

Atlantic

HARDWARE & PLUMBING CO. LTD.

A COMPANY INCORPORATED UNDER THE COMPANIES ACT OF JAMAICA

PROSPECTUS

FOR LISTING ON THE JAMAICA STOCK EXCHANGE



LEAD BROKER

JMB
SECURITIES LTD
A Member of the Jamaica Stock Exchange

INVITATION OPENS FEBRUARY 27, 2025

INVITATION CLOSES MARCH 13, 2025

(SUBJECT TO THE RIGHT OF THE COMPANY TO VARY
THESE DATES AS SET OUT IN THIS PROSPECTUS)

REGISTERED OFFICE:

105-107 MARCUS GARVEY DRIVE

KINGSTON 11

JAMAICA, W.I.

TELEPHONE: (876) 860-6004

www.atlanticja.com • info@atlanticja.com

DATE OF PROSPECTUS: FEBRUARY 20, 2025

THE PROSPECTUS

Of 499,999,800 ORDINARY SHARES at J\$1.00 per ORDINARY SHARE (Payable in Full on Application) and UNDERWRITTEN as to 100% of the **499,999,800 Ordinary Shares**, being offered for sale in

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED (the “Company” or “Atlantic”)

This Offer contains up to **399,999,800** reserved shares at **J\$1.00 per Ordinary Share** and at least **100,000,000** shares offered to the general public at **J\$1.00 per Ordinary Share**.

A copy of this Prospectus was delivered to the Financial Services Commission on February 20, 2025 pursuant to section 26 of the Securities Act. The Financial Services Commission has neither approved the issue of this Prospectus nor has the Commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

A copy of this Prospectus was delivered to the Jamaica Stock Exchange (“JSE”) on February 20, 2025. The JSE has neither approved the issue of this Prospectus nor has the JSE passed upon the accuracy or adequacy of this Prospectus.

A copy of this Prospectus was delivered to the Registrar of Companies for registration pursuant to section 40(2) of the Companies Act, 2004 and was so registered on February 19, 2025. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

Defined terms when used in this Prospectus have the meanings ascribed to them under “Definitions” herein stated.

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SECTION 1: IMPORTANT DISCLAIMERS

Responsibility for the Contents of this Prospectus

This Prospectus has been reviewed and approved by the Directors of the Company, whose names appear in Section 14 of this Prospectus, and they have signed this Prospectus in discharge of their duty under Section 40 (2) (a) of the Companies Act. The Directors collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief:

- i. the information is true and accurate in all material respects and is not misleading in any material respect;
- ii. any opinions, predictions or intentions expressed herein on the part of the Company are honestly held or made and are not misleading in any material respect;
- iii. that all proper inquiries have been made to ascertain and to verify the foregoing, and

this Prospectus does not contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements herein, in light of the circumstances. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus.

CONTENTS OF THIS PROSPECTUS

This Prospectus contains important information for prospective investors in the Company. All prospective investors should read this Prospectus carefully in its entirety before submitting an Application.

This Prospectus also contains summaries of certain documents, which the Directors believe are accurate. Prospective investors may wish to inspect the actual documents that are summarised, copies of which will be available for inspection as described in Section 23. Any summaries of such documents appearing in this Prospectus are qualified in their entirety by reference to the complete document. Prospective Applicants are not entitled to rely on parts of information contained in this Prospectus to the exclusion of other parts of this Prospectus.

The publication of this Prospectus shall not imply that there has been no change in the business, results of operations, financial condition or prospects of the Company since the date of this Prospectus.

Unauthorised Representations

No person has been authorized to give information or to make any representation concerning the Company or the Invitation comprised in this Prospectus or the securities intended to be issued pursuant thereto or to provide information or to make any representation whatsoever in connection with this Prospectus (other than as contained in this Prospectus and information given by duly authorized officers and employees of the Company in connection with the Applicant's verification of the information contained in this Prospectus) and that, if given or made, such other information or representation should not be relied upon as having been authorized by the Company. Neither the FSC nor any government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in this Prospectus.

THE INVITATION IS MADE TO JAMAICAN RESIDENTS IN JAMAICA ONLY

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to persons outside of Jamaica to subscribe for any shares. No action has been taken to register or qualify the Shares for sale outside of Jamaica. The Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation.

The Lead Broker (in its capacity as such), and any other selling and collection agents or dealers that may be appointed have not, and are not expected to, separately verify the information contained in this Prospectus. None of the Lead Broker or any other selling agent or dealer makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus.

PROSPECTIVE INVESTORS SHOULD ENSURE THAT THEY UNDERSTAND THE RISKS THAT MAY AFFECT THE COMPANY (SEE Section 6 Risk Factors) AND/OR THE SHARES AND THE EXTENT OF THEIR OWN ABILITY TO BEAR RISK IN LIGHT OF THEIR FINANCIAL CIRCUMSTANCES.

ELECTRONIC PROSPECTUS

For convenience, the website addresses of certain parties have been provided in this Prospectus. Except as expressly set forth in this Prospectus, no information on such websites should be deemed to be incorporated in, or form part of this Prospectus and the Company takes no responsibility for the information contained on such websites. The JSE has approved the publication of this Prospectus on its website and accordingly is expected to upload the Prospectus to its website (www.jamstockex.com). This should not be construed that the JSE has approved or is in any way responsible for the contents of this Prospectus.

LEGAL EFFECT OF ISSUING THE PROSPECTUS

NOTWITHSTANDING ANYTHING HEREIN AND IN PARTICULAR THE USE OF THE MARKET TERM “OFFER” AND OTHER COGNATE EXPRESSIONS, THIS PROSPECTUS DOES NOT CONSTITUTE AND IS NOT INTENDED TO BE AN OFFER BY OR ON BEHALF OF THE COMPANY TO SELL ANY OF THE SHARES. IT IS INSTEAD AN INVITATION TO TREAT. AN INVESTOR WHO SUBMITS AN APPLICATION SHALL BE DEEMED TO BE MAKING AN OFFER TO THE COMPANY TO PURCHASE SHARES IN THE COMPANY FROM THE COMPANY. THE COMPANY MAY OR MAY NOT ACCEPT SUCH OFFER. ACCEPTANCE OF ANY SUCH OFFER WILL OCCUR ONLY BY WAY OF ALLOCATION OF SHARES BY THE COMPANY IN RESPONSE TO AN APPLICATION. IN SUBMITTING AN APPLICATION EACH PROSPECTIVE INVESTOR ACKNOWLEDGES THE FOREGOING LEGAL EFFECT OF THE PROSPECTUS AND OF THEIR APPLICATION.

Seeking Professional Advice Before Making An Application

This Prospectus is not a recommendation by the Company that prospective investors should submit Applications to subscribe for Shares in the Company. Prospective investors in the Company are expected to make their own assessment of the Company, and the merits and risks of subscribing for Shares. Prospective investors are also expected to seek appropriate advice on the financial and legal implications of subscribing for Shares, including but not limited to any tax implications. Notwithstanding the inclusion in this Prospectus of such information in respect thereof as the Directors believe to be accurate, neither the Company nor its legal or other professional advisors, or any of their respective representatives, is making any representation or providing any advice to any Applicant or any other person regarding legal, tax, business, financial and related aspects of any person’s subscription for the Shares in this Invitation.

Each Applicant who submits an Application acknowledges and agrees that:

1. s/he has been afforded a meaningful opportunity to review this Prospectus (including the terms and conditions in Section 8) and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
2. s/he has not relied on the Company or any other persons in connection with his/her investigation of the accuracy of such information or his/her investment decision; and
3. no person connected with the Company has made any representation concerning the Company or this Prospectus not contained in this Prospectus, on which the Applicant has relied in submitting his/her Application.
4. s/he is aware of the merits and risks of subscribing for Shares in the Company including the Risk Factors set out in Section 6.

SECTION 2: ABOUT THIS PROSPECTUS

Atlantic Hardware & Plumbing Company Limited is a 30-year-old wholesale distributor, stocking over 2,400 inventory items including home improvement supplies, plumbing, tools, building materials, doors, flooring, lawn and garden supplies, paint and adhesives. It has over 1,000 repeat customers located across the length and breadth of Jamaica. The customer base is comprised of hardware stores, contractors, developers and retail consumers.

Except as disclosed in this Prospectus, the consolidated financial statements and summary historical consolidated financial data and other financial information included in this Prospectus are those of Atlantic.

As used in this Prospectus, unless otherwise indicated or the context otherwise requires, references to “we,” “us,” “our,” the “Company”, “Issuer” or similar terms refer to Atlantic.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this Prospectus concerning our industry and the markets in which we operate, including our general expectations, market position and market opportunity, is based on our management’s estimates and research. Our management’s estimates are derived from publicly available information, their knowledge of our industry and their assumptions based on such information and knowledge, which we believe to be reasonable. While we believe the industry, market and competitive position data included in this Prospectus is reliable and based on reasonable assumptions, we have not independently verified data from third-party sources. This data involves a number of assumptions and limitations, which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.” These and other factors could cause results to differ materially from those expressed in the estimates made by management.

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

This Prospectus also may contain trademarks, service marks and trade names of other companies, which are the property of their respective owners. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus are referred to without the TM, SM and ® symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

The Company invites Applications on behalf of itself for 499,999,800 Shares in the Invitation, all of which are newly issued shares for subscription to be subsequently listed on the Junior Market of the Jamaica Stock Exchange.

Up to 399,999,800 Shares in the Invitation (the “Reserved Shares”) are initially reserved for priority application from, and purchase by the following persons (the “Reserved Share Applicants”):

- 300,000,000 Lead Broker Reserved Shares at J\$1.00 each;
- 99,999,800 Reserved Shares for Key Partners and Employees at J\$1.00 each.

At least 100,000,000 shares will be offered to the general public at J\$1.00 per Ordinary Share.

If any of the Reserved Shares are not subscribed by the persons entitled to them, they will become available for subscription by the general public at the offer price of J\$1.00 per Share.

Applications may be made online by following the instructions provided in Appendix 1 at the end of this Prospectus. This initial public offer will open at 9:00 a.m. on the 27th day February 2025 and will close at 4:00 p.m. on the 13th day of March 2025, subject to the right of the Company to: (a) close the subscription list at any time after it opens without notice if Applications have been received for the full amount of the Shares offered; (b) extend the Closing Date for any reason, provided that it does not extend beyond the expiration of 40 days after the publication of this prospectus for the purposes of section 48(4) of the Companies Act; or (iii) offer Ordinary Shares greater in number than originally offered.

In the case of an early closure of the subscription list or an extension of the Closing Date, notice will be posted on the website of the Jamaica Stock Exchange at www.jamstockex.com. Applications submitted prior to the Opening Date will be received, but not processed until the Opening Date. Applications should be made in accordance with the instructions provided at the end of this Prospectus and which are made available at www.atlanticja.com, www.jamstockex.com, and www.jmmb.com. Each Application must be accompanied/ supported by payment in the required currency or evidence thereof, for the full amount payable, by an Approved Payment Method.

It is the intention of the Company to apply to the Jamaica Stock Exchange (JSE) for admission of the Shares to the Junior Market of the JSE. The application to the JSE is dependent on the Company’s ability to: (i) raise at least J\$499,999,800 as a result of the Invitation and (ii) meet the criteria for admission. Please note that this statement of the Company’s intention is not a guarantee that the Shares will in fact be admitted to the Junior Market of the JSE. If, however, the Company does not raise at least J\$499,999,800 it will not make an application for the

Shares to be admitted to the Junior Market of the JSE and all payments for shares received from Applicants will be refunded in full to the Applicants, without interest to Applicants. Further, if the Company raises at least J\$499,999,800 but does not meet the criteria for admission all payments for Shares received from Applicants will be refunded in full to the Applicants, without interest to the Applicants.

SHARE CAPITAL

Authorised Share Capital	No Maximum
Issued Prior to Invitation	J\$200
Maximum to be issued by the Company in the Invitation, fully paid	J\$499,999,800

CONSIDERATION

Total consideration assuming all Shares in the Invitation are fully subscribed by the persons entitled to them:

	J\$
100,000,000 Shares for the General Public at J\$1.00 each	100,000,000.00
300,000,000 Lead Broker Reserved Shares at J\$1.00 each	300,000,000.00
99,999,800 Reserved Shares for Key Partners and Employees at J\$1.00 each	99,999,800.00
Total Consideration	499,999,800.00

(Reserved Shares which are not subscribed for by Reserved Share Applicants will be available for subscription by members of the General Public. The total amount to be raised if the Invitation is successful is \$499,999,800.00)

All figures included in this Prospectus are in Jamaican dollars (J\$), except where otherwise stated.

Prospective Applicants are encouraged to seek the advice of an independent financial professional, attorney-at-law or chartered accountant before making an investment decision.

SECTION 3: DEFINITIONS

In this Prospectus the following capitalised words and phrases shall (save where the context requires otherwise) have the respective meanings set opposite them below:

AFFILIATE of a specified Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or under the common control with the specified Person. For the purposes of this definition “control” when used with respect to any specified Persons, means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise, and the terms “controlling” and “control” have correlated meanings.

APPLICANT means a person (individual or body corporate) who applies for Shares.

APPLICATION means an application to purchase Shares in this Invitation made by an Applicant on the **JMMB Moneyline** portal at <https://moneyline.jmmb.com/> by following the steps set out in Appendix 1 in this Prospectus.

ATLANTIC means **ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED**, a company incorporated under the laws of Jamaica.

ARTICLES means the articles of the Company together with any further amendments thereto.

AUDITOR means Ventry Foo, Chartered Accountant, or such other Person or Persons as may, for the time being and from time to time be duly appointed by the Board as auditor of the Company.

BOARD means the board of directors of the Company.

BUSINESS DAY means any day (other than a Saturday, Sunday, or public general holiday) on which banks are open for business in Jamaica.

CLOSING DATE means 4:00 pm on March 13, 2025, being the day on which the Invitation closes, subject to the right of the Company to shorten or extend the date in circumstances set out in this Prospectus.

COMPANY means ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED, a company incorporated under the laws of Jamaica.

COMPANIES ACT means the Companies Act of Jamaica.

DIRECTORS means Directors of the Company.

FSC means the Financial Services Commission of Jamaica

General Public means those Applicants who are not Reserved Share Applicants.

INVITATION means the invitation by the Company to the public to subscribe for 499,999,800 Shares, comprised of the invitation to purchase on the terms and conditions set out in this Prospectus.

INVITATION PRICE means \$1.00 per Share payable on Application.

J\$ OR JAMAICAN DOLLARS means the lawful currency of Jamaica.

JSE means the Jamaica Stock Exchange Limited, a company incorporated under the laws of Jamaica with its registered office at 40 Harbour Street, Kingston.

JCSD means Jamaica Central Securities Depository Limited, a company incorporated under the laws of Jamaica with its registered office at 40 Harbour Street, Kingston, and a subsidiary of the JSE.

KEY PARTNERS AND EMPLOYEES means key stakeholders in the Company, as solely determined by the Directors, including employees, suppliers, clients, and professional advisers to the Invitation.

LEAD BROKER RESERVE SHARES means affiliates of JMMB Securities Limited (“JMMBSL”), who by virtue of being holders of a convertible bond issued by the Company are entitled to exercise the conversion option in the bond for up to 300,000,000 of the Ordinary Shares in the Invitation at the price of J\$1.00 per Share.

LEAD BROKER means JMMB Securities Limited, a company incorporated in Jamaica with its registered office located 6 Haughton Terrace, Kingston 10, Jamaica.

MINIMUM SUBSCRIPTION means each Application must be for a minimum of 1,000 Shares and thereafter, in multiples of 100 Shares.

LISTING EXPENSES means all costs incurred in connection with this Invitation and the listing of the Shares on the JSE.

OPENING DATE means 9:00 am on February 27, 2025, being the day on which the Invitation to the public opens.

PERSON includes an individual, firm, company or other corporate body.

PROSPECTUS means this Prospectus.

REGISTER means the register of members maintained by the Company in accordance with the Companies Act.

RELATED PARTY means any Person who beneficially owns or controls directly or indirectly, voting securities entitling him to more than ten percent (10%) of the voting rights attached to outstanding securities of the Company.

RESERVED SHARE APPLICANTS means persons who are eligible to subscribe for Reserved Shares.

RESERVED SHARES means the 399,999,800 Shares in the Invitation that are reserved for application by Reserved Share Applicants.

SHARE means a fully paid, ordinary share in the capital of the Company.

SHAREHOLDER means a Person for the time being entered on the Register as the holder of a Share.

STOCK EXCHANGE means the JSE or any other securities exchange or self-regulatory organisation on which the Company elects to list its Shares.

US\$ OR US DOLLARS means the lawful currency of the United States of America.

SECTION 4: LETTER TO PROSPECTIVE INVESTORS

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED
105-107 Marcus Garvey Drive, Kingston 11, Jamaica
(876) 758-0326

January 31, 2025

Dear Prospective Investors,

On behalf of the Board, I invite you to submit an application to subscribe for up to 499,999,800 Shares in this Invitation to the general public made by Atlantic Hardware & Plumbing Company Limited (the 'Company' or 'Atlantic') to become shareholders of the Company, on the terms set out in this Prospectus.

The Company

Atlantic Hardware & Plumbing Company Limited was incorporated in October 1994. Its registered office is currently located at 105-107 Marcus Garvey Drive, Kingston 11.

Over the past 30 years, Atlantic has developed and maintained a strong reputation among its customers as a company that offers high-quality products at very competitive prices. Atlantic also has developed a reputation for carrying a wide range of products and offering great customer service. Today, Atlantic stocks over 2,400 products including home improvement supplies, plumbing, tools, building materials, doors, flooring, lawn and garden supplies, paint and adhesives for all project needs.

Atlantic is the authorized distributor for world renowned brands such as: Stanley Tools, Black & Decker, Dewalt, Oatey, DAP Inc., Yale, Bosch, Generac Generators, Barnett Brass, Bootz Industries, Chillington Tools, Corona Sanitary Wares, Deer Abrasives, Fleetwood, Gardner, Gibson, Genova, Henkel Pattex, Jeld-Wen, Meridian Int., Rust-Oleum, Skil Tools, Browns USA, Sunny Int., Tradecom Int., and WD-40. Atlantic's suppliers are located all over the world to include but not limited to the USA, China, Taiwan, Hong Kong, Vietnam, Malaysia, Brazil, Colombia, Trinidad, Mexico, Costa Rica, UK, Germany, Sweden, South Africa and Panama.

The Company has over 1,000 repeat customers that include hardware stores, contractors, developers and retail consumers. With a staff compliment of 32 team members, in FY 2023, Atlantic achieved revenues of J\$1.4 billion, net profit before taxation of J\$147 million, and EBITDA of J\$247 million. Atlantic is on a steady growth path and is expected to continue to produce increased revenues and profits through product-based diversification, superior customer service, increased operational efficiencies, and proactively searching for new market opportunities.

The Company intends to raise equity financing through the sale of its Shares in this initial public offering. Thereafter, the Company will immediately apply to list the Shares on the Junior Market of the Jamaica Stock Exchange.

Directors:

J. E. Scott, Jeffrey Hill, Donald Barnes, Nigel Davies, David Fung, Lisa Long, Jharon Donaldson, Alexander Winston, 20200 0147610

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED
105-107 Marcus Garvey Drive, Kingston 11, Jamaica
(876) 758-0326

Benefits of Listing Shares on the Junior Market of the Jamaica Stock Exchange

Listing Shares on the Junior Market of the Jamaica Stock Exchange would have many benefits to the Company, including:

- The opportunity to raise capital that will accelerate the growth of the Company.
- Increased transparency, regular reporting, and good governance in compliance with the Junior Market Rules of the Jamaica Stock Exchange.
- The special concessionary tax regime that is currently in place for Junior Market Companies.

Use of Proceeds

The Company estimates that the net proceeds of the Invitation will be approximately J\$469,999,800, after deducting the listing expenses incurred in connection with the Invitation in the aggregate sum of approximately J\$30,000,000. The Company will use the net proceeds to repay existing indebtedness.

Dividend Policy

The Directors intend to pursue an annual dividend policy providing for an annual dividend of up to 40% of net profits available for distribution, subject to Board approval, available liquidity and the needs of the Company.

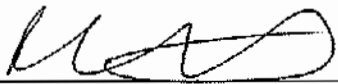
How to Make an Application for Shares

Prospective investors who are interested in submitting an application to subscribe for Shares should read this Prospectus in its entirety, and then apply using the instructions laid out in Appendix 1.

Next Steps

We are excited to execute our plan for the next phase of growth for the Company. To that end, we invite Prospective Investors to grow with the Company in its strategic expansion.

Best regards,



Paul B. Scott (Chairman)

Directors

P. B. Scott, Jeffrey Hall, Darcill Barnes, Noel Davies, Donald Pung, Lisa King, Sharon Osaatibon, Alexander Marston, Selma Crawford

SECTION 5: SUMMARY OF KEY OFFER INFORMATION

The following summary information is derived from and should be read in conjunction with, and is qualified in its entirety by, the full text of this Prospectus. You are advised to read this entire Prospectus carefully before making an investment decision about this Offer. Your attention is specifically drawn to the Risk Factors in Section 6 of this Prospectus. If you have any questions arising out of this document or if you require any explanation, you should consult your stockbroker, licensed investment advisor, attorney-at-law, accountant or other professional advisor.

Issuer	ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED
Securities	up to 499,999,800 Shares
Invitation	means the invitation to subscribe for Shares made by the Company, on the terms and conditions set out in this Prospectus
Share Price	Reserved Pool: J\$1.00 General Public: J\$1.00
Minimum Subscription	Applicants must request a minimum of 1,000 Shares. Applications above this amount must be made in multiples of 100 Shares thereafter
Use of Proceeds	<p>The Company estimates that the net proceeds of the Invitation will be approximately J\$469,999,800.00, after deducting the below expenses incurred in connection with the Invitation in the aggregate sum of approximately J\$30,000,000.00.</p> <p>Expenses: Fees payable to professional advisers; fees payable to the JSE and the JCSD; auditing, tax, legal and accounting fees; registrar fees; and marketing expenses.</p> <p>The Company will use the net proceeds to repay a portion of the existing indebtedness as outlined in Section 11 under Charges Registered Against The Company, page 44. Specifically, the debt in Item 1 will be repaid in full by J\$300 million, while the debt in Item 2, Item 3 and Item 4 will be repaid by J\$56.667 million each.</p>
Application	See Appendix 1
Payment Method	See Appendix 1

SECTION 6: RISK FACTORS

Investing in our Shares involves substantial risks. In addition to the other information in this Prospectus, you should carefully consider the following factors before investing in our Shares. Any of the risk factors we describe below could have a material adverse effect on our business, financial condition or results of operations. The market price of our Shares could decline if one or more of these risks or uncertainties develop into actual events, causing you to lose all or part of your investment. While we believe these risks and uncertainties are especially important for you to consider, we may face other risks and uncertainties that could have a material adverse effect on our business. Certain statements contained in the risk factors described below are forward looking statements. See “Disclaimer and Note Regarding Forward-Looking Statements” for more information.

The following does not purport to be a comprehensive summary of all of the risks associated with an investment in shares. Rather, the following are only certain risks to which the Company is subject and Prospective Investors should discuss and evaluate in detail with their professional advisors. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company’s future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, financial condition, financial performance or cash flows of the Company. Prospective Investors in the Shares should carefully consider these risks before investing in the Shares and seek advice from a stockbroker or other appropriate professional.

Investors should appreciate that there are inherent risks in all types of investments. Prices of investments can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumours and sentiment.

MARKET RISK

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Company treasury department which monitors the price movement of financial assets on the local and international markets.

There has been no recent change to the Company’s exposure to market risks or the manner in which it manages and measures the risk.

CURRENCY RISK

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. It is also the risk that the Company will be able to source sufficient amounts of various currencies to fund its operations.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Jamaican dollar, the United States Dollar and others. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

The Company manages its foreign exchange risk by monitoring currency positions. The Company further manages this risk by maximizing foreign currency earnings and holding foreign currency balances.

The Company has trade liabilities denominated in hard currency. Currency exposure arising from the its hard currency trade liabilities exposes the Company to foreign exchange risk.

LIQUIDITY RISK

Apart from Cash Resources, Inventories, Trade Receivables and Fixed Assets are amongst the highest contributors to the nominal value of the Company's current assets. Thus, should payments from major customers be unexpectedly delayed, this could ultimately impact the Company's cash flows and its ability to meet financial obligations. Notwithstanding this, the Company has enforced strategies to mitigate this risk which includes, but is not limited to, placing restrictions on the amounts extended to each customer while monitoring these exposures on an ongoing basis. In the event that the Company does not manage its liquidity and funding risk sufficiently, this may result in an inability to support normal business activity and/or a failure to meet its daily working capital requirements. Any material adverse change in market liquidity, the availability and cost of funding, in each case whether due to factors specific to the Company or to the market generally, could adversely impact the Company's ability to sustain normal business activity.

BUSINESS RISK

The Company's business relies on consumer preferences and tastes, which may often shift to other alternatives in unpredictable ways. Consequently, the failure to satisfy the evolving needs of the consumer could negatively impact the Company's profitability.

CLIMATE, HURRICANE, FIRE AND OTHER HAZARD RISK

Catastrophic events affecting Jamaica, such as hurricanes and earthquakes, may severely impact economic activity in Jamaica and, by extension, the operations of the Company. The

property from which the Company carries on business is susceptible to loss or damage by fire, hurricane, earthquake, flood and other perils. The Company maintains various insurance coverage policies to manage these risks.

SUPPLIER AND DISTRIBUTOR RISK

The Company relies on its business relationships with its suppliers. The successful operations of the Company depend on its ability to procure certain products from strategic suppliers and distributors. If such relationships were terminated, disrupted, or impaired, the Company's sales revenue may be impacted in the short to medium-term, while it takes necessary steps to identify alternative suppliers and distributors and enter into arrangements with them in order to continue operations.

OPERATIONAL RISK

The Company is also subject to the risk of loss resulting from disruptions to its business, inadequate or failed internal processes, controls or procedures (or their inadequacy relative to the size and scope of the Company's business), people and systems or from external events (including severe weather, other acts of God or social unrest), human errors, fraudulent and other criminal activities (both internal and external). These also include systematic risk (including risk of accounting errors, failure to procure adequate insurance coverage, and compliance failures), legal risk and reputational risks, fire, floods and other losses to physical assets, employee errors, computer and imaging equipment failures and security failures. The Directors consider that the Company is prudent and that it insures itself against some (but not all) of these risks. It may not be feasible for the Company to insure itself in respect of all of the risks mentioned, because no coverage may be available, or it may not be economical to do so.

LIMITED CONTROL

It is expected that Construct Group Limited and Lumber Depot Limited will remain the majority shareholders in the Company. Shareholders other than the majority shareholders will have limited control over changes in the Company's policies and operations.

The Company's Board will determine major policies, including policies regarding financing, growth, debt capitalization and the distribution of dividends. The Board may amend or revise these and other policies without a vote of the shareholders. The Board's discretion in setting policies and individual shareholders' inability to exert control over those policies may increase the uncertainty and risks of an investment in the Company.

LITIGATION RISKS

In the course of the Company's operations, the Company may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. The outcome with respect to these potential future proceedings would be difficult to predict and may be determined in a manner adverse to the Company and, as a result, could have a material adverse effect on the assets, liabilities, business, financial condition and financial performance of the Company. Even if the Company prevails in any such legal proceeding, the proceedings could be costly which could have a material adverse effect on the cash flows, financial condition or financial performance of the Company and its/their ability to make distributions to shareholders.

POTENTIAL VOLATILITY OF SHARE PRICES

The market price for the Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers, directors and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding shares or securities convertible into shares; (vi) sales or perceived sales of additional shares or securities convertible into shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Another factor that may influence the market price of the Shares is the annual yield on the Shares. An increase in market interest rates may lead purchasers of Shares to demand a higher annual yield, which accordingly could materially adversely affect the market price of the shares.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration

of the Company's environmental and governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Shares by those institutions, which could materially adversely affect the trading price of the Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the Company's operations could be materially adversely impacted and the trading price of the Shares may be materially adversely affected.

RISK IN RELATION TO FIRST ISSUE

Since this is the first public issue of Shares by Atlantic, no formal market for the Shares has been established. The Invitation Price for the Shares has been determined by the Directors on the advice of the Lead Broker. The IPO price should not be taken to be indicative of the market price of the Shares after they are listed on the Junior Market of the Jamaica Stock Exchange. No assurance can be given regarding active or sustained trading in the Shares of the Company or regarding the price at which the Shares will be traded subsequent to the listing of the Shares on the Junior Market.

MARKETABILITY OF THE SHARES

The Shares, though listed on the Jamaica Stock Exchange, may not be readily saleable due to a lack of sufficient demand. Shareholders who may want to liquidate their position may therefore not be able to do so in a timely manner at their desired price and may have to sell their Shares at a discount in order to exit.

MARKET SIZE OF THE SHARES

The Junior Market of the Jamaican Stock Exchange is relatively small. As a result, the market for the Shares may be limited when compared to other larger capital markets. Consequently, trades in small quantities of the Company's Shares may trigger meaningful changes in the market price of the Shares and may make it easier for stock price manipulation to occur. To minimise the risk of manipulation in the price of the Shares, the Minimum Subscription is 1,000 Shares and, thereafter, subscriptions must be in multiples of 100 Shares.

ADVERSE DEVELOPMENTS IN THE CAPITAL MARKETS

Following their proposed admission to trading on the Junior Market of the JSE, from time to time, the Shares may experience significant volatility in their market price, which may extend beyond the short-term and which may be dependent on the Company's financial performance, as well as on investors' confidence and other factors over which the Company has no control. Capital markets may experience significant price volatility, dislocations, or liquidity disruptions, from "black swan" events or downturns in economic

cycles. These circumstances may materially affect liquidity in the financial markets, resulting in unfavourable financing terms, or resulting in unavailability of financing. Volatility and uncertainty in the capital markets may negatively affect the Company's ability to raise capital via the debt or equity markets, thus affecting the capital needs of Atlantic. A prolonged downturn in the financial markets may cause the Company to seek alternative sources of financing, which may be less attractive than typical debt or equity financing.

RELIANCE ON KEY PERSONNEL

The management and governance of the Company depends upon the performance of certain key personnel including executive officers, directors and managers, among others. The loss of the services of certain key personnel could have an adverse effect on the Company's business operations. If the Company is unable to retain and attract certain key personnel, it may not be able to implement its strategies and, accordingly, its business may be negatively impacted. The Company can mitigate this risk by investing in our employees, maintaining our reputation as an employer of choice, continuously recruiting talented personnel, and ensuring robust succession planning.

MACROECONOMIC POLICIES

Changes in fiscal and monetary policies introduced by the Government of Jamaica may affect the behaviour of capital markets. Such changes in policies may create opportunities as well as challenges for the Company. This is a risk that is not faced by the Company alone but also, by any trading business, although the risk could have a particular impact on the Company's business model.

FUTURE PANDEMIC RISK

In combating the global COVID-19 pandemic, Governments around the world including the Government of Jamaica (GOJ), implemented several measures, including movement restrictions, in an attempt to contain the spread of COVID-19 which had significant and negative impact on economies worldwide. Should another pandemic related event impact Jamaica, the resulting mitigation measures at a national level could include similar measures used to combat COVID-19 which would negatively impact the demand for construction-related products. The Company is susceptible to wider risks in its operating environment, which include pandemic risks that may impede business operations and/or the functioning of the wider economy. This risk might include a re-emergence of the coronavirus (original and/or new variants) as well as possible other new pandemics associated with novel/re-emerging viruses. We, however, emphasize that this risk is not unique to the Company, as both domestic and global businesses are exposed to this risk factor.

Terrorist attacks and threatened or actual war may adversely affect our business

Our business is affected by general economic conditions and fluctuations in consumer confidence and spending, which can decline as a result of numerous factors outside of our control. Terrorist attacks or threats overseas, rumors or threats of war, actual conflicts involving oil producing countries or logistics suppliers, or military or trade disruptions impacting our suppliers or our customers may adversely impact our operations.

Cybersecurity attacks, data breaches and other disruptions affecting us, or our service providers, could materially and adversely affect our business, operations, reputation, and financial results

The security and integrity of our information technology (“IT”) infrastructure and physical assets is critical to our business and our ability to perform day-today operations and deliver services. In addition, in the ordinary course of our business, we may collect, process, transmit and store sensitive data, including intellectual property, our proprietary business information and that of our customers, suppliers and business partners, as well as personally identifiable information. We also engage third parties such as service providers and vendors and our parent company, who provide a broad array of software, technologies, tools, and other products, services and functions (e.g., human resources, finance, data transmission, communications, risk, compliance, among others) that enable us to conduct, monitor and/or protect our business, operations, systems and data assets.

Our IT and IT infrastructure, physical assets and data, may be vulnerable to unauthorized access, computer viruses, malicious attacks and other events (e.g., distributed denial of service attacks or ransomware attacks) that are beyond our control. These events can result from malfeasance by external parties, such as hackers, or due to human error by our or our service providers’ employees and contractors (e.g., due to social engineering or phishing attacks). In addition, our providers’ work-from-home arrangements may present additional operational and cybersecurity risks to our IT infrastructure and physical assets.

Companies can from time to time, been subject to cybersecurity attacks and other security incidents. The frequency and magnitude of cybersecurity attacks is expected to increase and attackers are becoming more sophisticated. We may be unable to anticipate, detect or prevent future attacks, particularly as the methodologies used by attackers change frequently or are not recognized until launched, and we may be unable to investigate or remediate incidents because attackers are increasingly using techniques and tools designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

Cybersecurity disruptions could cause physical harm to people or the environment; damage or destroy assets; compromise business systems; result in proprietary information being

altered, lost, or stolen; result in employee, customer, or third-party information being compromised; or otherwise disrupt our business operations. We could incur significant costs to remedy the effects of a major cybersecurity disruption in addition to costs in connection with resulting regulatory actions, litigation, or reputational harm. Any losses, costs or liabilities may not be covered by, or may exceed the coverage limits of, any or all of our applicable insurance policies.

We rely on our information systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business

We depend on our information systems to manage numerous aspects of our business transactions and provide analytical information to management. Our information systems are an essential component of our business and growth strategies, and a serious disruption to our information systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of our business operations. To protect against unauthorized access or attacks, we have implemented infrastructure protection technologies and disaster recovery plans, but there can be no assurance that a technology systems breach or systems failure will not have a material adverse effect on our financial condition or results of operations.

Our business and our reputation could be adversely affected by the failure to protect sensitive customer, employee or vendor data, whether as a result of cybersecurity attacks or otherwise, or to comply with applicable regulations relating to data security and privacy

In the normal course of our business we may obtain amounts of data, including credit and debit card information from our customers. We are therefore susceptible to data breaches resulting in exposure of sensitive customer data, including payment card information. While we have invested significant amounts in the protection of our information systems and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material adverse effect on our reputation, operating results and financial condition. Such a breakdown or breach could also materially increase the costs we incur to protect against such risks. Also, a material

failure on our part to comply with regulations relating to our obligation to protect such sensitive data or to the privacy rights of our customers, employees and others could subject us to fines or other regulatory sanctions and potentially to lawsuits.

Cybersecurity attacks are rapidly evolving and becoming increasingly sophisticated. A successful cybersecurity attack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to upgrade further the security measures that we employ to guard against cybersecurity attacks.

Reputation. Our reputation is an important corporate asset

Factors that could have a negative impact on our reputation include an operating incident or significant cybersecurity disruption; changes in consumer views concerning our products. Negative impacts on our reputation could in turn make it more difficult for us to compete successfully for new opportunities, obtain necessary regulatory approvals, obtain financing, and attract talent, or they could reduce consumer demand for our products. Our reputation may also be harmed by events, which negatively affect the image of our industry as a whole.

We compete with other businesses in our market with respect to attracting and retaining qualified employees

Our continued success depends on our ability to attract and retain qualified personnel in all areas of our business. We compete with other businesses in our market with respect to attracting and retaining qualified employees. A tight labor market, increased overtime and a higher full-time employee ratio may cause labor costs to increase. A shortage of qualified employees may require us to enhance wage and benefits packages in order to compete effectively in the hiring and retention of such employees or to hire more expensive temporary employees. No assurance can be given that our labor costs will not increase, or that such increases can be recovered through increased prices charged to customers.

RISKS RELATED TO THIS OFFERING

There has been no prior public trading market for our shares and an active trading market may not develop following the completion of this offering

There has been no public market for our shares. It is likely that the initial public offering price for the our Shares will differ from the market price for our ordinary shares after the initial public offering. We cannot assure you that an active trading market for our ordinary shares

will develop. A significant portion of our ordinary shares may not trade following the offering because our existing shareholders intend to own in the aggregate up to 80% of our ordinary shares after the offering, assuming it is fully subscribed. If no trading market develops, securities analysts may not initiate or maintain research coverage of us, which could further depress the market for our ordinary shares. The price of our ordinary shares could decline if one or more equity analysts downgrade them as an investment or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business. Furthermore, our operating results and prospects from time to time may be below the expectations of market analysts and investors. As a result, investors may not be able to sell their ordinary shares at or above the initial public offering price or at the time that they would like to sell.

OWNERSHIP RIGHTS OF SHARES AND TRADING ON THE JSE

ADMISSION OF THE SHARES TO THE JUNIOR MARKET OF THE JSE

After the Closing Date of the Invitation, the Company intends to make application to the JSE to admit all of its Shares to the Junior Market. However, the Company is not able to guarantee the success of the Invitation or the admission of the Shares to the Junior Market. The making of the application by the Company, and its success, is dependent on: (i) the Invitation raising at least the Minimum Fundraising Amount and (ii) all the criteria for listing set out in the JSE Rules being met. In the event that the Invitation fails to achieve the Minimum Fundraising Amount or if the Company is not able to meet the criteria for listing on the Jamaica Stock Exchange at the close of the Invitation, then the Invitation will be withdrawn and the funds so subscribed will be refunded in full.

ISSUE OF ADDITIONAL SHARES

The Company may issue additional ordinary shares. Such shares, once issued, may rank pari passu with the existing ordinary shares (including upon a winding up) and may be listed on the JSE or on any other stock exchange. The issue of these additional ordinary shares could affect the market price of the ordinary shares.

FUTURE SALE OF SHARES BY SHAREHOLDERS

The market price of the Shares could decline as a result of sales of a large number of shares in the market or the perception that such sales could occur, or as a result of any sale of Shares by any of the Company's existing shareholders from time to time.

THERE CAN BE NO ASSURANCE THAT WE WILL BE ABLE TO PAY DIVIDENDS OR MAINTAIN ANY GIVEN LEVEL OF DIVIDENDS.

If the Company does not generate sufficient net operating profit, the Company's ability to pay dividends will be adversely affected. Neither Jamaican law nor the rules and regulations of the JSE impose a requirement on JSE-listed companies to pay a minimum level of dividend

or any dividend at all. Holders of the Company's ordinary shares will not receive dividends for any period during which the Company does not have unrestricted retained earnings out of which dividends may be paid. Even after the implementation of the Company's proposed dividend policy, no assurance can be given as to the Company's ability to make or maintain dividends, nor can there be any assurance that if the Company pays dividends in a certain year or certain years, it will subsequently continue to pay dividends at the same level or frequency.

NEW REGULATORY RULES OR STANDARDS

The Company may also become subject to new regulatory rules or standards that differ from those that are presently applicable. If such regulatory rules or standards become onerous from the point of view of the Company or its customers this could require the Company to recapitalise, or to change its business operations, and in any case, changes in such regulatory rules or standards may affect its long-term profitability. Non-compliance by the Company with applicable laws, regulations and codes of conduct relevant to its businesses whether due to inadequate controls or otherwise, could lead to substantial monetary damages and/or fines, public reprimands, reputational damage, increased regulatory compliance requirements or other regulatory restrictions on the Company's business, the potential for prosecution in certain circumstances, or, in extreme cases, revocation of licenses to operate and/or other severe penalties.

NEW ACCOUNTING RULES OR STANDARDS

The Company may become subject to new accounting rules or standards that differ from those that are presently applicable. Such new accounting rules or standards could require significant changes in the way the Company currently reports its financial position, operating results or cash flows. Such changes could be applied retrospectively. This is a risk that is common to companies that apply International Financial Reporting Standards (IFRS). In addition, the preparation of financial statements in accordance with IFRS requires the use of estimates. There is a risk that if the judgment exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in an adverse impact on the Company's financial results.

COMPETITION FROM NEW ENTRANTS OR EXISTING PARTICIPANTS

The Company is exposed to competition from new entrants in the market and existing companies within the market. Increased competition could have the effect of depressing prices and eroding market share and result in a reduction of revenues and profits for the Company. This could have a material adverse effect on the Company's financial results.

RISK MANAGEMENT

The Company's goal in risk management is to ensure that it understands, measures, and monitors the various risks that arise and that it adheres strictly to the policies and procedures which are established to address these potential risks. The Board of Directors of the Company is ultimately responsible for the overall risk management policies of the Company and risk oversight with a focus on the main risks facing the Company. The Board's Audit Committee will oversee the Company's policies and procedures relating to the financial statements and reporting process as well as the internal controls of the Company. It will also assist the Board of Directors in its formulation of the Company's policies of risk management. The Corporate Governance Committee will oversee risks related to compensation and have oversight of the Company's compliance with legal and regulatory requirements.



SECTION 7: DISCLAIMER AND NOTE ON FORWARD LOOKING STATEMENTS

Save for the historical financial information contained in this Prospectus, certain matters discussed herein contain forward-looking statements including but not limited to statements of expectations, future plans or future prospects, and financial projections. Forward-looking statements are statements that are not about historical facts and speak only as of the date they are made. Although each of the Directors believes that in making any such statements its expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be different or materially different from those projected. Prospective Investors in the Company are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they have been made. Future events or circumstances could cause actual results to differ or differ materially from historical or anticipated results. When used in this Prospectus, the words “anticipates”, “believes”, “expects”, “intends” and similar expressions, as they relate to the Company, are intended to identify those forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Once this Prospectus has been issued, none of the Directors undertakes any obligation to update or revise any of the forward-looking statements in light of new information or future events, including changes in the Company’s financial or regulatory position, or to reflect the occurrence of unanticipated events (subject to any legal or regulatory requirements for such disclosure to be made). There are important factors that could cause actual results to differ or differ materially from those in the forward-looking statements, certain of which are beyond the control of the Directors and the Company. These factors include, without limitation, economic, social and other conditions prevailing both within and outside of Jamaica and the other jurisdictions in which the Company operates, including:

- actual rates of growth of the Jamaican and regional economies, instability, high domestic inflation and unemployment;
- interest rates or exchange rate volatility;
- adverse climatic events and natural disasters;
- unfavourable market receptiveness to new products and services;
- changes in any legislation or policy adversely affecting the revenues or expenses of the Company or its tax status in Jamaica;

- any other factor negatively impacting on the realization of the assumptions on which the Company's financial projections are based;
- other factors identified in this Prospectus; and factors as yet unknown to the Directors and/or the Company.

No government agency or regulatory authority in Jamaica has made any determination on the accuracy or adequacy of the matters contained in this Prospectus. Prospective Investors are advised to read this entire Prospectus *carefully* before making an investment decision concerning investing in shares in the capital of the Company. Each recipient's attention is specifically drawn to the Risk Factors in this Prospectus. Prospective Investors are also advised to consult with their stockbroker, licensed Investment advisor, attorney-at-Law, accountant or other professional advisors before making an investment decision or for any clarification as to the contents of this document.



SECTION 8: THE INVITATION

GENERAL INFORMATION

Prospective investors should read this entire Prospectus carefully. Those prospective investors who wish to subscribe for Shares should review the full Terms and Conditions of the Invitation before completing the Application.

The Company invites Applications for up to 499,999,800 Shares in the Invitation subject to this Prospectus. The Company is seeking to raise \$499,999,800.00 from subscriptions for up to 499,999,800 Shares in the Invitation. A total of up to 399,999,800 Shares have been initially reserved for subscription by the Lead Broker and affiliates of the Lead Broker and by Key Partners and Employees of the Company. If any of the Reserved Shares in any category are not subscribed by the Reserved Share Applicants that are entitled to them, they will then be made available for subscription by the general public. All Shares inclusive of Reserved Shares are priced at the Invitation Price of \$1.00 per Share. Assuming that all of the Shares in the Invitation are taken up by investors, the Company will raise \$499,999,800.00 and make an application to the JSE for the Shares to be admitted to the Junior Market. If the application is successful, it is anticipated that the Shares will be admitted to trading within 3-4 weeks of the actual Closing Date. Those prospective investors who wish to subscribe for Shares should review the full terms and conditions of this Prospectus before completing the Application based on the instructions set forth in Appendix 1.

MINIMUM FUNDRAISING AMOUNT

For the purposes of the requirement for disclosure set out in section 48 of the Companies Act, the minimum amount which, in the opinion of the Directors, must be received by the Company as a result of the subscription of its Shares in the Invitation is \$499,999,800.00.

KEY DATES

TIMETABLE OF KEY DATES:

Directions to Applicants for completing an Application are set out at Appendix 1 of this Prospectus. The subscription list will open at 9.00 am on the Opening Date and will close at 4:00 p.m. on the Closing Date subject to the right of the Company to:

- a) close the subscription list at any time after 9:00 a.m. on the Opening Date once the issue is fully subscribed, and
- b) to shorten or extend the Closing Date for any reason provided that it does not extend beyond the expiration of 40 days after the publication of this Prospectus for the purposes of section 48(4) of the Companies Act.

In either case the Company will arrange for a notice to be posted on the website of the JSE (www.jamstockex.com).

The below timetable is indicative, with the Directors however reserving the right to change the dates that the Invitation opens and closes based on market conditions and other relevant factors as determined by the Company subject always to statutory and regulatory obligations.

Publication Date	20 th February 2025
Opening Date	27 th February 2025
Closing Date	13 th March 2025 (subject to the right of the Company to designate an earlier or later date as set out in this Prospectus)
Announcement of Basis of Allotments	Within 6 clear business days after the Closing Date
Refunds	Within 10 clear business days after the Closing Date
Listing of Shares on JSE	Anticipated to be within 3 to 4 weeks after the Closing Date

Early Applications will be received but not processed until the Opening Date. All early Applications will be treated as having been received at the same time, being 9:00 am on the Opening Date. All other Applications will be received on a first come, first served basis.

It is the intention of the Company to apply to the JSE for admission of the Shares to the Junior Market of the JSE. The application is dependent on the Company's ability to:

- (i) raise at least J\$499,999,800.00 from the Invitation, and
- (ii) meet the criteria for admission set out in the Junior Market Rules made by the JSE.

If such application is made and it is successful, the Company expects the Shares to be admitted to trading on the Junior Market of the JSE within 3 to 4 weeks of the Closing Date and for dealings to commence on that date. In the event that the Shares are not admitted to trading on the Junior Market of the JSE, all payments for Shares received by the Company will be returned or refunded to the Applicants making them.

Terms and Conditions for Applicants

1. All Applicants (whether Reserved Share Applicants, or members of the general public) must submit an Application which must be complete and delivered in accordance with the instructions set out in Appendix 1.

2. All Applicants will be deemed to have accepted the terms and conditions of the Invitation and any other terms and conditions set out in this Prospectus and the Application.
3. Each Applicant acknowledges and agrees that:
 - a. s/he has been afforded a meaningful opportunity to review this Prospectus (including the Terms and Conditions in this Section), and to gather and review all additional information considered by him/her to be necessary to verify the accuracy of the information contained in this Prospectus;
 - b. s/he has not relied on any person other than the Company and the Directors, each of whom have individual and collective responsibility for the contents of this Prospectus, in connection with his/her investigation of the accuracy of such information or his/her investment decision;
 - c. no person connected with the Company has made any representation concerning the Company or this Prospectus not contained herein, on which the Applicant has relied in submitting his/her Application; and
 - d. s/he has made his/her own assessment of the Company, and the merits and risks of subscribing for Shares, inclusive of taking advice (or waiving the need for such advice) in relation to the financial and legal implications of subscribing for Shares and the tax implications thereof.
4. Applications from the general public must request a minimum of 1,000 Shares and further amounts in multiples of 100. Applications in other denominations will not be processed or accepted.
5. A processing fee of \$172.50 (inclusive of GCT) per Application payable to the JCSD applies and is payable by each Applicant.
6. All Applications must be accompanied by the appropriate payment in the form as outlined in Appendix 1 .
7. The Company may: accept or reject any Application in whole or in part without giving reasons, and neither the Company nor its Directors or agents shall be required to provide reasons for decisions or be liable to any Applicant or any other person for doing so. Multiple Applications by any person (whether in individual or joint names) may be treated as a single Application.
8. All Reserved Shares will be allotted on a “first come first served” basis by the Directors, acting in their sole discretion. Any Reserved Shares not applied for in any category will become available for subscription by Reserved Share Applicants in the other category and thereafter, any remaining Reserved Shares will become available for subscription by the general public. All Shares available for subscription by members of the general public will be allotted on a “first come first served” basis by the Directors, acting in their sole discretion.

9. Neither the submission of an Application by an Applicant nor its receipt by the Company will result in a binding contract between the Applicant and the Company. Only the allotment of Shares by the Company to an Applicant (whether such Shares represent all or part of those specified by the Applicant in his/her Application) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Shares, subject to the Articles of Incorporation of the Company and the terms and conditions set out in this Section 8 and this Prospectus generally.
10. If the Invitation is successful in raising at least the Minimum Fundraising Amount and the Shares are admitted to trading on the Junior Market of the JSE, Applicants will be allotted Shares for credit to their account in the Jamaica Central Securities Depository specified in their Applications. Applicants may refer to the notice that will be posted on the website of the JSE (www.jamstockex.com) after the Closing Date (or the shortened or extended Closing Date, as the case may be). Applicants who wish to receive share certificates must make a specific request to the Registrar. Please note that the Company does not guarantee admission of the Shares to the JSE. In the event that the Company does not raise at least the Minimum Fundraising Amount and/or the Shares are not admitted to trading on the JSE, all payments for Shares received by the Company will be refunded to the Applicants.
11. The Company will endeavour to make refunds to Applicants whose Applications are not accepted, or whose Applications are only accepted in part, within 10 working days after the Closing Date (or the shortened or extended Closing Date, as the case may be) or as soon as practicable thereafter. Refunds will be processed in accordance with the relevant instructions included in the Application as detailed in Appendix 1.
12. Applicants must be at least 18 years of age. The Company may treat multiple Applications by any person (whether in individual or joint names) as a single Application.
13. The Company may notwithstanding, that the intention of the Company is to allot the Shares on a first come, first served basis, reserve the right to allot the Shares to Applicants on a basis to be determined by it in its sole discretion in the event the Invitation is oversubscribed, including on a pro rata basis.
14. Up to 499,999,800 ordinary shares in total are being made available pursuant to this Invitation. The Shares are ordinary shares with no par value.

All the Shares, which are offered for sale, rank, and will continue to rank pari passu in all respects with each other and with all ordinary shares of the same class that may be issued by the Company in the future. Accordingly, the Shares will rank equally for dividends and other distributions hereafter declared, paid, or made on the ordinary share capital of the Company.

CORPORATE DIRECTORY OF ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED AND PROFESSIONAL ADVISORS TO THE OFFER

CHAIRPERSON	Mr. Paul B. Scott
CORPORATE SECRETARY	Ms. Lisa Kong
CHIEF FINANCIAL OFFICER	Mr. David Harris
REGISTERED OFFICE	105-107 Marcus Garvey Drive, Kingston 11, Jamaica, W.I. Tel: 876-860-6004 Website: www.atlanticja.com
BOARD OF DIRECTORS	Mr. Paul B. Scott Mr. Jeffrey Hall Mr. Deanall Barnes Mr. Noel Dawes Mr. Donald Fung Ms. Lisa Kong Ms. Sharon Donaldson Mr. Alexander Marston Mr. Sekou Crawford
ATTORNEYS AT LAW	DunnCox Attorneys at Law, 48 Duke Street, Kingston, Jamaica, W.I. Tel: 876.922.1500 Website: www.dunncox.com
AUDITORS	Current auditor Ventry Foo , Chartered Accountant of 6 Waterloo Way, Kingston 8, Jamaica, W.I.
LEAD BROKER	JMMB Securities Limited 6 Houghton Terrace, Kingston 10, Jamaica Attention: Karl Townsend Telephone: 876-998-5662 Email: info@jmmb.com
REGISTRAR AND TRANSFER AGENT	Jamaica Central Securities Depository Limited 40 Harbour Street Kingston
MENTOR	The JSE waived the mentorship requirement for Atlantic

SECTION 9: USE OF PROCEEDS

The Company intends to use the proceeds of the Invitation for the following purposes:

Payment of the following expenses of the Invitation, which, the Company estimates, will not exceed J\$30,000,000.00 inclusive of General Consumption Tax:

- Fees payable to professional advisers;
- Fees payable to the JSE and the JCSD;
- Auditing, tax, legal and accounting fees;
- Registrar fees; and
- Marketing expenses.

The Company estimates that the net proceeds of the Invitation will be approximately J\$469,999,800.00, after deducting the above expenses incurred in connection with the Invitation in the aggregate sum of approximately J\$30,000,000.00. The Company will use the net proceeds to repay a portion of the existing indebtedness as outlined in Section 11 under Charges Registered Against The Company, page 44. Specifically, the debt in Item 1 will be repaid in full by J\$300 million, while the debt in Item 2, Item 3 and Item 4 will be repaid by J\$56.667 million each.



SECTION 10: DIVIDEND POLICY

Dividends will be payable out of surplus funds from the Company's distributable profits and/or general reserves as may be determined by the Board from time to time. The Board reserves the right to not recommend a dividend for a period, if it considers it in the best interests of the Company to do so.

The Company will not declare any dividends where the law prevents such payment and if there are reasonable grounds for believing that the Company is or would be, after a dividend payment, (a) unable to pay its liabilities or discharge its obligations as and when they become due or (b) the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

Subject to the foregoing, the Board aims to declare and distribute as dividends on the Shares up to 40% of the Company's net profit available for distribution.

SECTION 11: INFORMATION ABOUT THE COMPANY

OVERVIEW

Founded in 1994, Atlantic is a 30-year-old wholesale distributor, stocking over 2,400 inventory items including home improvement supplies, plumbing, tools, building materials, doors, flooring, lawn and garden supplies, paint and adhesives. The customer base is comprised of hardware stores, contractors, developers and retail consumers. Atlantic has over 1,000 repeat customers and 35 employees. Our customers include hardware stores, contractors, developers and retail consumers. Atlantic is on a steady growth path and is expected to continue to produce increased revenues and profits. In FY 2023 the Company achieved revenues of J\$1.4 billion and net profit before tax of J\$147 million.

BRANDS DISTRIBUTED

Atlantic is the authorized distributor for world renowned brands such as: Stanley Tools, Black & Decker, Dewalt, Oatey, DAP Inc., Yale, Bosch, Generac Generators, Barnett Brass, Bootz Industries, Chillington Tools, Corona Sanitary Wares, Deer Abrasives, Fleetwood, Gardner, Gibson, Genova, Henkel Pattex, Jeld-Wen, Meridian Int., Rust-Oleum, Skil Tools, Browns USA, Sunny Int., Tradecom Int., and WD-40. Atlantic's distributors are located all over the world to include but not limited to the USA, China, Taiwan, Hong Kong, Vietnam, Malaysia, Brazil, Colombia, Trinidad, Mexico, Costa Rica, UK, Germany, Sweden, South Africa and Panama.



CUSTOMER BASE

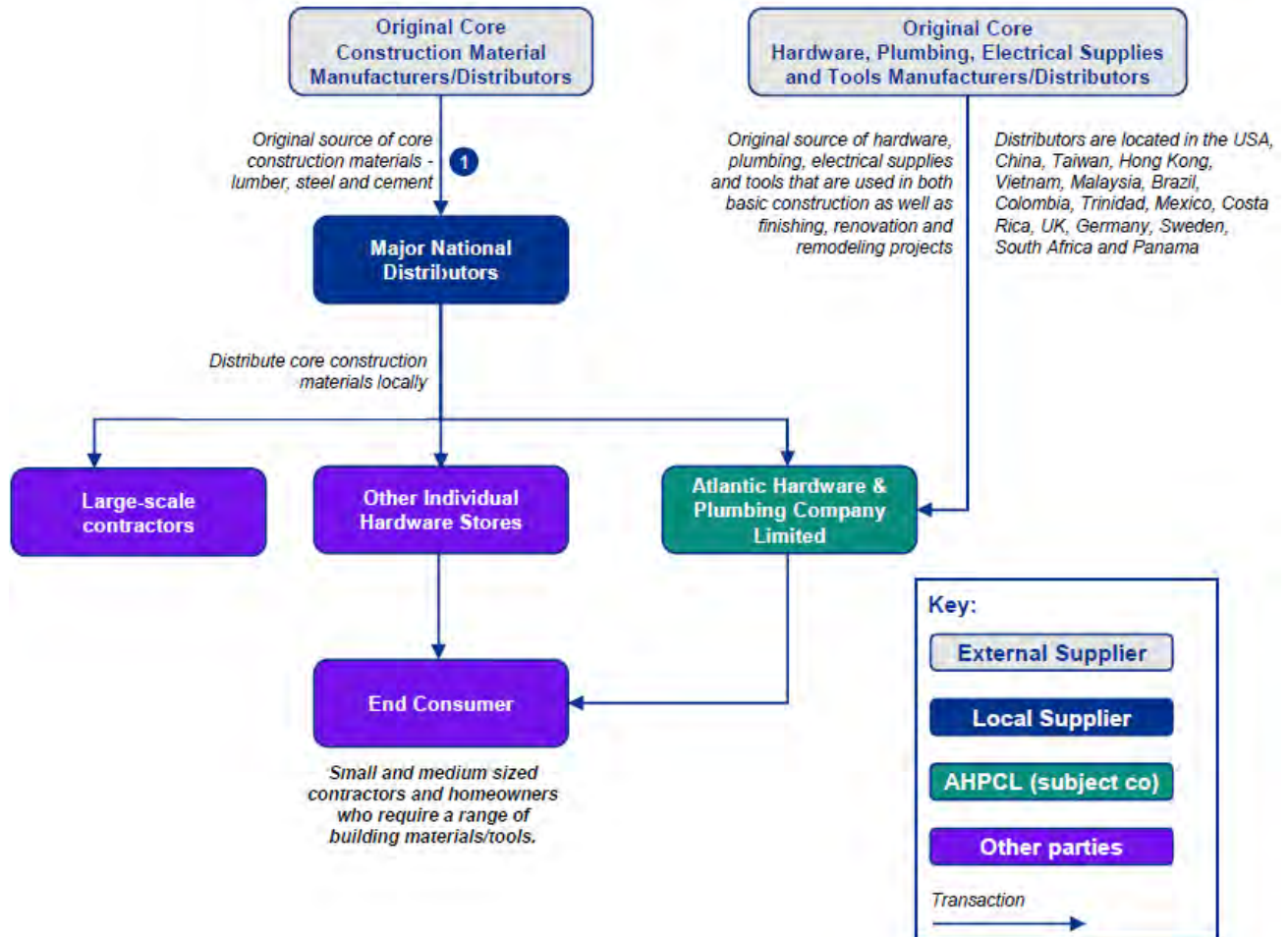
Over the past 30 years, Atlantic has developed and maintained a strong reputation among its customers as a company that offers high-quality products at very competitive prices. Atlantic also has a reputation for carrying a wide range of products, including what the industry consider to be “hard to get” products. As a result, Atlantic’s customer base is comprised of hardware stores, contractors, developers and retail consumers, with over 1,000 of these customers being repeat customers located across Jamaica.

PRODUCT LINE

Atlantic’s inventory consists of over 2,400 products including home improvement supplies, plumbing, tools, building materials, doors, flooring, lawn and garden supplies, paint and adhesives for all project needs.

Products

- Water Filters
- Toilets
- Hinges
- Padlocks
- Pliers
- Planers
- Ladders
- Kitchen Sinks
- Chisels
- Sockets
- Measuring Tools
- Table Saws
- Finishing Tools
- Laundry Tubs
- Utility Knives
- Soldering Irons
- Plyboards
- Reciprocal Saws
- Hardboards
- Nails
- Cutting Tools
- Screws
- Abrasives
- Adhesives
- Hoses
- Lattice
- Ball Valves
- Sanders
- Wrenches
- Glue Guns
- Shower Heads
- Door Locks
- Rivet Guns
- Jigsaws
- Spray Paints
- Fastening Tools
- Socket Handles
- Hog Wires
- Faucets
- Washers
- Brackets
- Drill Bits
- Gate Valves
- Bits
- Basins
- Hammers
- Circular Saws
- Tool Storage
- Urinals
- Hand Saws
- Assembly Tools
- Hammer Drills
- Bidets
- Angle Grinders
- Sockets & Accessories
- Staple Guns
- Barbed Wires



THE INDUSTRY

The hardware business in Jamaica has at its core, major national distributors of core construction materials (principally lumber, steel and cement). These national distributors support a diverse and fragmented range of individual hardware stores across the island as well as large-scale contractors. The hardware stores, in-turn, supply small and medium sized contractors and homeowners on a range of building projects across the country. In addition to core construction materials, individual hardware stores stock a wide range of hardware, plumbing, electrical supplies and tools that are used in both basic construction as well as finishing, renovation and remodeling projects. These items tend to be higher margin items and are typically imported and require the importer to have strong and broad-based international supply chain and market knowledge, access to foreign exchange and credit, the capacity to procure in full container loads, storage facilities, agreed credit and trading terms with hardware stores and a reputation for strong service and competitive pricing. Proximity to a commercial port and high volume metropolitan market is also an advantage. Atlantic has achieved business success by developing and relying upon all of these elements as part of its business model, and it will continue to do so.

CHALLENGES

Please see Risk Factors at section 6 of this Prospectus.

OUR COMPETITIVE STRATEGIES

Our core strategy is to continue to build on our position as a longstanding wholesale distributor in the hardware and building materials.

Going forward, Atlantic intends to leverage its strong customer reputation and supplier relationships to achieve growth targets that allow it to grow its revenues and market share. Specifically, going forward the Company intends to:

- Increase its operational efficiencies.
- Establish a distinct project division with the aim of targeting developers and contractors.
- Join all the major Jamaican civic organizations including the PSOJ, SBA and the JCC.
- Increase its product offerings of select higher margin products.
- Establish constructive commercial relationships with major national distributors.
- Develop a website and strong digital interface for the company.
- Establish a social media presence to include Facebook, Instagram, LinkedIn.
- Responsibly manage its cash and working capital levels.
- Remain a partner of choice for its principals and become an employer of choice in the industry.

OUR COMPETITIVE STRENGTHS

We believe the following strengths differentiate us from our competitors, enable us to profitably grow our leading positions in each of our end markets and drive our continued success

- Longstanding customer relationships with over 30 years in business.
- Strong supplier relationships.
- Well-diversified product lines representing world renowned brands.
- Experienced management team with decades of industry expertise and proven ability to execute.
- Procurement and distribution expertise.
- State of the art ERP (Enterprise Resource Planning) System.
- Large warehouse facility in prominent, advantageous location adjacent to the Port of Kingston.
- Strong capital market relationships to support our growth plans.

BENEFITS OF OUR STATE OF THE ART ERP (ENTERPRISE RESOURCE PLANNING) SYSTEM

Scalability and Integration: An ERP system offers scalable solutions with integrated functionalities across procurement, inventory, finance, sales, accounting and customer management. This centralized approach allows for seamless coordination between departments, making it easier to manage the business as it grows.

Inventory and Supply Chain Management: The hardware distribution business demands precise inventory controls. An ERP system offers real-time inventory tracking, demand forecasting, and supply chain management tools, helping to reduce stockouts, overstock, and inefficiencies in order fulfillment.

Enhanced Financial Reporting and Compliance: With advanced reporting features, an ERP system facilitates detailed financial analytics, customized reports, and regulatory compliance. This transparency provides investors and stakeholders with clear insights into financial performance.

Customer Relationship Management (CRM): An ERP system includes CRM tools that integrate with sales and customer service data, allowing for better customer segmentation, targeted marketing, and improved customer service, which can drive higher customer retention and loyalty rates.

Operational Efficiency and Cost Savings: Automation features in an ERP system reduce manual tasks, leading to lower operational costs and minimized errors. By streamlining

workflows, an ERP system can improve order accuracy, enhance productivity, and reduce the need for duplicate data entry across departments.

Real-Time Data for Decision-Making: An ERP system offers real-time data analytics, giving managers a clearer view of operations and financial health. This empowers quicker, data-driven decisions that can be critical for scaling the Company and responding to market demands efficiently.

Security and Compliance: An ERP system provides advanced security features that protect sensitive data and ensure compliance with industry regulations, offering robust data security.

BENEFITS OF OUR PROMINENT, ADVANTAGEOUS WAREHOUSE LOCATION

- **Improved Logistics Efficiency:**
 - **Reduced Handling Time:** Being closer to the Port of Kingston minimizes the need for intermediary transportation steps, allowing Atlantic to receive goods directly and promptly. This translates to quicker processing and unloading, keeping operations streamlined.
 - **Faster Turnaround on Orders:** Direct port access enables faster inventory replenishment and order fulfillment. Atlantic can serve customers with reduced delay, a key advantage in the hardware distribution business, where timely product availability is crucial.
- **Reduced Transportation Costs:**
 - **Lower Fuel and Freight Expenses:** A shorter haul from the port to the warehouse lowers transport costs, enabling better control over overall logistics expenses. This can significantly reduce per-unit distribution costs, contributing to improved profit margins.
- **Increased Storage Capacity and Operational Growth:**
 - **Enhanced Inventory Levels:** Moving from 30,000 sq ft (in the previous space) to 47,000 sq ft (in the new space) doubles the storage capacity, enabling Atlantic to stock more products. This supports higher customer demand and reduces stockouts, which can lead to increased sales and more reliable sales and customer relationships.
 - **Opportunities for Product Expansion:** With additional space, Atlantic can introduce new product lines, helping diversify revenue streams and potentially attracting a wider range of customers. This also allows flexibility to stock bulk inventory, reducing per-unit costs over time.

- **Enhanced Customer Satisfaction:**
 - **Reliable Stock Availability:** With the increased space and faster restocking, Atlantic can maintain a more reliable inventory, reducing instances of backorders. This reliability can help enhance the Company’s reputation as a dependable supplier.

- **Scalability for Future Expansion:**
 - **Room for Operational Scaling:** As demand continues to grow, the larger warehouse will offer capacity for expanding operations without needing to relocate. This makes long-term planning more feasible and supports business continuity.
 - **Ability to Handle Higher Volumes:** Proximity to the Port of Kingston allows Atlantic to handle even larger shipments and higher volumes of product flow, positioning the business well for future growth and potentially facilitating partnerships with larger clients or suppliers.

LOCATIONS AND REAL AND INTELLECTUAL PROPERTY

The Company operates from 105-107 Marcus Garvey Drive, Kingston 11, Jamaica, W.I.

INTELLECTUAL & REAL PROPERTY

As at September 30, 2024 the latest practicable date prior to the publication of this Prospectus, the Company has the following interests in intellectual and real property:

INTELLECTUAL PROPERTY

None.

REAL PROPERTY

LEASED REAL PROPERTY	LOCATION	LESSOR	RENEWAL DATE
105-107 Marcus Garvey Drive, Kingston, Jamaica, W.I.	105-107 Marcus Garvey Drive, Kingston, Jamaica, W.I.	Eppley Caribbean Property Fund Limited SCC	November 1, 2029
OWNED REAL PROPERTY			
7A Ashenheim Road, Kingston 11, Jamaica, W.I. (In the process of being sold, see the paragraph below.)			

MATERIAL CONTRACTS

In the two years preceding the date of this Prospectus, the material contracts (excluding contracts entered into in the ordinary course of the Company’s business) that the Company has entered into are as follows:

EFFECTIVE DATE	COUNTERPARTY	BRIEF DESCRIPTION
November 13, 2023	JMMB Securities Limited	Arranger and Broker Services for IPO. This contract expires on the successful close of the IPO.
November 22, 2023	Jamaica Money Market Brokers Limited	Underwriting Agreement. This contract expires on the successful close of the IPO
November 19, 2024	Kingston Wharves Limited	Agreement for sale of property located at 7A Ashenheim Road, Kingston 11, Jamaica, W.I. This sale was completed on January 8, 2025
October 18, 2024	Eppley Caribbean Property Fund Limited SCC	Lease Agreement for 5 years with option to renew for lease of Lot 105-107 Marcus Garvey Drive, Kingston 11.
March 20, 2024	Certain Tranche 1 Bondholders	<p>Trust Deed containing a Conversion Option wherein Each of the Tranche 1 Bondholders shall have the right (the “Conversion Option”) to serve a Conversion Notice on the Issuer or its holding company (in the event of a reorganization) not less than thirty (30) Business Days prior to the date of any proposed Conversion Event, to convert all or some of their Bond Interests outstanding into fully paid ordinary shares (the “Ordinary Shares”) at the Conversion Price on the Conversion Date provided that such Bond Interests shall not be converted into ordinary shares exceeding an amount greater than \$300,000,000.00 in value of the ordinary shares being offered for subscription or sale in the Conversion Event,</p> <p>WHERE: Conversion Event means an Initial Public Offer (IPO) of the Ordinary Shares or Private Offer of the Ordinary Shares (Private Equity transaction); Conversion Notice means an irrevocable notice to the Company or its holding company from a Bondholder instructing the Company or its holding company to convert all or part of its Bond Interests to Ordinary Shares as at the CONVERSION DATE; Conversion Price means the Price per Ordinary Share that is equal to the price per Ordinary Share proposed to be stipulated in the Initial PUBLIC OFFER; Conversion Date means the Closing Date of the Conversion Event as described in the offering document.</p>

LEGAL PROCEEDINGS

As at September 30, 2024, the latest practicable date prior to the publication of this Prospectus, the Company was not engaged in any material litigation nor is it aware of any pending material litigation.

CHARGES REGISTERED AGAINST THE COMPANY

As at September 30, 2024, the last practicable date prior to the publication of this Prospectus, the following charges were registered against the Company.

ITEM	Start Date	Maturity Date	Type Of Facility	Lender	Balances as at 30/9/2024 (J\$)	Interest Rate	Collateral
ITEM 1	March 27, 2024	March 28, 2025	Fixed Rate Bond	JCSD Trustee Services Limited on behalf of certain bondholdersn	300,000,000	12.0%	(i) Intercreditor Agreement/ Pari-Passu Security Sharing Deed
ITEM 2	March 27, 2024	February 15, 2029	Fixed Rate Bond	Quantas Advantage Inc	285,000,000	14.5%	(ii) Corporate Guarantee of Musson (Jamaica) Limited
ITEM 3	March 27, 2024	March 28, 2029	Fixed Rate Bond	JCSD Trustee Services Limited on behalf of certain bondholders	285,000,000	14.5%	(iii) Guarantee from Construct Group Limited supported by pledge of the ordinary shares of the Borrower owned by Construct Group Limited
ITEM 4	March 27, 2024	March 28, 2029	Bank Loan	JMMB Bank (Jamaica) Limited	475,000,000	14.5%	(iv) Debenture over the Present and Future Assets of the Borrower (v) First Legal Mortgage over 7A Ashenheim Road, Kingston 11 (vi) Assignment of Fire & Allied Perils insurance & Business Interruption insurance.

INSURANCE ARRANGEMENTS

Atlantic carries all appropriate insurance policies including Property All Risks, Goods in Transit, Loss of Money, Fidelity Guarantee, Employers Liability, Public Liability, Group Personal Accident, Marine Cargo, Consequential Loss and Motor. Insurance policies are provided by General Accident Insurance Company Jamaica Limited.

TAX COMPLIANCE

The Company is tax compliant and has satisfied all the statutory requirements in respect of Income Tax (including PAYE), General Consumption Tax, Education Tax and also in respect of NIS, NHT and HEART contributions. The Company holds a valid Tax Compliance Certificate valid up to and including June 16, 2025.

CYBERSECURITY RISKS AND JAMAICA DATA PROTECTION ACT

The information and operational technology infrastructure we use is important to the operation of our business and to our ability to perform day-to-day operations. In the normal course of business, we may collect and store certain sensitive information including proprietary and confidential business information, trade secrets, intellectual property, sensitive third-party and employee information, and certain personally identifiable information.

We maintain a shared services cybersecurity program for assessing, identifying, and managing material risks from cybersecurity threats. In addition we are compliant with Jamaica's Data Protection Act. We seek to follow industry cybersecurity standards and protect our infrastructure against cyberattacks from domestic and international threats including technology, policies, and training at all levels of the company.

In an effort to validate the effectiveness of our cybersecurity program and assess such program's compliance with legal and regulatory requirements, we engage third-party service providers to perform audits, assessments, and penetration tests.

As part of our compliance with Jamaica's Data Protection Act, data privacy and cybersecurity awareness among our employees is provided with regular training and awareness programs. All employees who have access to our systems are required to undergo annual data privacy and cybersecurity training and, each year, our employees must review and acknowledge our cybersecurity policies. Further, our IT team is trained to understand how to manage, use and protect personally identifiable information. User access controls have been implemented to limit unauthorized access to sensitive information and critical systems. Employees are required to use multifactor authentication and keep their passwords confidential, among other measures.

We recognize that third-party service providers may introduce cybersecurity risks. In an effort to mitigate these risks, before contracting with certain technology services providers, when possible, we conduct due diligence to evaluate their cybersecurity capabilities. Additionally, we endeavor to include cybersecurity requirements in our contracts with these providers and endeavor to require them to adhere to security standards and protocols. Further, we also endeavor to engage with any third-party service providers with access to personally identifiable employee information to evaluate their security controls.

BENEFITS OF LISTING

Under the applicable legislation, shares of companies listed on the JSE that are traded across the floor of the exchange are exempt from the payment of transfer tax and stamp duty. Listed shares also enjoy liquidity on the capital market, which the holders of shares in private companies do not enjoy. Investors wishing to buy or sell Shares in the Company will therefore be able to do so without incurring transfer tax or stamp duty on their transactions using the facility of the JSE trading platform, which enhances the marketability of the Shares while offering price discovery. Listing of the Shares on the Junior Market of the JSE entitles the

Company to a special concessionary tax regime under the Income Tax Act of Jamaica, which provides that if the Company remains listed for 15 years, for the first five years it will not be liable to pay any corporate income tax. In the period of 5 to 10 years on the Junior Market of the JSE, the Company will be liable to pay corporate income tax at half the applicable tax rate. Therefore, dividend payments will be taken from a larger pool of profits and the profitability of the Company should be accordingly enhanced.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2023 (our financial year-end) and September 30, 2024. You should read this table together with the information included elsewhere in this prospectus, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited financial statements and related notes thereto of the Company included elsewhere in this prospectus.

	As at December 31, 2023 \$	As at September 30, 2024 \$
Cash and Cash Equivalents	<u>426,456,006</u>	<u>140,632,912</u>
Long Term Borrowings	0	932,500,000
- Long Term Debt including current portion	177,227,619	410,000,000
Total Borrowings	<u>177,227,619</u>	<u>1,342,500,000</u>
Total Debt	177,227,619	1,342,500,000
Equity	<u>1,729,715,773</u>	<u>(68,161,494)</u>
Total capitalization including short-term debt and current portion of long-term debt	<u>1,906,943,392</u>	<u>1,274,338,506</u>

Capital Structure

As of the date of this Prospectus, the equity capital structure of the Company was as follows:

	Authorized	Number Issued & Outstanding
Ordinary Shares	Unlimited	1,950,000,000
Preference Shares	Nil	Nil

By virtue of the provisions of the Companies Act, 2004, shares in the Company have no par value.

In anticipation of the Invitation and listing of the Shares on the JSE, the Company at Extraordinary General Meetings held on December 9, 2024 which:

- (i) effected a share split, where each existing ordinary share was split by a multiple of 32,500,000 (with the product thereof rounded up or down to the nearest whole number), which resulted in the 60 issued and outstanding ordinary shares being split to create 1,950,000,000 issued and outstanding ordinary shares;
- (ii) resolved that the new ordinary shares to be issued pursuant to the Invitation be converted to ordinary stock units on issue, along with its existing ordinary shares; and
- (iii) authorized the listing of the ordinary stock units on the JSE.

SHAREHOLDINGS IN THE COMPANY BEFORE THE INVITATION

As at the date of this Prospectus, the Company has 1,950,000,000 issued and outstanding ordinary shares as detailed below. The holdings of Shares in the capital of the Company, (including legal and, where known to the Company, beneficial holdings) are as follows:

	# of Issued & Outstanding Ordinary Shares	% Ownership Prior to Invitation
Construct Group Limited	975,000,000	50.0%
Lumber Depot Limited	682,500,000	35.0%
General Accident Insurance Company Jamaica Limited	292,500,000	15.0%
Total	1,950,000,000	100.0%

SHAREHOLDINGS IN THE COMPANY AFTER THE INVITATION

After the Invitation is closed and assuming that the Shares in the Invitation are fully taken up by the public and by the Reserved Share Applicants, the percentage shareholdings in the Company will be as follows:

Name	# of Issued & Outstanding Ordinary Shares	% Ownership After the Invitation
Construct Group Limited	975,000,000	39.8%
Lumber Depot Limited	682,500,000	27.9%
General Accident Insurance Company Jamaica Limited	292,500,000	11.9%
Lead Broker Reserve Pool	300,000,000	12.2%
Key Partners and Employees Reserved Pool	99,999,800	4.1%
General Public	100,000,000	4.1%
Total	2,449,999,800	100.0%

SECTION 12: MANAGEMENT AND BOARD OF DIRECTORS

The Company's Board of Directors



Paul B. Scott, OJ (Chairman)

P.B. Scott is the Chairman & CEO of the Musson Group. His chairmanship extends to Musson's subsidiaries and affiliates including Seprod Ltd., PBS Ltd., Facey Group Ltd, T. Geddes Grant (Distributors) Ltd., & General Accident Insurance Company Ltd. Beyond his responsibilities at Musson, he serves on several boards, including Chairman of the Development Bank of Jamaica and Director of Lumber Depot. He is also the former President of the PSOJ. In 2023, he was conferred with the Order of Jamaica for his exceptional contribution to the business industry, investment and philanthropy in Jamaica and the Caribbean. In 2024, he was awarded the Ernst Young Entrepreneur of the Year for the Caribbean.



Jeffrey Hall, CD, BA, MPP, JD

Jeffrey Hall is the Chairman of Lumber Depot, and the CEO of Pan Jamaica Group and Jamaica Producers Group. He is also the Chairman of Blue Power Group Limited, Kingston Wharves Limited and a member of the Board of Directors of several companies, including Pan Jamaica Group, SAJE Logistics Infrastructure Limited and Eppley Caribbean Property Fund Limited SCC. He has practiced as an Attorney-at-Law and has served as a Director of the Jamaica Stock Exchange and the Bank of Jamaica. Mr. Hall is a graduate of the Harvard Law School; and holds a Master of Public Policy from Harvard University. He also earned a Bachelor of Arts (BA) degree in Economics from Washington University.



Deanall Barnes, JP, BSc, MSc, LLB, LEC

Deanall Barnes is the CEO of Atlantic. He graduated from the University of the West Indies with a Master of Science (M.Sc.) in Accounting and a Bachelor of Science with honours in Management Studies (BSc.). Additionally, he has attained a Bachelor of Laws degree (LLB.) from the University of London. He completed the Legal Education Certificate at the Norman Manley Law School and thereafter was called to the Jamaican Bar. He served as Managing Director of Arc Manufacturing Limited from 2019- 2022. He is a former Director of the Factories Corporation of Jamaica, Students Loans Bureau and Agroinvest Corporation of Jamaica.



Major (Ret'd) Noel Dawes, Dip. Mgmt.

Major Noel Dawes (Ret'd) is the Managing Director of Lumber Depot and also serves as a Director of Blue Power Group Limited. He has been a member of the Hardware Business' executive team since it commenced operations at the Papine location in November 1999. Prior to joining the Hardware Business Major Dawes served as a commissioned officer in the Jamaica Defence Force for over 10 years. In that capacity he trained at various military institutions in Canada, the United States, and the United Kingdom. Besides his military qualifications Major Dawes holds a Diploma in Management from the Jamaica Institute of Management.



Donald Fung, Former CEO, Consultant, Director.

Donald Fung is the former CEO of Atlantic. Mr. Fung is a business executive with over 30 years of experience in the construction and building materials trade. He has intimate knowledge of management, sales, procurement, sourcing and inventory management. Mr. Fung is the Founder of Atlantic Hardware & Plumbing Company Limited.



Lisa Kong, Level 2 ACCA, Dip. BA

Lisa Kong is a Director and Company Secretary of Lumber Depot Limited. She is also the Executive Director, Financial Controller and Company Secretary of Blue Power Group Limited. Lisa was formerly the Financial Controller at Caribbean Casting and Engineering Limited, Delta Supply Company, Automotive Power Limited and Silver Sands Estate and has held accountancy roles at Neal and Massy Jamaica Limited and KPMG.



Sharon Donaldson, LLB, MBA, Chartered Accountant

Sharon Donaldson is the Managing Director and Director of General Accident. She is a Director of several companies including Musson (Jamaica) Limited, Eppley Limited, 138 Student Living Limited, Paramount Trading Jamaica Limited. She is President of the Insurance Association of Jamaica (IAJ), is treasurer for the Council of the Institute of Chartered Accountants of Jamaica, and heads the committee of Professional Accountants in Business. Ms. Donaldson is also a member of the Jamaica Anti-Doping Commission. She holds a Bachelor of Laws (LL.B.) from the University of London and an MBA from the University of Wales. She is a Chartered Accountant; a fellow member of the Institute of Chartered Accountants of Jamaica and an Attorney-at-Law.



Alexander Marston, BSc, MBA

Alexander Marston is Group Project Manager at the Musson Group. He works closely with the Musson Group CEO and CIO to execute special projects including mergers and acquisitions, capital markets transactions (debt & equity), investment management, pensions, budgeting, forecasting, capital planning, investor presentations, financial analysis, and financial modeling. He has over 13 years' experience in corporate strategy and financial planning & analysis across industries including finance, Real Estate investment, technology and distribution across countries including the United States and Jamaica. Mr. Marston's education includes an MBA from the University of Florida and a BSc from the Massachusetts Institute of Technology (MIT) in Finance.



Sekou Crawford, BSc

Sekou Crawford is Group Project Manager with responsibility for mergers and acquisitions, fund raising and investor relations at the Musson Group of Companies. He has a broad range of experience in accounting, valuations, due diligence and banking. Prior to joining Musson, he worked with NCB Capital Markets where he served as Vice President of Investment Banking. He also worked at PwC in their Advisory and Assurance practices. Mr. Crawford holds a BSc. In Economics from the University of the West Indies, and completed the Uniform Chartered Public Accountant (CPA) Examination.

Committees of the Board of Directors

Upon consummation of this offering, our board of directors will have the following committees: an audit committee and a compensation, nomination and corporate governance committee. From time to time, our board of directors may also establish any other committees that it deems necessary or desirable.

Our chief executive officer and other executive officers will regularly report to the non-executive directors and the audit, the compensation and the nominating and corporate governance committees to ensure effective and efficient oversight of our activities and to assist in proper risk management and the ongoing evaluation of management controls. We believe that the leadership structure of our board of directors provides appropriate risk oversight of our activities.

Audit Committee.

The Audit committee consists of three (3) independent directors of the Company, within the meaning of the Companies Act.

In accordance with the foregoing, the Company's audit committee consists of the following members as at the date of this Prospectus:

- Ms. Sharon Donaldson
- Ms. Lisa Kong
- Mr. Sekou Crawford

Our board of directors has determined that each of these individuals qualifies as an "audit committee financial expert" within the meaning of regulations adopted by the JSE. The audit committee appoints and reviews the qualifications and independence of our independent registered public accounting firm, reviews the scope of audit and non-audit assignments and related fees, the results of the annual audit, accounting principles used in financial reporting, internal auditing procedures, the adequacy of our internal control procedures, the quality and integrity of our financial statements and investigations into matters related to audit functions. The audit committee is also responsible for overseeing risk management on behalf of our board of directors. See "—Risk Oversight." Our board of directors will adopt a written charter for the audit committee, which will be available on our website upon the completion of this offering.

Compensation, Nomination and Corporate Governance Committee.

The principal responsibilities of the committee are to review and approve matters involving executive and director compensation, recommend changes in employee benefit programs, authorize equity and other incentive arrangements and authorize the Company to enter into

employment and other employee-related agreements. The committee will also assist our board of directors in identifying individuals qualified to become board members, consistent with criteria approved by our board of directors, make recommendations for nominees for committees, oversee the evaluation of the board of directors and management and develop, recommend to the board of directors and review our corporate governance principles. Our board of directors will adopt a written charter for the nominating and corporate governance committee, which will be available on our website upon the completion of this offering.

The Compensation, Nomination and Corporate Governance Committee consists of three (3) independent directors of the Company, within the meaning of the Companies Act.

In accordance with the foregoing, the committee consists of the following members as at the date of this Prospectus:

- Ms. Sharon Donaldson
- Ms. Lisa Kong
- Mr. Sekou Crawford

RISK OVERSIGHT

Our board of directors will have extensive involvement in the oversight of risk management related to us and our business and accomplishes this oversight primarily through the audit committee. To that end, our audit committee will meet quarterly with our Chief Financial Officer and our independent auditors where it will receive regular updates regarding our management's assessment of risk exposures including liquidity, credit and operational risks and the process in place to monitor such risks and review results of operations, financial reporting and assessments of internal controls over financial reporting.

Directors' Fees and Emoluments

Each Director shall receive an annual retainer and fees for attendance at each meeting of the Board of Directors of the Company and of its Committee(s). Fees are exclusive of reasonable expenses incurred in attending those meetings along with general meetings of the Company.

THE COMPANY'S SENIOR MANAGEMENT TEAM

Deanall Barnes J.P., CEO, Director. Mr Barnes is the CEO of the Company. Mr. Barnes graduated from the University of the West Indies with a Master of Science (M.Sc.) in Accounting and a Bachelor of Science with honours in Management Studies (BSc.). Additionally, he has attained a Bachelor of Laws degree (LLB.) from the University of London. He completed the Legal Education Certificate at the Norman Manley Law School and thereafter was called to the Jamaican Bar. He has amassed over seventeen (17) years of professional experience

in the public and private sector, both locally and internationally, having worked in various capacities at City of Kingston Credit Union, The Ministry of Education, National Commercial Bank, Materiales de Construccion, Panama, National Youth Service and Arc Group of Companies. Mr. Barnes is a member of the Jamaica Bar Association, UWI Guild of Graduates, UWIAA, Norman Manley Law School Alumni, University of London Alumni and Vice President of the Calabar Old Boys Association. Mr. Barnes is a former Director of the Factories Corporation of Jamaica, Students Loans Bureau and Agroinvest Corporation of Jamaica. He currently serves as a Director of Barrian Trading Company Limited and Barrian Consulting Limited. His civic responsibilities include being a member of The Lay Magistrates Association of Jamaica, Chairman of Charlemount High School, Ewarton Primary School Board of Governors and a commissioned Justice of Peace for the parish of Kingston.

David Harris, BSc, MSc, FCCA, CFO. Mr. Harris is the Chief Financial Officer of the Company, Mr. Harris has dedicated his adult life to pursuing a career of excellence in the field of accounting, not only in the world of work but also academically. After completing his Bachelor of Science degree in Management Studies at the University of the West Indies in 1990, he went on to specialize and graduated with a M.Sc. in Accounting in 1993. He achieved his ACCA qualification in 1997 and was admitted as a Fellow of the Association of Chartered Certified Accountants in 2009. With several years of working in senior financial management positions, Mr. Harris has earned a reputation as a consummate professional with experience in the field of human resource management and a flair for customer service.

Gregory Perkins, Operations Manager. Mr. Perkins runs the operations and distribution areas of the business. His tasks include warehouse management, receiving and storage of goods and processing of customer orders. Additionally, he is responsible for security management, managing the truck fleet, managing the forklift fleet and property maintenance

Tamarah Harrison-Lowe Bsc Asc Dip., Head of Sales and Marketing. Tamarah holds an Associate Degree in Business Administration, a Bachelor of Science in Finance and Management from Moneague College and a Postgraduate Diploma in Education and Training-VTDI. She also holds certifications in Supervisory Management and Project Management from the University of the West Indies (UWI). Before joining Atlantic, Tamarah worked at Arc Manufacturing Limited from 2014 to 2023, where she advanced from Sales Associate to the position of Account Executive.

Donald Fung, Former CEO, Consultant, Director. Mr. Fung is a business executive with over 30 years of experience in the construction and building materials trade. He has intimate knowledge of management, sales, procurement, sourcing and inventory management. Mr. Fung is the Founder of Atlantic Hardware & Plumbing Company Limited.

SECTION 13: RELATED PARTY TRANSACTIONS

Other than compensation arrangements for executive officers and directors, there are no related party transactions as at September 30, 2024. However, for completeness, Atlantic entered in the following related party transaction as at 18 October, 2024.

Effective Date	Counterparty	Brief Description
18 October 2024	Eppley Caribbean Property Fund Limited SCC	Lease Agreement for 5 years with option to renew for lease of Lot 105-107 Marcus Garvey Drive, Kingston 11

SECTION 14: DIRECTORS' AND MANAGERS' INTEREST IN ORDINARY SHARES

Besides the CEO, no senior managers hold any of the Company's shares.

The Directors' interests in ordinary Shares of the Company (including beneficial holdings) as at the date of this Prospectus are follows:

Name of Director	Number of shares in which Director is interested prior to Opening Date	Related Companies in which Director has a beneficial interest
Paul B. Scott	975,000,000	Construct Group Limited
	292,500,000	General Accident Insurance Company Limited
	682,500,000	Lumber Depot Limited
Jeffrey Hall	682,500,000	Lumber Depot Limited
Deanall Barnes	975,000,000	Construct Group Limited
Major (Ret'd) Noel Dawes	682,500,000	Lumber Depot Limited
Donald Fung	Nil	N/A
Lisa Kong	682,500,000	Lumber Depot Limited
Sharon Donaldson	292,500,000	General Accident Insurance Company Limited
Alexander Marston	Nil	N/A
Sekou Crawford	Nil	N/A

SECTION 15: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Management Discussion and Analysis contains detailed information important to prospective investors understanding the Company's results and financial condition and should therefore be read in its entirety. You should read the following discussion and analysis of our financial condition and results of operations together with the audit reviewed financial statements and related notes and other financial information included elsewhere in this Prospectus. This discussion contains forward-looking statements based upon our current plans, expectations, and beliefs, which involve risks and uncertainties. See "Disclaimer and Note Regarding Forward-Looking Statements." Our actual results may differ materially from those anticipated in these forward-looking statements because of various factors, including those set forth under "Risk Factors" and in other parts of this Prospectus..

OVERVIEW

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Financial Highlights section should aid Prospective Investors in understanding financial results of the Company. This section should be read in conjunction with the audited and unaudited financial statements and respective notes. The information provided aims to assist readers in understanding the financial performance during the period specified and any trends, which may have impacted on performance and future performance.

CRITICAL ACCOUNTING POLICIES

The accounting and reporting policies of the Company conform to International Financial Reporting Standards ('IFRS'). Developments to these standards are actively monitored and disclosure is provided in accordance with IFRS.

SUMMARY

The following is a summary of the key financial data extracted from the audited financial statements of the Company for each of the financial years ended December 31, 2019 to December 31, 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act and contain unmodified, unqualified audit opinions. A complete set of audited financial statements for the Company for the financial year ended December 31, 2023 is set out at Section 17.

AUDITED HISTORICAL FINANCIAL RESULTS – 2019-2023

5 YEAR STATEMENT OF FINANCIAL POSITION

J\$'000	2019	2020	2021	2022	2023
NON-CURRENT ASSETS					
Right-Of-Use Asset	-	-	-	24,440	136,838
CURRENT ASSETS					
Cash Resources	272,469	366,360	359,744	320,014	426,456
Accounts Receivable	246,572	313,601	341,918	238,531	208,509
Other Receivables	762,449	270,609	93,858	52,182	235,366
Inventory	232,553	438,188	589,692	999,898	821,081
	<u>1,514,042</u>	<u>1,388,757</u>	<u>1,385,212</u>	<u>1,610,624</u>	<u>1,691,413</u>
CURRENT LIABILITIES					
Bank Overdraft	-	1,493	1,803	1,882	-
Loans Payable	44,120	35,747	64,393	73,763	177,228
Lease Liability Current Portion	-	-	-	21,423	25,936
Taxation Payable	32,971	2,043	81,161	107,571	42,107
Payables & Accruals	243,350	170,722	138,497	119,396	94,004
	<u>320,441</u>	<u>210,005</u>	<u>285,853</u>	<u>324,035</u>	<u>339,275</u>
NET CURRENT ASSETS	<u>1,193,601</u>	<u>1,178,752</u>	<u>1,099,359</u>	<u>1,311,029</u>	<u>1,488,976</u>
FIXED ASSETS					
	<u>70,398</u>	<u>97,512</u>	<u>258,569</u>	<u>433,890</u>	<u>359,508</u>
	<u>1,263,999</u>	<u>1,276,264</u>	<u>1,357,928</u>	<u>1,744,919</u>	<u>1,848,483</u>
SHAREHOLDERS EQUITY					
Share Capital	0	0	0	0	0
Capital Reserve	-	-	129,400	286,000	215,000
Shareholders Loan	31,552	35,697	151,312	156,072	106,516
Retained Earnings	982,446	990,566	1,077,216	1,302,847	1,408,200
	<u>1,013,999</u>	<u>1,026,264</u>	<u>1,357,928</u>	<u>1,744,919</u>	<u>1,729,716</u>
NON-CURRENT LIABILITIES					
Lease Liability	-	-	-	-	118,767
Long Term Portion of Loans	250,000	250,000	-	-	-
	<u>1,263,999</u>	<u>1,276,264</u>	<u>1,357,928</u>	<u>1,744,919</u>	<u>1,848,483</u>

5 YEAR STATEMENT OF COMPREHENSIVE INCOME

J\$'000	2019	2020	2021	2022	2023
TURNOVER	1,327,968	1,243,700	1,660,158	1,675,245	1,439,068
Operating Profit	123,578	4,080	313,010	286,305	121,994
Interest Income	490	1,443	808	389	25,103
Other Income	4,176	2,390	436	527	-
Profit on Disposal of Fixed Assets	5,983	2,250	4,185	2,540	-
Extraordinary Item	242,752	-	-	-	-
Net Profit Before Taxation	376,979	10,163	318,439	289,761	147,097
Taxation	(36,971)	(2,043)	(81,161)	(71,765)	(41,744)
Net Profit After Taxation	340,007	8,120	237,278	217,995	105,353



5 YEAR STATEMENT OF CASH FLOWS

J\$'000	2019	2020	2021	2022	2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit from operations	340,007	8,120	237,278	217,995	105,353
Adjustments for non-cash items:	-	-	-	-	-
Gain on sale of fixed assets	(5,983)	(2,250)	(4,185)	(2,540)	-
Prior year adjustment	-	-	(150,628)	7,636	-
Extraordinary item, insurance fire claim on assets	(265,216)	-	-	-	-
Amortization	-	-	-	29,171	33,455
Depreciation	9,169	4,264	12,662	16,324	19,694
	<u>77,976</u>	<u>10,134</u>	<u>95,127</u>	<u>268,586</u>	<u>158,502</u>
Changes in non-cash working capital components:					
Receivables	28,785	(67,029)	(28,317)	103,387	30,021
Other receivables	(725,543)	491,840	176,750	41,676	(183,185)
Inventory	329,144	(205,635)	(151,504)	(410,206)	178,817
Due to affiliate	7,673	-	-	-	-
Lease liability current portion	-	-	-	21,423	4,513
Taxation	(6,786)	(30,928)	79,118	26,411	(65,464)
Accounts payable	61,826	(72,627)	(32,226)	(19,101)	(25,392)
	<u>(304,901)</u>	<u>115,621</u>	<u>43,821</u>	<u>(236,409)</u>	<u>(60,689)</u>
Cash flows from/(used in) operations	<u>(226,925)</u>	<u>125,754</u>	<u>138,948</u>	<u>32,177</u>	<u>97,813</u>
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES					
Fixed assets acquisitions	(13,034)	(31,378)	(50,143)	(35,044)	(16,312)
Proceeds from extraordinary item, fire claim	290,558	-	-	-	-
Right of use lease	-	-	-	(53,611)	(145,853)
Proceeds from sale of fixed assets	11,940	2,250	10,009	2,540	-
	<u>289,464</u>	<u>(29,128)</u>	<u>(40,134)</u>	<u>(86,115)</u>	<u>(162,165)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES					
Shareholders' loan	3,375	4,145	115,615	4,760	(49,556)
Lease liability	-	-	-	-	118,767
Long term portion of loans	-	-	(250,000)	-	-
Loans payable	(4,254)	(8,373)	28,646	9,370	103,465
	<u>(879)</u>	<u>(4,229)</u>	<u>(105,739)</u>	<u>14,130</u>	<u>172,676</u>
(DECREASE)/INCREASE IN CASH	61,660	92,398	(6,925)	(39,809)	108,324
CASH AT START OF YEAR	210,809	272,469	364,866	357,941	318,132
CASH AT END OF YEAR	272,469	364,866	357,941	318,132	426,456

5 YEAR STATEMENT OF EQUITY

J\$'000	Share Capital	Capital Reserve	Shareholder's Loan	Retained Earnings	Total
Balances as at December 31, 2019	0.200	-	31,552	982,446	1,013,999
Increase	-	-	4,145	-	4,145
Profit for the year	-	-	-	8,120	8,120
Balances as at December 31, 2020	0.200	-	35,697	990,566	1,026,264
Prior year adjustment	-	-	-	(150,628)	(150,628)
Revaluation of property	-	129,400	-	-	129,400
Increase	-	-	115,615	-	115,615
Profit for the year	-	-	-	237,278	237,278
Balances as at December 31, 2021	0.200	129,400	151,312	1,077,216	1,357,928
Prior year adjustment	-	-	-	7,636	7,636
Revaluation of property	-	156,600	-	-	156,600
Increase	-	-	4,760	-	4,760
Profit for the year	-	-	-	217,995	217,995
Balances as at December 31, 2022	0.200	286,000	156,072	1,302,847	1,744,919
Revaluation of property	-	(71,000)	-	-	(71,000)
Decrease	-	-	(49,556)	-	(49,556)
Profit for the year	-	-	-	105,353	105,353
Balances as at December 31, 2023	0.200	215,000	106,516	1,408,200	1,729,716

5 YEAR LIQUIDITY AND CAPITAL RESOURCES

J\$'000	2019	2020	2021	2022	2023
Cash at bank and on hand	172,469	366,360	359,745	320,014	426,433
Trade Receivables	246,572	313,601	341,918	238,531	164,541
Other Current Assets	762,447	170,607	93,858	52,181	235,366
Total liquid assets	1,281,488	950,568	795,521	610,726	826,340
Borrowings	44,120	35,747	64,393	73,763	177,227
Trade Payables	143,350	170,722	138,497	119,396	49,628
Lease liability	0	0	0	21,423	25,936
Other payables & accruals	32,971	2,043	81,161	107,571	56,006
Other current liabilities	0	1,493	1,803	1,882	0
Total current liabilities	320,441	210,005	285,854	324,035	308,797
Net liquid assets	961,047	740,563	509,667	286,691	517,543

J\$'000	2019	2020	2021	2022	2023
Stated capital	0	0	0	0	0
Capital reserve	0	0	129,400	286,000	215,000
Shareholders loan	31,552	35,697	151,312	156,072	93,019
Retained earnings	982,446	990,566	1,077,216	1,302,847	1,408,183
Total Equity	1,013,998	1,026,263	1,357,928	1,744,919	1,716,202

Revenue, Gross Profits, COGS & Gross Margin: Over the period (2019-2023), Revenue increased from J\$1.33 billion to J\$1.44 billion or 8%. Gross Profits increased from J\$353 million to J\$431 million over the same period, representing an increase of 22%. Notably, COGS remained largely flat over the period, only increasing by 3.4%, and as a result, Gross Margin improved from 26.6% in 2019 to 30.0% in 2023.

REVENUES

The increase in Revenue in FY2021 and FY2022 was as a result of Atlantic making a strategic shift towards trading faster moving, more profitable items, such as branded power tools. The 14% reduction in Revenue in FY2023 was as a result of management's focus being diverted somewhat from sale activities to activities related to the transition of ownership of the business (as the sale of the business was agreed in FY2023 and concluded in May 2024).

GROSS PROFITS

The increase in Gross Profit in FY2021 resulted from increased sales and higher than normal Gross Profit Margins coming out of the COVID-19 pandemic. The COVID-19 pandemic created supply-chain shortages and increased global shipping costs resulting in higher prices. This translated to higher margins for items already held in inventory. Gross Profits and Gross Profit Margins declined further in FY2022 and FY2023 as the aforementioned inventory items were sold and the margins on new inventory were normalized as well as the fact that the global supply chain challenges began to be resolved.

Other Income: Over the period (2019-2023), other income increased from J\$10.7 million to J\$25 million driven by additional interest income earned as a result of higher interest rates during the period and larger bank cash balances.

Operating Expenses: Over the period (2019-2023), Operating Expenses increased from J\$204 million to J\$262 million because of inflationary increases and additional staff costs. The largest operating expenses in FY2023 are:

Amortization of Right of Use Asset - \$33.5M; Bad Debt Written Off - \$15M (account receivable – one off transaction); Commission – \$34M; Depreciation associated with Fixed Assets - \$20M; Directors Emoluments - \$13.7M. Directors emoluments will be reduced and replaced with dividends going forward; Insurance Premiums - \$28M; Motor Vehicle Expenses - \$19M; Repair and Maintenance - \$22M; and Salaries and related expenses - \$17M.

Extraordinary Item: In 2019, Atlantic suffered a fire that resulted in an insurance claim.

Net Finance Costs: Comprises interest expenses on a loan from JN Bank Limited, which was settled in FY 2021, and loans from various individuals that attracted various rates of interest and terms.

Net Profit: Net Profit decreased from J\$377 million in 2019 to J\$147 million in 2023. However, Net Profit in 2019 was bolstered by J\$265 million due to the Extraordinary Item. If not for the Extraordinary Item, Net Profit in 2019 would have been J\$112 million, and Net Profit in 2023 of J\$147 million would have represented an increase of 32% over the period. Notably, Atlantic has a positive Net Profit for every year over the period, including 2020, which was impacted by the COVID-19 pandemic. This is a testament to Atlantic's ability to consistently manage its business profitably, even when faced with extremely challenging market forces.

Total Assets: Over the period (2019-2023), Total Assets increased from J\$1.58 billion to J\$2.14 billion or 35.3%. This increase was driven by higher balances for Cash (increased

from J\$272 million to J\$426 million), Inventories (increased from J\$233 million to J\$821 million), and Fixed Assets-Property Plant & Equipment (increased from J\$70 million to J\$360 million). Cash and Inventories increased as a result of increased revenue and improved gross margin, while Property Plant & Equipment increased as a result of increased owned property valuation.

Inventories: Full stock count conducted for FY2023 year-end resulted in J\$43 million write off in FY2023.

Trade Receivables: Includes all customer balances, net of provisions. Atlantic carefully manages and monitors its Trade Receivables balances and offers credit terms for select customers on a case-by-case basis. Over the period (2019-2023) Atlantic steadily reduced its Trade Receivables balance from J\$247 million to J\$165 million. As at September 30, 2024, Trade Receivables are mostly current and well diversified. 85% of Trade Receivables balances are 0-60 days while top 30 customers represent 14% of the total.

Other Receivables: Balances include Staff Loans and Director's Loans with various repayment terms. These balances were repaid in full March 2024.

Fixed Assets: Balances include owned property, motor vehicles, forklifts, trucks, and Furniture & Fixtures.

Total Equity: Total Equity increased from J\$1.01 billion in 2019 to J\$1.72 billion in 2023. This represents an increase of 70%. This was because of higher balances for Retained Earnings (increased from J\$982 million to J\$1.41 billion) and Capital Reserve (increased from J\$0 million to J\$215 million). Retained Earnings increase driven by cumulative positive net profits over the period, while Capital Reserve increased as a result of increased owned property valuation.

Capital Reserve: Changes over the period (2019-2023) driven by valuations for property owned at 7A Ashenheim Road. In FY2023, J\$71 million decrease due to updated independent property valuation.

Shareholders Loan: All Shareholders Loans repaid in full March 2024.

Atlantic

HARDWARE & PLUMBING CO. LTD.

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED
Unaudited Financial Statements as at September 30, 2024



DIRECTOR'S REPORT

The board of directors of Atlantic Hardware & Plumbing Company Limited is pleased to present the company's unaudited financial statements for the third quarter ended September 30, 2024.

REVENUE

For the three months ended September 30, 2024, Revenue grew by 30% year over year from \$339.0 million to \$439.8 million. For the nine months ended September 30, 2024, Revenue amounted to J\$1.23 billion. This represents an increase in sales of J\$135.4 million or approximately 12% versus the same period for the prior year.

Revenue growth of J\$135.4 million was driven by:

- Introduction of new products including Lumber, Steel, Cement and Zinc;
- Effective marketing and sales campaigns;
- Establishment of product listings;
- Appropriate price adjustments on select items;
- Hiring of a Contractor Sales Representative and Sales Administrator.

PROFIT BEFORE TAX

For the three months ended September 30, 2024, Operating profit increased slightly by 5% year over year from J\$58.4 million to J\$61.3 million. Notwithstanding, over the same period, Profit before tax decreased by 73% mainly driven by higher finance costs. Profit before tax for the nine months to September 30, 2024 was J\$83.8 million, representing a 64% decline compared to the \$235.7M reported for the prior period. The decline in profit before tax was due to the following:

- Reduction in Gross Profit Margin from 34% in 2023 to 28% in 2024 resulting in a \$23.7M decline in Gross Profits. This was because of normalizing gross margins in the marketplace as the higher than usual Gross Profit Margins coming out of the COVID-19 pandemic recede.
- Increase in staff costs of \$30M resulting from increased headcount including the hiring of a CEO, CFO, Sales Administrator.
- An increase of \$68M in Loan Interest resulting from additional loan facilities taken in March 2024. Loan interest will be significantly reduced going forward as our loans will be paid down from the proceeds of this IPO and the sale of our Ashenheim Road property.

These results were achieved despite market challenges including continued supply chain interruptions, elevated interest rates and a general reduction in local construction activities.

PROPERTY, PLANT AND EQUIPMENT

Balances include owned property, motor vehicles, forklifts, trucks, and Furniture & Fixtures. Decreased balance due to depreciation and the transfer of J\$36 million of property and J\$24 million of motor vehicles to the former shareholders of the company (as per the agreement for sale of the business) upon acquisition in March 2024.

TRADE & OTHER RECEIVABLES

Balances include Staff Loans and Director's Loans with various repayment terms. Trade receivables increased by 33% since December 2023. This was due to higher sales and formalized credit policies since acquisition in March 2024.

INVENTORY

Inventory has decreased by 31% since December 2023 due to a strategic decision made upon acquisition in March 2024, to align stock levels more closely with industry standards.

DIRECTORS LOANS

All Directors Loans repaid in full upon acquisition in March 2024.

CAPITAL RESERVE

Changes driven by valuations for property owned at 7A Ashenheim Road. In audited December 31, 2023, J\$71 million decrease due to updated independent property valuation.

TREASURY SHARES

The Company's Statement of Financial Position shows treasury shares of (\$1,581,982,719) as at September 30, 2024. This is as a result of a share buyback that was completed in March 2024. As a part of the acquisition in March 2024, Atlantic repurchased 140 of the 200 issued and outstanding ordinary shares from its then shareholders. The 140 ordinary shares repurchased became treasury shares, resulting in a balance in the treasury shares account of the Company as shown in the below Unaudited Financial Statements as at September 30, 2024. Under IFRS accounting standards, repurchased shares are recorded as treasury shares, which is a contra-equity account that reduces total shareholders' equity. This treasury shares balance reflects the cost of shares repurchased and now held by the Company. Treasury shares do not affect the Company's assets beyond the initial cash outflow for the share repurchase and are not available for dividend payments or voting rights. After the share buyback, the remaining 60 issued and outstanding ordinary shares were held by the companies, and in the same proportions, as shown in the table on page 47. Subsequently, the Company effected a share split, where each existing ordinary share was split by a multiple of 32,500,000 (with the product thereof rounded up or down to the nearest whole number), which resulted in the remaining 60 issued and outstanding ordinary shares being split to create 1,950,000,000 issued and outstanding ordinary shares. Therefore, as at the date of this Prospectus, the Company has 1,950,000,000 issued and outstanding ordinary shares that are held as shown in the table on page 47.

BORROWINGS

Increase due to additional loan facilities taken in March 2024. Atlantic plans to repay Borrowings as outlined below using the net proceeds from the sale of our Ashenheim Road property and the Invitation.

OUTLOOK FOR FY 2024 AND BEYOND

Through September 2024 YTD, Atlantic is on track to achieve its budgeted results. Going forward, we will continue to build on our position as a longstanding wholesale distributor in the hardware and building materials sector. Atlantic intends to leverage its strong customer reputation and supplier relationships to achieve growth targets that allow it to grow its revenues, further diversify its product line, and increase its market share. Specifically, we will lean into our competitive strengths and strategies, as outlined in Section 12, to achieve our goals. As outlined in Section 12, Atlantic's results will be further bolstered by its recent move to a larger warehouse facility in a prominent, advantageous location adjacent to the Port of Kingston, and the successful implementation of a new state of the art ERP system.

Notably, on January 8, 2025, Atlantic sold its owned real property located at 7A Ashenheim Road, Kingston 11, Jamaica, W.I. The sale proceeds will be used to pay transaction fees and repay approximately J\$230 million of existing indebtedness. As a result, Atlantic will save approximately J\$33 million in interest expenses per year. Also of note, if successful, the Company estimates that the net proceeds of the Invitation will be approximately J\$470 million, after deducting the estimated expenses incurred in connection with the Invitation. The Company shall use the net proceeds to repay existing indebtedness. As a result, Atlantic will save an additional approximately J\$61 million in interest expenses per year. These actions will save Atlantic approximately J\$94 million in annual interest expenses which will have a material impact to its business going forward. Finally, Atlantic will seek to benefit from the special concessionary tax regime that is currently in place for Junior Market Companies.



DIRECTOR
November 15, 2024



DIRECTOR

Unaudited Statement of Profit or Loss

Three months ended September 30, 2024

	Three months ended September 30, 2024 \$	Three months ended September 30, 2023 \$	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
Revenue	439,783,976	339,024,128	1,231,482,934	1,096,090,593
Cost of sales	(312,035,120)	(221,703,555)	(884,297,291)	(725,207,704)
Gross Profit	127,748,857	117,320,573	347,185,643	370,882,889
Administrative expenses	(62,171,001)	(55,190,725)	(177,602,269)	(167,557,962)
Depreciation and amortization	(4,260,000)	(3,692,500)	(12,750,000)	(14,770,000)
Operating profit	61,317,856	58,437,348	156,833,374	188,554,927
Foreign Exchange gain/(loss)	5,365,212	18,910,073	18,620,475	54,605,702
Finance income	628,788	207,091	9,132,659	25,485,775
Finance cost	(48,600,000)	(8,241,560)	(100,764,000)	(32,966,238)
Profit before tax	18,711,856	69,312,953	83,822,508	235,680,166
Income tax expense	(4,677,964)	(17,328,238)	(20,955,627)	(58,920,041)
Profit for the year total comprehensive income	14,033,892	51,984,715	62,866,881	176,760,124

Unaudited Statement of Financial Position

As at September 30, 2024

	Unaudited September 30, 2024 \$	Unaudited September 30, 2023 \$	Audited December 31, 2023 \$
Assets			
Non-current assets			
Property, plant and equipment	288,870,163	445,578,773	359,507,641
Right of-use asset	198,446,352	-	136,838,164
	<u>487,316,515</u>	<u>445,578,773</u>	<u>496,345,805</u>
Current assets			
Trade and other receivables	276,692,042	163,422,706	208,509,488
Inventory	563,526,250	854,372,069	821,080,767
Other receivables	78,435,368	92,640,866	235,366,385
Cash and cash equivalents	140,632,912	583,558,395	426,456,006
	<u>1,059,286,572</u>	<u>1,693,994,036</u>	<u>1,691,412,646</u>
Total assets	<u><u>1,546,603,087</u></u>	<u><u>2,139,572,809</u></u>	<u><u>2,187,758,451</u></u>
Equity			
Share capital	200	200	200
Directors loans	-	207,397,570	106,515,587
Capital reserve	215,000,000	286,000,000	215,000,000
Retained earnings	1,298,821,022	1,235,954,282	1,408,199,986
Treasury shares	(1,581,982,716)	-	-
Total equity	<u>(68,161,494)</u>	<u>1,729,352,052</u>	<u>1,729,715,773</u>
Liabilities			
Non-current liabilities			
Borrowings	932,500,000	-	-
Lease liability	140,341,000	-	118,767,450
	<u>1,072,841,000</u>	<u>-</u>	<u>118,767,450</u>
Current liabilities			
Bank overdraft	12,634,869	15,382,663	0
Trade and other payables	61,103,085	308,083,241	94,004,298
Current portion of borrowings	410,000,000	-	177,227,619
Current portion of lease liability	37,230,000	-	25,936,315
Income tax payable	20,955,627	86,754,854	42,106,996
	<u>541,923,581</u>	<u>410,220,758</u>	<u>339,275,228</u>
Total liabilities	<u>1,614,764,581</u>	<u>410,220,758</u>	<u>458,042,678</u>
Total equity and liabilities	<u><u>1,546,603,087</u></u>	<u><u>2,139,572,809</u></u>	<u><u>2,187,758,451</u></u>

Approved for issue by the Directors on November 15, 2024 and signed on its behalf by:



DIRECTOR



DIRECTOR

Unaudited Statement of Cash Flows

As at September 30, 2024

	Unaudited September 30, 2024 \$	Unaudited September 30, 2023 \$	Audited December 31, 2023 \$
Cash flows from operating activities:			
Profit before tax	83,822,508	235,680,167	147,096,652
Adjustments for:			
Interest expense	100,764,000	32,966,238	53,242,081
Expense on lease liabilities	26,975,200	26,942,969	33,455,274
Interest income	(9,132,659)	(25,485,775)	(25,102,578)
Depreciation	44,572,035	-	19,694,033
Loss on disposal of fixed assets	45,808,259	-	-
	<u>292,809,343</u>	<u>270,103,599</u>	<u>228,385,462</u>
(Increase) / decrease in receivables	(113,269,336)	72,966,518	30,021,214
(increase) / decrease in other receivables	14,205,498	6,522,518	(183,184,513)
(Increase / decrease in inventory	290,845,819	(50,961,324)	178,816,768
Current portion of long term liability	410,000,000	-	-
Lease liability current portion	37,230,000	-	4,513,338
Increase (decrease) in accounts payable	(246,980,297)	(6,267,679)	(25,391,644)
	<u>684,841,027</u>	<u>292,363,632</u>	<u>233,160,625</u>
Taxation	(86,754,854)	(29,714,193)	(107,208,382)
Interest	(100,764,000)	(32,966,238)	(53,242,081)
Net cash provided by operations	<u>497,322,174</u>	<u>229,683,201</u>	<u>72,710,162</u>
Cash flow from investing activities			
Interest received	9,132,659	25,485,775	25,102,578
Purchase of property, plant and equipment	(4,671,684)	(56,919,143)	(16,311,923)
Increase in investment(Right-of-use asset)	(198,446,352)	-	(145,853,396)
Net cash used in investing activities	<u>(193,985,377)</u>	<u>(31,433,368)</u>	<u>(137,062,741)</u>
Cash flow from financing activities			
Repayment of borrowings	(264,897,570)	-	(49,555,918)
Treasury shares	(1,581,982,716)	-	-
Proceeds from borrowings	990,000,000	207,397,570	103,464,872
Lease expenses paid	(26,975,200)	(26,942,969)	-
Lease liability	140,341,000	-	118,767,450
Net cash provided by/(used in) financing activities	<u>(743,514,486)</u>	<u>180,454,601</u>	<u>172,676,404</u>
Net (decrease)/increase in cash and cash equivalents	<u>(440,177,690)</u>	<u>378,704,434</u>	<u>108,323,825</u>
Cash and cash equivalents at beginning of period/year	<u>568,175,732</u>	<u>189,471,298</u>	<u>318,132,181</u>
Cash and cash equivalents at end of period/year	<u>127,998,043</u>	<u>568,175,732</u>	<u>426,456,006</u>

Unaudited Statement of Changes in Equity

As at September 30, 2024

	Share capital \$	Capital reserve \$	Directors loans \$	Treasury shares \$	Retained earnings \$	Total \$
Balances as at September 30, 2023	200	286,000,000	207,397,570		1,235,954,282	1,729,352,052
Revaluation of property		(71,000,000)				(71,000,000)
Decrease			(100,881,983)			(100,881,983)
Profit					172,245,704	172,245,704
Balances as at December 31, 2023	200	215,000,000	106,515,587		1,408,199,986	1,729,715,773
Acquisition adjustment			(106,515,587)			(106,515,587)
Acquisition adjustment				(1,581,982,716)		(1,581,982,716)
Acquisition adjustment					(172,245,845)	(172,245,845)
Profit					62,866,881	62,866,881
Balances as at September 30, 2024	200	215,000,000	0	(1,581,982,716)	1,298,821,022	(68,161,494)

SECTION 16: AUDITOR'S CONSENT

Ventry Foo, B.Sc., M.Sc., F.C.A.
Chartered Accountant,
6 Waterloo Way, Kingston 8, Jamaica, West Indies.
Telephone 755-3543, 755-3569, 755-0570, Fax 755-3968
Email: ventryfoo@yahoo.com

November 13, 2024

To the Directors

Atlantic Hardware and Plumbing Company Limited
105-107 Marcus Garvey Drive
Kingston 11
Jamaica, W.I.

Prospectus for an offering of up to 499,999,800 Ordinary Shares in Atlantic Hardware & Plumbing Company Limited

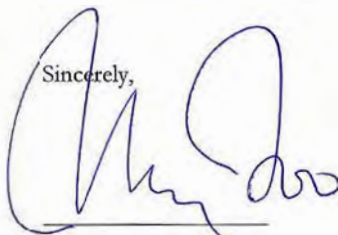
Reference is made to above mentioned Prospectus which has been signed for and on behalf of Atlantic Hardware & Plumbing Company Limited (the "Company") by the Directors of the Company.

I hereby consent to the issue of the Prospectus with the inclusion therein of:

- a) The Company's audited financial statements for the financial year ended December 31, 2023, and my Independent Auditor's Report thereon dated November 8, 2024;
- b) A summary of the Company's five (5) year financial performance which uses extracts from the Company's audited financial statements for the financial years ended December 31, 2019 thru to December 31 2023;
- c) The Company's Interim Financial Statements for the 9-months period ended September 30, 2024;
- d) Reference to my name in the form and context in which they are included in the Prospectus.

I confirm that I have not withdrawn my consent before delivery of a copy of the Prospectus to the Companies Office of Jamaica or the Financial Services Commission for registration.

This consent letter should not be regarded as in any way an update or qualification to the aforementioned financial reports or that I performed any procedures or services subsequent to the date of such reports.

Sincerely,


* Ventry C. Foo

VENTRY C. FOO
Chartered Accountant
6 Waterloo Way
Kingston 8
Tel: 876-755-3543, 876-755-3569
876-755-0570
Fax: 876-755-3968

Atlantic

HARDWARE & PLUMBING CO. LTD.

AUDITED FINANCIAL INFORMATION



SECTION 17: AUDITED FINANCIAL INFORMATION

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED

Financial Statements

Year ended December 31, 2023

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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Income tax computation	II
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Employment Tax Credit	V
Employment Tax Credit Calculation	VI

Ventry Foo, B.Sc., M.Sc., F.C.A.

Chartered Accountant

6 Waterloo Way, Kingston 8, Jamaica

Telephone: (876)755-3543, (876)755-3569, (876)755-0570, Fax: (876)755-3968

Email: ventryfoo@yahoo.com

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Independent Auditor's Report

To the Members of Atlantic Hardware & Plumbing Company Limited

Report on the Audited Financial Statements

Opinion

I have audited the separate financial statements of Atlantic Hardware & Plumbing Company Limited, set out on pages 4 to 28, which comprise the separate statement of financial position as at December 31, 2023, the separate statements of income and expenditure, cash flows for the year then ended, notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and the Jamaican Companies Act.

Basis for Opinion

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

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies 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.

Independent Auditor's Report

To the Members of Atlantic Hardware & Plumbing Company Limited

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance that 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 my 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.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

Independent Auditor's Report

To the Members of Atlantic Hardware & Plumbing Company Limited

Report on additional matters as required by the Jamaican Companies Act

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

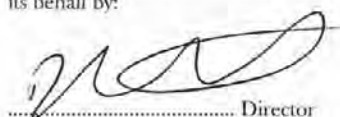


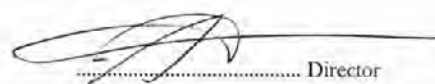
Kingston, Jamaica
November 8, 2024

Atlantic Hardware & Plumbing Company Limited
Statement of financial position
December 31, 2023

Net assets employed:	NOTES	2023	2022
NON-CURRENT ASSETS			
Right-of-use asset	3	<u>136,838,164</u>	<u>24,440,042</u> *
CURRENT ASSETS			
Cash resources	4	426,456,006	320,013,733
Accounts receivable	5	208,509,488	238,530,702 *
Other receivables	6	235,366,385	52,181,872
Inventory	7	<u>821,080,767</u>	<u>999,897,535</u>
		<u>1,691,412,646</u>	<u>1,610,623,842</u>
CURRENT LIABILITIES			
Bank overdraft	8	-	1,881,552
Loans payable	9	177,227,619	73,762,747
Lease liability current portion	10	25,936,315	21,422,977 *
Taxation payable	11	42,106,996	107,571,344 *
Payables & accruals	12	<u>94,004,298</u>	<u>119,395,942</u> *
		<u>339,275,228</u>	<u>324,034,562</u>
NET CURRENT ASSETS		<u>1,488,975,582</u>	<u>1,311,029,322</u>
FIXED ASSETS	13	<u>359,507,641</u>	<u>433,889,751</u>
		<u>1,848,483,223</u>	<u>1,744,919,073</u>
Financed by:			
SHAREHOLDERS' EQUITY			
Share capital	14	200	200
Capital reserve	15	215,000,000	286,000,000
Shareholders' loan	16	106,515,587	156,071,505
Retained earnings		<u>1,408,199,986</u>	<u>1,302,847,368</u> *
		<u>1,729,715,773</u>	<u>1,744,919,073</u>
NON - CURRENT LIABILITIES			
Lease liability	10	<u>118,767,450</u>	-
		<u>1,848,483,223</u>	<u>1,744,919,073</u>

The financial statements on pages 4 to 28 were approved for issue by the Board of Directors on November 8, 2024, and signed on its behalf by:


..... Director


..... Director

The accompanying notes form an integral part of the financial statements.

* Restated

Atlantic Hardware & Plumbing Company Limited
Statement of comprehensive income
Year ended December 31, 2023

	NOTES	2023	2022
TURNOVER	17	<u>1,439,067,674</u>	<u>1,675,244,988</u>
Operating profit		121,994,074	286,304,603 *
Interest income		25,102,578	389,001
Other income		-	527,191
Profit on disposal of fixed assets		-	<u>2,539,999</u>
Net profit before taxation	18	147,096,652	289,760,794
Taxation	11	<u>(41,744,034)</u>	<u>(71,765,421) *</u>
Net comprehensive profit after taxation		<u>105,352,618</u>	<u>217,995,373 *</u>

The accompanying notes form an integral part of the financial statements.

* Restated

Atlantic Hardware & Plumbing Company Limited
Statement of changes in equity
Year ended December 31, 2023

	Share capital	Capital reserve	Shareholder's loan	Retained earnings	Total
Balances as at December 31, 2021	200	129,400,000	151,311,764	1,077,216,003	1,357,927,967
Prior year adjustment	-	-	-	7,635,992	7,635,992
Revaluation of property	-	156,600,000	-	-	156,600,000
Increase	-	-	4,759,741	-	4,759,741
Profit for the year	=	=	=	<u>217,995,373</u>	<u>217,995,373</u>
Balances as at December 31, 2022	200	286,000,000	156,071,505	1,302,847,368	1,744,919,073
Revaluation of property	-	(71,000,000)	-	-	(71,000,000)
Decrease	-	-	(49,555,918)	-	(49,555,918)
Profit for the year	=	=	=	<u>105,352,618</u>	<u>105,352,618</u>
Balances as at December 31, 2023	<u>200</u>	<u>215,000,000</u>	<u>106,515,587</u>	<u>1,408,199,986</u>	<u>1,729,715,773</u>

The accompanying notes form an integral part of the financial statements.

* Restated

Atlantic Hardware & Plumbing Company Limited
Statement of cash flows
Year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2023</u>	<u>2022</u>
Net profit from operations	105,352,618	217,995,373 *
Adjustments for non-cash items:		
Gain on sale of fixed assets	-	(2,539,999)
Prior year adjustment	-	7,635,992
Amortization	33,455,274	29,170,679 *
Depreciation	<u>19,694,033</u>	<u>16,323,843</u>
	<u>158,501,925</u>	<u>268,585,888</u>
Changes in non-cash working capital components:		
Receivables	30,021,214	103,387,236
Other receivables	(183,184,513)	41,676,292
Inventory	178,816,768	(410,205,646)
Lease liability current portion	4,513,338	21,422,977 *
Taxation	(65,464,348)	26,410,777 *
Accounts payable	<u>(25,391,644)</u>	<u>(19,100,707) *</u>
	<u>(60,689,185)</u>	<u>(236,409,071)</u>
Cash flows from operations	<u>97,812,740</u>	<u>32,176,817</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Fixed assets acquisitions	(16,311,923)	(35,044,464)
Right-of-use lease	(145,853,396)	(53,610,721) *
Proceeds from sale of fixed assets	-	<u>2,540,000</u>
	<u>(162,165,319)</u>	<u>(86,115,185)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shareholders' loan	(49,555,918)	4,759,741
Loans payable	103,464,872	9,369,776
Lease liability	<u>118,767,450</u>	-
	<u>172,676,404</u>	<u>14,129,517</u>
INCREASE/(DECREASE) IN CASH	108,323,825	(39,808,851)
CASH AT START OF YEAR	<u>318,132,181</u>	<u>357,941,032</u>
CASH AT END OF YEAR	<u>426,456,006</u>	<u>318,132,181</u>
Represented by:		
Cash & bank balances	426,456,006	320,013,733
Bank overdraft	-	<u>(1,881,552)</u>
	<u>426,456,006</u>	<u>318,132,181</u>

The accompanying notes form an integral part of the financial statements.

* Restated

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

1. CORPORATE STRUCTURE AND NATURE OF BUSINESS

The company was incorporated in Jamaica under the Companies Act and is domiciled in Jamaica. The registered office of the company and its principal place of business are situated at 7A Ashenheim Road, Kingston 11.

The principal activities are the importation and distribution of hardware and plumbing supplies.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the provisions of the Companies Act.

(b) Basis of preparation

The financial statements are presented in Jamaican dollars (J\$), which is the functional currency of the company. The financial statements are prepared under the historical cost convention.

The accounting policies have been applied consistently with prior year. Where necessary, prior year comparatives have been reclassified to conform to 2023 presentation.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Use of estimates and judgements

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the statement of financial position date, and the income and expense for the year ended. Actual amounts could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below.

(i) Residual value and expected useful life of property, plant and equipment

The residual value and the expected useful life of an asset are reviewed at least at each financial year end, and, if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the company.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT POLICIES (CONTINUED)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances including short-term deposits and other monetary investments with maturities ranging between one and three months from the statement of financial position date.

Bank overdrafts, repayable on demand and forming an integral part of the company's cash management activities, are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(e) Accounts receivable

Accounts receivable are stated at cost less impairment losses.

(f) Related parties

A party is related to the company, if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) is controlled by, or is under common control with the company;
 - (b) has a direct or indirect interest in the company that gives it significant influence;or
 - (c) has joint control over the company
- (ii) the party is an associate of the company;

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Related parties (continued)

A party is related to the company, if:

- (iii) the party is a joint venture in which the company is a venture;
- (v) the party is a member of the key management personnel of the company;
- (iv) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with or indirectly with any individual referred to in (iv) or (v).

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

The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

(g) Accounts payable

Trade and other payables are stated at cost.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

**2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(h) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(i) Property, plant and equipment

(i) Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

(ii) Depreciation

Depreciation is computed on the straight-line basis at annual rates estimated to write down the assets to their estimated values at the end of their expected useful lives.

Buildings	2.5%
Machinery	10%
Furniture & fixtures	10%
Computer	20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reassessed annually.

(j) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Taxation is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Taxation (continued)

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment

The carrying amounts of the company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at the statement of financial position date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Reversal of impairment

An impairment loss in respect of a receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include short-term investment and amounts due from related party. Similarly, financial liabilities include bank overdraft and amounts payable.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Determination of fair value

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

(n) Revenue recognition

Revenue from services provided is recognised in the statement of comprehensive income when the significant risk and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(o) Expenses

(i) Net finance costs

Net finance costs comprise interest payable on borrowings, interest receivable on funds invested, material bank charges and foreign exchange gains and losses recognised in the statement of comprehensive income.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Expenses (continued)

(ii) Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

(p) Determination of profit and loss

Profit is determined as the difference between the revenue from services rendered and the costs and other charges incurred during the accounting period under review. Profits on transactions are taken in the period in which they are realised. A transaction is realised at the moment of delivery. Losses are taken in the period in which they are realised or determined.

(q) Foreign currencies

Transactions in foreign currencies are converted at the rates of exchange at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jamaican dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are stated at fair value and are translated to Jamaican dollars at foreign exchange rates at the dates the value was determined.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currencies (continued)

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in the income statement are treated as cash items and included in cash flows from operating or financing activities along with movements in the relevant balances.

Unrealised gains and losses arising on translated net stockholders' equity in a subsidiary are recognised in other comprehensive income and directly to equity on the company's statement of financial position and added or deducted to reflect the underlying company's cash flows from financing activities in the company's statement of cash flows.

(r) Inventory

Inventories, consisting principally of items held for resale and are valued at the lower cost, determined on the weighted average basis, and estimated realizable value.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

**2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(s) Right-of-use assets

Right-of-use assets are initially measured at an amount equal to the initial value of the lease obligation which is subsequently adjusted for the following items:

- i) Any lease payments made at or before the commencement date, less any lease incentives received;
- ii) Any initial direct costs incurred by the company;
- iii) An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located.

For short-term leases that have a lease term of 12 months or less and low-value assets, the company has elected to not recognize a lease obligation and right-of-use asset and instead will recognize a lease expense as permitted under IFRS 16.

Right-of-use assets are depreciated using the straight-line method from the date of commencement of the lease to the earlier of the end of the useful life of the asset or end of the lease term as determined under IFRS 16.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, Impairment of Assets, which replaces the previous requirement to recognize a provision for onerous lease contracts under IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases

Leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a term of 12 months or less.

The lease obligation is measured at the present value of the contractual obligation, discounted using the interest rate implicit in the lease term, unless that rate is not readily determinable, in which case the company will use its incremental borrowing rate.

The lease term determined by the company comprises:

- i) The non-cancellable period of lease contracts, including a rent-free period if applicable;
- ii) Periods covered by an option to extend the lease if the company is reasonably certain to exercise that option;
- iii) Periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option.

The commencement date of the lease begins on either the date on which the lessor makes the underlying asset available for use to the company. Lease payments included in the measurement of the lease obligation are comprised of the following:

- i) Fixed lease payments, including in-substance fixed payments;
- ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- iii) Amounts expected to be payable under a residual value guarantee;

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases (cont'd)

The commencement date of the lease begins on either the date on which the lessor makes the underlying asset available for use to the company. Lease payments included in the measurement of the lease obligation are comprised of the following (cont'd):

- iv) The exercise price of purchase options that the company is reasonably certain to exercise;
- v) Lease payments in an option renewal period if the company is reasonably certain to exercise the extension option;
- vi) Penalties for early termination of the lease unless the company is reasonably certain not to terminate early; and
- vii) Less any incentive receivable.

Variable payments for leases that do not depend on an index or rate are not included in the measurement of the lease obligations. The variable payments are recognized as an expense in the period in which they are incurred. Having elected to do so, the company accounts for any lease and associated non-lease components as a single arrangement, which is permitted under IFRS 16.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND
SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Leases (cont'd)

Interest on the lease obligations is calculated using the effective interest method and increases the lease obligation while rent payments reduce the obligation. The lease obligation is re-measured whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, or there is a change in the assessment of the exercise of an extension option. The lease obligation is re-measured by discounting the revised lease payments using a revised discount rate resulting in a corresponding adjustment to the right-of-use asset or is recorded in gain or loss if the carrying amount of the right-of-use asset has been reduced to zero or the modification results in a reduction in the scope of the lease. The revised carrying amount is amortized over the remaining lease term.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

3. RIGHT-OF-USE ASSET

	Leased buildings
Cost:	
December 31, 2022	53,610,721
Additions	<u>145,853,396</u>
December 31, 2023	<u>199,464,117</u>
Amortization:	
December 31, 2022	29,170,679
Charge for the year	<u>33,455,274</u>
December 31, 2023	<u>62,625,953</u>
Net book values:	
December 31, 2023	<u>136,838,164</u>
December 31, 2022	<u>24,440,042</u>

4. CASH RESOURCES

	2023	2022
Current accounts	10,715,035	673,864
Savings accounts	415,316,588	318,824,666
Cash in hand	<u>424,383</u>	<u>515,203</u>
	<u>426,456,006</u>	<u>320,013,733</u>

5. ACCOUNTS RECEIVABLE

	2023	2022
Trade receivables	<u>208,509,488</u>	<u>238,530,702</u>

6. OTHER RECEIVABLES

	2023	2022
Staff loans	-	700,000
Loans recoverable	228,431,470	47,542,772
Other	<u>6,934,915</u>	<u>3,939,100</u>
	<u>235,366,385</u>	<u>52,181,872</u>

7. INVENTORY

Inventories consist of items held for resale and are valued at the lower of cost, and net realizable value.

8. BANK OVERDRAFT

	2023	2022
National Commercial Bank Jamaica Limited	-	<u>1,881,552</u>

Bank overdraft is due to the effects of unrepresented cheques.

9. LOANS PAYABLE

These loans are from various individuals, attract various rates of interest and are unsecured.

10. LEASE LIABILITY

	2023	2022
Opening balance	144,703,765	21,422,977
Current portion of lease liability	<u>(25,936,315)</u>	<u>(21,422,977)</u>
Closing balance	<u>118,767,450</u>	-

The company leases two buildings for its operations.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

11. TAXATION

Taxation is based on profits adjusted for tax purposes and is subject to approval from Tax Administration Jamaica.

Taxation charge is comprised of:	<u>2023</u>	<u>2022</u>
Income tax at 25%	<u>41,744,034</u>	<u>71,765,421</u> *

12. PAYABLES & ACCRUALS

	<u>2023</u>	<u>2022</u>
Trade payables	64,958,101	114,972,680
Audit fee	1,500,000	935,000
General Consumption Tax	27,179,440	-
Property tax	86,100	86,100
Statutory deductions	<u>280,657</u>	<u>3,402,162</u>
	<u>94,004,298</u>	<u>119,395,942</u> *

13. FIXED ASSETS

	Land & building	Building improvement	Motor vehicles	Furniture fixtures & equipment	Total
COST:					
January 1, 2022	172,400,000	582,000	85,657,297	32,919,021	291,558,318
Revaluation	156,600,000	-	-	-	156,600,000
Additions	-	-	13,849,200	21,195,264	35,044,464
Disposals	-	-	<u>(8,428,553)</u>	-	<u>(8,428,553)</u>
December 31, 2022	329,000,000	582,000	91,077,944	54,114,285	474,774,229
Revaluation	(71,000,000)	-	-	-	(71,000,000)
Additions	-	-	<u>5,292,108</u>	<u>11,019,815</u>	<u>16,311,923</u>
December 31, 2023	<u>258,000,000</u>	<u>582,000</u>	<u>96,370,052</u>	<u>65,134,100</u>	<u>420,086,152</u>
DEPRECIATION:					
January 1, 2022	11,898,596	14,550	15,351,760	5,724,282	32,989,188
Charge for the year	1,075,000	14,550	11,056,959	4,177,334	16,323,843
Deleted on disposal	-	-	<u>(8,428,553)</u>	-	<u>(8,428,553)</u>
December 31, 2022	12,973,596	29,100	17,980,166	9,901,616	40,884,478
Charge for the year	<u>1,075,000</u>	<u>14,550</u>	<u>13,074,053</u>	<u>5,530,430</u>	<u>19,694,033</u>
December 31, 2023	<u>14,048,596</u>	<u>43,650</u>	<u>31,054,219</u>	<u>15,432,046</u>	<u>60,578,511</u>
NET BOOK VALUES:					
December 31, 2023	<u>243,951,404</u>	<u>538,350</u>	<u>65,315,833</u>	<u>49,702,054</u>	<u>359,507,641</u>
December 31, 2022	<u>316,026,404</u>	<u>552,900</u>	<u>73,097,778</u>	<u>44,212,669</u>	<u>433,889,751</u>

14. SHARE CAPITAL

	<u>2023</u>	<u>2022</u>
Authorized, issued & fully paid: 200 ordinary shares @ \$1.00 each	<u>200</u>	<u>200</u>

* Restated

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

15. CAPITAL RESERVE	<u>2023</u>	<u>2022</u>
Surplus arising from revaluation of property - opening	286,000,000	129,400,000
Revaluation	<u>(71,000,000)</u>	<u>156,600,000</u>
Surplus arising from revaluation of property - ending	<u>215,000,000</u>	<u>286,000,000</u>

Land at 7A Ashenheim Road was revalued to \$222,000,000 by professional valuers in April 2023.

16. SHAREHOLDERS' LOANS

Shareholders' loans have no fixed terms of repayment and are unsecured.

17. TURNOVER

Turnover represents the invoiced value of goods sold less General Consumption Tax.

18. DISCLOSURE OF EXPENSES

Results for the year are stated after charging/(crediting):-

	<u>2023</u>	<u>2022</u>
Directors' emoluments	13,724,000	12,420,000
Auditor's remuneration	1,500,000	935,000
Amortization	33,455,274	-
Depreciation	19,694,033	16,323,843
Staff costs (note 19)	16,913,379	18,765,050
Interest income	(25,102,578)	(389,001)
Bank charges & interest	<u>52,695,964</u>	<u>72,662,689</u>

19. STAFF COSTS

	<u>2023</u>	<u>2022</u>
Salaries & related	14,721,728	15,555,438
Statutory contributions	<u>2,191,651</u>	<u>3,209,612</u>
	<u>16,913,379</u>	<u>18,765,050</u>

During the year, the average number of persons in the employment of the company was eighteen, (18), (2022 : 19).

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

20. FINANCIAL RISK MANAGEMENT

Exposure to various types of financial instrument risks arises in the ordinary course of the company's business. The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. 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 risk and adherence to limits. Risk management policies are reviewed on a regular basis and reflect changes in market conditions and the company's activities.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

At statement of financial position date, there was no significant concentration of credit risk and maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market price, whether those changes are caused by factors specific to the individual security or its issuer, or factors affecting all securities traded in the market. The company has no significant exposure to market risk as financial instruments subject to this risk is not material.

Atlantic Hardware & Plumbing Company Limited
Notes to the financial statements
Year ended December 31, 2023

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market risk (continued)

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Bank overdrafts are subjected to interest rates which may be varied with appropriate notice by the lender.

Interest rate sensitivity

There would be no material impact on operating results as financial assets and liabilities are contracted for short term duration at fixed interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates.

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. The company manages liquidity risk by maintaining adequate amounts of liquid financial assets of appropriate terms and currencies, by pursuing prompt payment practices generally, and by putting in place appropriate stand-by credit arrangements.

(d) Capital management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns to its stakeholders, and maintain a strong capital base to support the development of its business.

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

OF

ATLANTIC HARDWARE & PLUMBING COMPANY LIMITED

Atlantic Hardware & Plumbing Company Limited
Statement of comprehensive income-detailed
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE	1,439,067,674	1,675,244,988
COST OF SALES		
Opening stock	999,897,535	589,691,889
Purchases & direct costs	<u>829,133,179</u>	<u>1,494,738,048</u>
Cost of goods available for sale	1,829,030,714	2,084,429,937
Closing stock	<u>(821,080,767)</u>	<u>(999,897,535)</u>
COST OF GOODS SOLD	<u>1,007,949,947</u>	<u>1,084,532,402</u>
GROSS PROFIT	<u>431,117,727</u>	<u>590,712,586</u>
OTHER EXPENSES		
Advertising	2,684,332	6,750,470
Amortization - right-of-use asset	33,455,274	29,170,679 *
Audit & accounting	3,211,704	2,720,541
Bad debt	15,045,701	13,254,704
Bank charges & interest	5,072,334	6,562,066
Commission	33,950,225	38,199,545
Depreciation	19,694,033	16,323,843
Directors' emoluments	13,724,000	12,420,000
Donations and subscriptions	1,335,482	632,000
Insurance	27,990,388	26,054,482
Interest on penalties	5,618,452	622,065
Loan interest	47,623,629	71,142,879 *
Motor vehicle	18,819,240	24,887,157
Office supplies	1,074,370	6,167,235
Penalty	10,000	-
Professional	15,891,942	1,950,256
Repairs & maintenance	22,177,988	14,019,804
Salaries & related	16,913,379	18,765,050
Staff training & welfare	6,381,864	3,424,292
Telephone	5,202,232	2,368,403
Travelling & distribution	10,537,263	6,544,243
Utilities	<u>2,709,821</u>	<u>2,428,269</u>
Total expenses	<u>309,123,653</u>	<u>304,407,983</u>
NET PROFIT	<u>121,994,074</u>	<u>286,304,603</u>

* Restated

Atlantic Hardware & Plumbing Company Limited
 Income Tax computation
 Year of assessment 2023
 TRN # 000-398-535

Profit per financial statements		147,096,652
Add : Depreciation	19,694,033	
Add : Amortization - right-of-use asset	33,455,274	
Add : Donations disallowed	836,482	
Add : Penalty	<u>10,000</u>	
		<u>53,995,789</u>
		201,092,441
Less : Capital Allowances		
Annual		<u>(21,404,730)</u>
		<u>179,687,711</u>
Income tax thereon @ 25% before Employment Tax Credit		44,921,928
Employment Tax Credit, Lower of \$11,593,885 (See schedule VI) or \$3,177,894, (See schedule V)		<u>(3,177,894)</u>
Taxation after Employment Tax Credit		<u>41,744,034</u>
<u>TAXATION ACCOUNT</u>		
Tax liability as computed above		41,744,034
Per portal DD March 15, 2024	(40,000,000)	
Credit per portal	<u>(1,744,034)</u>	
		<u>(41,744,034)</u>
Tax due		=

III

Atlantic Hardware & Plumbing Company Limited
 Capital allowances computation
 Year of assessment 2023
 TRN# 000-398-535

	MEMO COST	WDV B/F	Additions	Total	A.A.	A.A. Rate	WDV C/F
1997 Toyota Tacoma	1,308,475	1	-	1	-		1
2012 Toyota Success	924,864	1	-	1	-	12.5%SL	1
Forklift	1,944,930	2	-	2	-		2
Forklift	1,469,919	1	-	1	-	12.5%SL	1
2018 Chevy Camaro	5,637,051	1	-	1	-	12.5%SL	1
2018 Ford Mustang	4,456,025	1,562,735		1,562,735	557,003	12.5%SL	1,005,732
2020 - Chevy Express 2500	5,559,165	2,686,930		2,686,930	1,111,833	20% SL	1,575,097
2020 - Sinotruk Howo Light Van	4,217,391	2,038,406		2,038,406	843,478	20% SL	1,194,928
2020 - Sinotruk Wing Truck RHID	8,656,984	4,184,209		4,184,209	1,731,397	20% SL	2,452,812
2020 - Chevrolet Equinox 2022	4,862,666	3,596,347		3,596,347	607,833	12.5%SL	2,988,514
2020 - Sinowing Truck 23T	7,825,543	4,564,899		4,564,899	1,565,109	20% SL	2,999,790
2020 - Tesla Model Y	5,346,250	4,121,068		4,121,068	668,281	12.5% SL	3,452,787
2023 - Sinotruk 3CI	8,158,642	5,439,095		5,439,095	1,631,728	20% SL	3,807,367
2020 - Sinotruk Flatbed Cargo Truck	9,216,257	6,451,380		6,451,380	1,843,251	20% SL	4,608,129
Sino Truck 6 Wheel(2022)	10,207,800	8,498,520		8,498,520	2,041,560	20% SL	6,456,960
3T Diesel Forklift(2022)	4,406,400	3,892,320		3,892,320	881,280	20% SL	3,011,040
3T Diesel Forklift(2023)	5,292,108		5,292,108	5,292,108	705,614	20% SL	4,586,494
Bal c/fwd		47,035,915	5,292,108	52,328,023	14,188,367		38,139,656

IV

Atlantic Hardware & Plumbing Company Limited
 Capital allowances computation
 Year of assessment 2023
 TRN# 000-398-535

	MEMO COST	WDV B/F	Additions	Total	A.A.	A.A. Rate	WDV C/F
Bal b/wd		47,035,915	5,292,108	52,328,023	14,188,367		38,139,656
Computer 2006	490,968	1		1			1
Building improvement	582,000	545,140		545,140	23,280	4% SL	521,860
Furniture, fixtures & equipment 2018	2,907,196	301,795		301,795	301,794	12.5% SL	1
Furniture, fixtures & equipment 2019	6,055,338	3,477,864		3,477,864	756,917	12.5% SL	2,720,947
Furniture, fixtures & equipment 2020	256,000	181,333		181,333	32,000	12.5% SL	149,333
Furniture, fixtures & equipment 2021	21,510,424	18,088,327		18,088,327	2,688,803	12.5% SL	15,399,524
Furniture, fixtures & equipment 2022	21,360,082	20,095,458		20,095,458	2,670,010	12.5% SL	17,425,448
Furniture, fixtures & equipment 2023	11,019,815		11,019,815	11,019,815	743,559	12.5% SL	10,276,256 *
		<u>89,725,833</u>	<u>16,311,923</u>	<u>106,037,756</u>	<u>21,404,730</u>		<u>84,633,026</u>

* Prorated

V

Atlantic Hardware & Plumbing Company Limited
 Employment Tax Credit
 Year of assessment 2023
 TRN# 000-398-535

	<u>Receipt date</u>	<u>Receipt #</u>	<u>HEART</u>	<u>NHT</u>	<u>ED TAX</u>	<u>TOTAL</u>
January	10-Feb-23	511255	44,204	62,497	69,715	264,825
February	10-Mar-23	530444	44,204	62,497	69,715	264,825
March	5-Apr-23	558179	44,204	62,497	69,715	264,825
April	10-May-23	580043	44,204	62,497	69,715	264,825
May	9-Jun-23	599279	44,204	62,497	69,715	264,825
June	11-Jul-23	620191	44,204	62,497	69,715	264,825
July	11-Aug-23	638469	44,204	62,497	69,715	264,825
August	13-Sep-23	657573	44,204	62,497	69,715	264,825
September	10-Oct-23	675722	44,204	62,497	69,715	264,825
October	8-Nov-23	691348	44,204	62,497	69,715	264,825
November	9-Dec-23	708867	44,204	62,497	69,715	264,825
December	11-Jan-24	729780	44,204	62,497	69,715	264,825
Total			<u>530,452</u>	<u>749,959</u>	<u>836,579</u>	<u>3,177,894</u>

Atlantic Hardware & Plumbing Company Limited
Employment Tax Credit Calculation
Year of assessment 2023
TRN# 000-398-535

Adjusted taxable income	179,687,711
<u>Less non trade income :</u>	
Interest income	<u>(25,102,578)</u>
Adjusted taxable income from trading	<u>154,585,133</u>
Tax thereon 25%	<u>38,646,283</u>
Employment Tax Credit Claimable 30%	<u>11,593,885</u>

SECTION 18: PROFESSIONAL ADVISORS TO THE OFFER

LEAD BROKER

JMMB Securities Limited
6 Houghton Terrace
Kingston 10 • Jamaica
Attention: Karl Townsend
Telephone: 876-998-5662
Email: info@jmmb.com

AUDITORS

Ventry Foo,
Chartered Accountant of
6 Waterloo Way
Kingston 8, Jamaica, W.I.

LEGAL ADVISORS

DunnCox,
Attorneys at Law
48 Duke Street
Kingston, Jamaica, W.I.

REGISTRAR AND TRANSFER AGENT

Jamaica Central Securities Depository
40 Harbour Street
Kingston

SECTION 19: STATUTORY & GENERAL INFORMATION

STATUTORY INFORMATION REQUIRED TO BE SET OUT IN THIS PROSPECTUS BY SECTION 41 AND THE THIRD SCHEDULE TO THE COMPANIES ACT

1. The Company has no founders, management or deferred shares.
2. The Articles fix no shareholding qualification for the directors.
3. The provision of the Articles of the Company which relates to the remuneration of Directors provides as follows:

a. **Remuneration of Directors**

The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Unless otherwise provided, such remuneration shall be deemed to accrue from day to day.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the discharge of their duties or with the business of the Company.

b. **Special Remuneration**

Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.

4. The names, descriptions and addresses of the Directors are included below:

NAMES	ADDRESS	NAMES
Mr. P.B. Scott	c/o 58 Half Way Tree Road, Kingston 10, Jamaica, W.I.	Company Executive
Mr. Jeffrey Hall	c/o 17C Gordon Town Road, Papine Kingston 6, Jamaica, W.I.	Company Executive
Mr. Deanall Barnes	c/o 105-107 Marcus Garvey Drive, Kingston, Jamaica, W.I.	CEO Atlantic Hardware & Plumbing Company Limited
Mr. Noel Dawes	c/o 17C Gordon Town Road, Papine Kingston 6, Jamaica	CEO Lumber Depot Limited
Mr. Donald Fung	c/o 105-107 Marcus Garvey Drive, Kingston, Jamaica, W.I.	Company Executive
Ms. Lisa Kong	c/o 17C Gordon Town Road, Papine Kingston 6, Jamaica	General Manager Blue Power Group Limited
Ms. Sharon Donaldson	c/o 58 Half Way Tree Road, Kingston 10, Jamaica	CEO General Accident Insurance Company Jamaica Limited
Mr. Alexander Marston	c/o 58 Half Way Tree Road, Kingston 10, Jamaica	Project Manager
Mr. Sekou Crawford	c/o 58 Half Way Tree Road, Kingston 10, Jamaica	Project Manager

5. As at 31 December 2023 the date to which the Audited Financial Information in Section 19 is made up, the Company held no investments. The Company has no quoted or unquoted investments. There is no amount shown for goodwill, patents or trademarks as a separate item in the financial statements of the Company or any other financial records of the Company.
6. As at 31 December 2023, the date to which the Audited Financial Information in Section 19 is made up, the aggregate amount of indebtedness of the Company was \$177,227,619; as at 31 December 2023 the Company had no overdraft. Please refer to the Audited Financial Statements attached herein. The Company has not issued any guarantees, indemnities, or assumed any contingent liability.
7. Pursuant to paragraph 12 of Part 1 of the Third Schedule, the name and address of the current auditor to the Company is Ventry Foo, Chartered Accountant located at 6 Waterloo Way, Kingston 8, Jamaica, W.I.
8. Ventry Foo, Chartered Accountant has given and not withdrawn its consent to the issuance of this Prospectus with the inclusion of the Financial Information, and its name in the form and context in which it is included.
9. Save for such amount already recommended for distribution by the Company by way of dividend and accordingly paid, no further amount is recommended for distribution as at the date of this Prospectus and accordingly paragraph 5(1)(d) of Part I of the Third Schedule to the Act does not apply.
10. Neither the Company nor any of its subsidiaries is currently engaged in any material litigation, nor are they aware of any pending material litigation.
11. The minimum amount required to be raised out of the proceeds of the Invitation to provide for the matters set out in paragraph 2 of Part 1 of the Third Schedule to the Companies Act (the “Minimum Fundraising Amount”) is as stated in Section 8 above.
12. The Invitation will open for subscription at 9:00 a.m. on the Opening Date and will close at 4:00 p.m. on the Closing Date subject to the Company’s right to close the application list at any time after 9:00 a.m. on the Opening Date if Applications have been received for an amount equal to or greater than the Shares in the Invitation,

or to extend the Closing Date for any reason whatsoever provided that the Closing Date is no later than 40 Days after the issue date of this Prospectus

13. The amount payable on application and allotment on each Share will be J\$1.00. All Applicants will be required to pay in full the applicable price per Share as specified in this Prospectus. A fee of \$172.50 is payable per Applicant to the JCSD. No further sum will be payable on allotment.
14. No previous offer of shares in the Company has been made to the public.
15. The Company has not granted any option to any person to subscribe for any Shares or debentures in the Company and the Directors of the Company are not aware of any person who intends to acquire Shares in this Invitation, save for the Conversion Option entered into with Tranche 1 Bondholders under a Trust Deed dated March 20, 2024, wherein the Tranche 1 Bondholders are entitled to convert up to \$300,000,000.00 their Bond Interests outstanding into fully paid ordinary shares of the Company at the occurrence of an initial public offering. Details of this agreement are set out in SECTION 12 under Material Contracts.
16. There is no amount for goodwill, patent, or trademarks shown in the financial statements of the Company and there is no contract for sale and purchase, which would involve any goodwill, patent or trademarks.
17. Pursuant to paragraph 11 of Part 1 of the Third Schedule. material contracts of the Company are set out in Section 12
18. No real property is currently proposed to be purchased or acquired by the Company and paid for wholly or partly out of the proceeds of this Invitation for the purposes of paragraphs 6 to 9 (inclusive) of Part I of the Third Schedule of the Act.
19. Regarding paragraph 10(1)(a) of Part I of the Third Schedule to the Act, within the two preceding years, no commission has been paid, nor will any be payable by the Company to anyone for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company.

20. The Company expects to pay the expenses of the Invitation out of the proceeds of its fundraising, and the Company estimates that such expenses will not exceed J\$30 million dollars (inclusive of brokerage and financial advisory fees, financial consultant's fees, legal fees, consultancy fees, auditors' fees, marketing expenses Company's registrar's fees, initial fees and GCT).

21. Regarding paragraph 10(1)(c) of Part 1 of the Third Schedule to the Act, within the last two years preceding the date of this Prospectus no amount or benefit has been paid or given or is intended to be paid or given to any promoter save for: JMMB Securities Limited and Jamaica Money Market Brokers Limited for financial advisory and brokerage services and underwriting services respectively associated with the Issue and the listing of the Shares on the Junior Market of the Jamaica Stock Exchange under an agreement dated November 13, 2023 and November 22, 2023. The agreements provides for JMMB Securities Limited and Jamaica Money Market Brokers Limited to act as broker and underwriter respectively to the Issue (inclusive of transaction management services, company valuation, lead brokerage, and the development of a marketing strategy for the purposes of the Issue).

22. The name and address of the auditors to the Company is Ventry Foo, Chartered Accountant located at 6 Waterloo Way, Kingston 8, Jamaica, W.I.

23. The issue is underwritten.

SECTION 20: DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Registered Office of the Company, between the hours of 9:00 a.m. to 4:00 p.m. on Mondays to Fridays, up to and including the Closing Date (or extended Closing Date as the case may be):

- (1) The Certificate of Incorporation of the Company.
- (2) The Articles of Incorporation of the Company.
- (3) The Audited Financial Statements for the period 2019 - 2023.
- (4) The Unaudited Financial Statements for the nine months as at September 30, 2024.
- (5) The written consent of the auditors, Ventry Foo to the inclusion of its name in the form and context in which it appears in this Prospectus.
- (6) Written consent of the Review Accountant Ventry Foo.
- (7) Material Contracts included in Section 12.

SECTION 21: DIRECTORS' SIGNATURES

THE DIRECTORS WHOSE SIGNATURES APPEAR BELOW ARE INDIVIDUALLY AND COLLECTIVELY RESPONSIBLE FOR THE CONTENTS OF THE PROSPECTUS:

Name	Signature
P.B. Scott	
Jeffrey Hall	
Deanall Barnes	
Noel Dawes	
Donald Fung	
Lisa Kong	
Sharon Donaldson	
Alexander Marston	
Sekou Crawford	

APPENDIX 1: APPLICATION INSTRUCTIONS

PART I

How To Apply – JMMB Clients

Applications shall be submitted via **JMMB's Moneyline™** platform using an Equity Money Market Fund Account (EMMA™) by completing the steps below:

1. STEP 1

- a) From your browser, go to the **JMMB Moneyline™** website which can be accessed at <https://moneyline.jmmb.com/personal/>;
- b) Enter your username and password then select 'Login';
- c) Enter your security question then press 'Continue', to begin your **Moneyline™** session;
- d) From the main menu select 'Transactions', then select 'New Transaction' from the drop-down menu;
- e) Select 'Buy Stocks', for the transaction type;
- f) Select the **EMMA™** account that you would like to make the purchase from. This **EMMA™** account must be funded with the payment for the full amount payable for the respective Ordinary Shares applied for, plus the JCS D flat fee of J\$172.50 per Application;
- g) Select 'IPO', and all available IPOs will be displayed. Choose IPO you wish to apply for from the list, then press 'Continue';
- h) You will be navigated to the 'Order Details' page, where you will be able to enter the quantity of Ordinary Shares you would like to purchase. The order type automatically defaults to the market price;
- i) You can also save a note to yourself about your transaction using the Personal Note section;
- j) Please confirm your agreement with the terms and conditions in the IPO Prospectus, by pressing 'Continue';

- k) If you have joint holders, a pop-up will appear to inform you that joint holders over the age of 18 years must indicate approval of this transaction to complete processing; and that instructions will be sent to joint account holders via email; You will be sent to the 'Order Summary' page, for review. You may then press the 'Back' button to revise the transaction; 'Continue' to approve the transaction; or 'Save and Add Another', if you would like to include additional stock purchases;
- l) Once you have selected 'Continue', enter your PIN, then select 'Process All Transactions'; and
- m) The status column for the Transaction Results will indicate that the transaction has been submitted.

2. STEP 2: JOINT ACCOUNT HOLDER APPROVAL PROCESS

- a) As a joint account holder, you do not need Moneyline™ access to be able to approve the IPO Application. Joint account holders will receive an email with the link to approve the Application order and an access code;
- b) Enter the last three digits of your TRN and the access code in the form provided and click 'Submit';
- c) Review the Application order and confirm your agreement to the terms and conditions in the prospectus, by clicking the 'Approve Purchase' button; and
- d) You will be navigated to the confirmation page, stating that the IPO transaction was approved.

JMMB clients who have a stock brokerage (EMMA) account but do not have JMMB Moneyline access may self-register at <http://bit.ly/MoneylineNew>.

Interested Applicants who do not have a stock brokerage account or do not have a JMMB account may call JMMB's Client Care Centre at **876-998-JMMB (5662)**, between the hours of **8:00 a.m. to 4:30 p.m.** for assistance in opening a stock brokerage account or a JMMB account. Interested Applicants may also open a JMMB account online at <https://jm.jmb.com/account-opening-personal>.

How To Apply – Non-JMMB Clients

Applications shall be submitted via **JMMB MoneylineIPO™** platform after creating a profile using your Jamaica Central Securities Depository Limited (JCSD) account registered with any broker excluding JMMB by completing the steps below:

1. STEP 1

- a) From your browser, go to the **JMMB MoneylineIPO™** platform which can be accessed at <https://moneylineipo.jmmb.com>;
- b) Select '**Register Now**' to register using your first name, last name, date of birth, JCSD Depend Account number, tax ID number, and select the corresponding broker;
- c) Complete ID verification using a valid passport, driver's license or national ID;
- d) Create a profile by entering a username, password, mobile number and email address;
- e) Once registered, please enter your username and password then select '**Login**';
- f) First, you will be required to provide a Refund account that JMMB will send funds to in the event that you are to be refunded.
- g) Go to the Profile screen then select the '**Refund Account**' tab.
- h) Select '**Add New Refund Account**' and enter the required account details for your refund account then select '**Save**'.
- i) Once your Refund Account is saved, return to the homepage/dashboard and select "**Apply Now**" on the applicable IPO card.
- j) Confirm that the correct IPO is pre-selected in the "**Choose IPO**" field. If not, select the "**Choose IPO**" field and choose the desired IPO from the drop-down list that appears.
- k) Select the JCSD account that you would like to apply from.
- l) Select the Refund Account that you wish to associate with the order.
- m) Select the Share Pool that you would like to purchase shares from.

- n) You can either enter the quantity of shares you would like to purchase or enter the dollar value of the amount you would like to purchase (inclusive of fees). The quantity of shares entered, or the dollar value equivalent must be in congruence with the minimum order amount and increment units outlined in the Prospectus.
- o) You can also save a note to yourself about your transaction using the Personal Note section;
- p) Please confirm your agreement with the terms and conditions of the IPO Prospectus by selecting the checkbox next to the terms and conditions, then select **'Proceed'**;
- q) You will be sent to the Order Summary page, for review. There you may either click the pencil icon to edit the application, select **'Process Application'** to submit the application; or **'Cancel'** if you would like to cancel the application;
- r) Once you have selected **'Process Application'**, a pop-up message will appear showing the order details.
- s) You will be sent to the dashboard where you will see the order displayed below the **'My Applications'**. The status column will indicate if action is required for the order to be Approved for submission to the Stock Exchange.
- t) If you have joint holders, an email will be sent to inform you that joint holders over the age of 18 years must indicate approval of this transaction to complete processing; and that instructions to approve the application will be sent to your joint account holders who have already completed identity verification.

2. STEP 2: JOINT ACCOUNT HOLDER APPROVAL PROCESS

As a joint account holder, you do not need a **JMMB MoneylineIPO™** login to be able to approve the applications. Joint holders are simply required to verify their identity using the link sent via email once the registered user provides an email address for his/her joint account holder(s). Joint account holders who have completed identity verification will receive an email with the order details, an access code and the link to approve the Application by completing the steps below:

- a) Review the order details in the body of the email.
- b) Click the link in the email to be able to approve or decline the order.

- c) Enter the last three digits of your TRN and the access code in the respective fields.
- d) Select '**Approve**' to approve the transaction or '**Decline**' to decline the transaction.
- e) A pop-up box will appear asking you to confirm your selection, click '**OK**' to confirm.

Joint account holders who have not completed identity verification will be able to approve orders with the steps outlined below:

- a) The registered user who placed the order downloads the Joint Holder Approval Form from either:
 - i) The email received after placing the order with the form attached or
 - ii) The order located in the '**My Applications**' section of the dashboard.
- b) All persons on the account sign the form to approve the order.
- c) The user uploads the signed form to the order located in the '**My Applications**' section of the dashboard.

3. STEP 3: ORDER FUNDING PROCESS

- a) To fund the order, you are required to electronically transferring the order total into the funding account created for you.
- b) To view your funding account details, go to the '**Profile**' screen then select the '**Funding Account**' tab.
- c) Electronically transfer the order total to the account via ACH, RTGS or international wire transfers only. The amount received in the account must be sufficient to cover the order total after any applicable fees associated with completing the transfer are deducted.

Interested Applicants who do not have a stock brokerage account or do not have a JMMB account may call JMMB's Client Care Centre at **876-998-JMMB (5662)**, between the hours of **8:00 a.m. to 4:30 p.m.** for assistance in opening a stock brokerage account or a JMMB account. Interested Applicants may also open a JMMB account online at <https://jm.jmmb.com/account-opening-personal>.