company uses an allowance matrix to measure ECLs trade receivables. The provision matrix is based on historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.
Loss rates are calculated based on the probability of a receivable progressing through successive stages of delinquency to write–off, current conditions and the economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at May 31 2026.

2026			
Aging	**Weighted average loss rate**	**Gross carrying amount**	**Lifetime ECL allowance**
0-30 days	0%	170,983,397	544,579
31-60 days past due	7%	26,929,296	1,962,833
61-90 days	44%	20,264,948	8,978,497
More than 90 days	48%	215,939,010	84,682,678
		434,116,651	96,168,587

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(ii) Credit risk (cont'd)

2025			
Aging	Weighted average loss rate	Gross carrying amount	Lifetime ECL allowance
0-30 days	0.62%	235,477,514	1,455,062
31-60 days past due	1.50%	8,377,940	125,669
61-90 days	2.44%	16,969,060	414,045
More than 90 days	25.59%	189,253,958	48,425,037
		450,078,472	50,419,813

(iii) Liquidity risk

Liquidity risk is the risk that the Company might encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management process

The Company manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form. The Company maintains cash and short-term deposits for up to 90 – day periods to meet its liquidity requirements.

The Company's liquidity management process, as carried out within the Company and monitored by the Treasury function, includes:

i. Monitoring future cash flows and liquidity on an ongoing basis. This incorporates an assessment of expected cash flows

ii. Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow

iii. Maintaining committed lines of credit

iv. Managing the concentration and profile of debt maturities

v. Optimizing cash returns on investments.

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

Cash flows of financial liabilities

The Company's financial liabilities comprise long-term loans and payables, and accruals. The table below shows the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Company can be required to settle its liabilities. These amounts are due as follows:

2026

	Carrying amount	Contractual cash flows	1 year or less	1-2 yrs	2-5 yrs
Accounts payable	408,806,779	408,806,779	408,806,779	-	-
Long-term liabilities	533,121,117	672,997,602	143,631,740	272,930,570	256,435,292
Total financial liabilities	941,927,896	1,081,804,381	552,438,519	272,930,570	256,435,292

2025

	Carrying amount	Contractual cash flows	1 year or less	1-2 yrs	2-5 yrs
Accounts payable	452,961,601	452,961,601	452,961,601	-	
Long-term liabilities	713,568,430	938,292,873	255,251,325	455,361,030	227,680,508
Total financial liabilities	1,166,530,031	1,391,254,474	708,212,926	455,361,030	227,680,508

Determination and disclosure of fair value of financial instruments

Fair value is considered as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The market price is used to determine fair value where an active market, such as a recognized stock exchange, exists, as it is the best evidence of the fair value of a financial instrument.

Financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observed, as follows:

- Level 1 fair value measurements are derived from quoted prices (unadjusted) in an active market for identical instruments. The FVTPL and FVOCI instruments in the financial repurchase agreement (reports) are classified as level 1.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument either directly (i.e., as prices) or indirectly (i.e., derived from prices). The Company held no financial instruments in this category.
- Level 3 fair value measurements are derived from valuation techniques that include inputs for the instruments that are not based on observable market data (unobservable inputs). The Company held no financial instruments in this category.

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

Determination and disclosure of fair value of financial instruments (continued)

The following methods and assumptions have been used in preparing the financial statements at the reporting date:

(i) The carrying value of cash and cash equivalents accounts receivable and accounts payable are assumed to approximate to their carrying values due to their short-term nature

(ii) Long-term liabilities carrying values approximate fair values as the loans are carried at an amortised cost reflecting their contractual obligations, and the interest rates are reflective of market rates for similar loans

(iii) Related party balances are carried at their contracted settlement values due to their short-term nature.

(iv) Investments classified as FVOCI or FVTPL are measured at fair value by reference to price quotes as published by established and reputable managers of these instruments.

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes such as personnel, technology, and infrastructure, as well as from external factors, other than financial risks, such as those arising from legal, regulatory requirements and natural disasters.

The management of the Company is responsible for managing operational risk to avoid financial loss and damage to the Company's reputation while at the same time balancing the control procedures to allow innovation and creativity to facilitate the growth of the Company. Management is aware of the many operational risks and continues to implement the necessary strategies to mitigate the negative impact of the different risks associated with the operation of the Company.

(v) Reputational risk

The Company is engaged in a business that distributes chemical raw materials to various industries and manufactures basic inputs for food processing and industrial applications. Its reputation is critical within the marketplace, and the Company's management endeavours to be ethical and adopt international best practices in the storage, manufacturing, and distribution of its products.

The Company ensures that the necessary sanitary and quality standards are maintained and has regular audits from the government bodies responsible for the Company's portfolio of products, including the government's Bureau of Standards, Public Health Department, Jamaica Customs Department and the Ministry of Industry and Commerce. Also, as a supplier to several multinational and reputable local companies, the Company adheres and complies with their quality standards, and when potential customers conduct their independent audits, the Company is usually approved as a certified distributor to their respective plants.

Rigorous quality checks are integrated into the Company's receiving and delivery processes of its products, reducing customer complaints. Management considers the Company's reputation secured as events that may damage the Company's reputation are immediately investigated and the appropriate action taken in a manner that satisfies the complainant.

28. CAPITAL MANAGEMENT

The Company's objectives when managing capital is:

- Ensuring sufficient liquidity to support its financial obligations and execute its operating and strategic plans;
- Maintaining healthy liquidity reserves and access to capital;
- Optimizing the cost of capital while taking into consideration current and future industry, market, and economic risks and conditions; and
- To safeguard its ability to continue as a going concern in order to provide returns for its stockholders and benefits for other stakeholders

The definition of capital varies from company to company, industry to industry, and for different purposes. Management considers the definition of the Company's capital as long-term debt plus total equity.

The Company has a policy in place to manage capital. As part of the overall management of capital, management and the Audit Committee of the Board of Directors review the Company's compliance with and performance against the policy. In addition, periodic review of the policy is performed to ensure consistency with the risk tolerance.

The Company monitors its capital structure by measuring the gearing ratio. This ratio is calculated as total long-term debt divided by total capital under management.

The Company also monitors its fixed obligations to ensure compliance by tracking its interest and other coverage ratios and forecasting cash flows along with reviewing financial and other covenants of the existing debt agreements.

During 2026, the Company's capital management remained unchanged from 2025.

29. CONTINGENT LIABILITY

In the ordinary course of business, the Company is involved in litigation proceedings. The facts and circumstances of each case are evaluated to determine whether an outflow of economic benefits is probable and whether a provision is required. Significant management judgement is therefore required, as the outcome of litigation is inherently uncertain.

Based on legal advice received, the Company does not expect the ultimate resolution of these matters to have a significant adverse impact on its financial position. Accordingly, no provision has been recognised in respect of these claims.

30. IMPACT OF MIDDLE EAST WAR

The Company imports certain petrochemical products from international suppliers. As a result, it is exposed to potential disruptions in global shipping routes and to increases in freight and energy costs arising from ongoing geopolitical conflicts. While operations have continued without significant interruption to date, management is actively monitoring supplier pricing and product availability. Contingency measures have been established to mitigate potential supply chain disruptions and cost volatility.