



SYGNUS

CREDIT INVESTMENTS

PROSPECTUS

SYGNUS
CAPITAL

Sagicor Investments 

 **Fund Managers Ltd.**
A member of the  Group

A copy of this Prospectus having attached thereto the documents required to be attached thereto by sub-section 372 (5) of the Companies Act, 2004 was delivered to the Registrar of Companies pursuant to sub-section 372(3) of the said Act and was registered pursuant to sub-section 372(4) of the said Act by the Registrar of Companies on the 23 day of April 2018. The Registrar of Companies accepts no responsibility whatsoever for the contents of this Prospectus.

A copy of this Prospectus was also delivered to the Financial Services Commission ("FSC") for the purposes of the registration of the Company as an issuer pursuant to section 26 of the Securities Act and the Company was so registered on the 23 day of April 2018. The FSC has neither approved this Prospectus nor passed upon the accuracy or adequacy of this Prospectus.

This Prospectus is intended for use in Jamaica only and is not to be construed as an invitation to any person outside Jamaica to subscribe or apply for any of the Shares.

The Directors of Sygnus Credit Investments Limited ("the Company"), whose names appear in Section 3 of this document, are the persons responsible for the information contained in this document. To the best of the knowledge and belief of such Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of such persons accepts responsibility accordingly.

No person is authorized to provide information or to make any representation whatsoever in connection with this Prospectus, which is not contained herein.

SYGNUS

CREDIT INVESTMENTS

PROSPECTUS

BY

**SYGNUS CREDIT INVESTMENTS LIMITED
OF UP TO 90,909,091 ORDINARY SHARES IN TWO CLASSES
IN THE CAPITAL OF THE COMPANY AT A FIXED PRICE OF:**

**J\$13.72 PER J\$ ORDINARY SHARE; AND
US\$0.11 PER US\$ ORDINARY SHARE**

payable in full on application
of which 40,000,000 Ordinary Shares are reserved for subscription by Reserve Share Applicants
at J\$13.72 per J\$ Ordinary Share and US\$0.11 per US\$ Ordinary Share
(subject to any discounts offered to any class of Reserve Share Applicant)

**PARTIALLY UNDERWRITTEN BY SAGICOR JAMAICA INVESTMENTS LIMITED
UP TO 45,454,545 SHARES (Equivalent to US\$5,000,000)**

Registered Office: McNamara Corporate Services Inc., 20 Micoud Street, Castries, St. Lucia
Website: www.sygnusgroup.com **Email:** sci@sygnusgroup.com
Telephone Number: 876-634-5000

The Subscription List will open at 9:00 am on May 2, 2018 and will close at 4:30 pm on May 16, 2018 subject to the right of the Company to close the Subscription List at any time without notice if subscriptions have been received for the full amount of the Shares available for subscription and subject also to the right of the Company to extend the closing beyond that date.

Applications for J\$ Shares or US\$ Shares should respectively be made on the original J\$ Share Application Form or US\$ Share Application Form (as the case may be) provided at the end of this Prospectus or on the J\$ Share or US\$ Share Application Forms (as the case may be) posted on any web site as an integral part of this Prospectus. Subscriptions should be for multiples of 100 Shares subject to a minimum of 1,000 Shares. Payment for US\$ Shares and J\$ Shares subscribed for must be made in US\$ and J\$ respectively (subject to the right of the Company to accept payment for Shares in either currency). The procedure for completing the Application Forms and the terms and conditions of the Prospectus are set out on the reverse side of the Application Forms and in Section 16.

A total of 40,000,000 Shares ("the Reserved Shares") are reserved for Reserve Share Applicants. If such Reserved Shares are not fully subscribed they will be available for subscription by the general public at the general IPO price of J\$13.72 per J\$ Share and US\$0.11 per US\$ Share.

In the event that the Company does not raise the equivalent of US\$5,000,000 (inclusive of calling on the underwriting commitment described under the "Statutory & General Information" at Section 13 below) ("the Minimum Subscription") from the sale of Shares in this IPO all Applications will be returned to applicants along with all payments made in relation thereto (without interest).

An Application has been submitted to the Board of Directors of the Jamaica Stock Exchange for the whole of the issued ordinary share capital of the Company to be listed on the Main Market of the Jamaica Stock Exchange. The US\$ Shares will be listed on the Jamaica Stock Exchange's US Dollar Equities Market and the J\$ Shares will be listed on the Jamaica Stock Exchange's Jamaican Dollar Equities Market. It is anticipated that all of the ordinary shares of the Company will be converted into stock units and will be listed within twenty-one (21) days after the close of the Subscription Lists, provided such listing is not affected by Rule 4.11 A (v) of the Jamaica Stock Exchange Main Market Rules. However, the foregoing statement regarding the Company's intention to list its stock units on the JSE is not to be construed as a guarantee that the Shares will be listed or if listed will be so listed within the time stated. If the Shares are listed, dealings will commence immediately after such listing. If the Shares are not so listed, then any provisional allotment of Shares made by the Company will be revoked and the Company will not proceed with the un-conditional allotment of Shares pursuant to this Prospectus. Accordingly, all monies received from subscribers in response to this Prospectus will be refunded, without interest, within seven (7) days after the Jamaica Stock Exchange has notified the Company of its decision to decline the listing application and in any event within forty-eight (48) days after the issue of this Prospectus.

The date of this Prospectus is April 20, 2018

SHARE CAPITAL AND INDEBTEDNESS

	Number of Shares	Total Value
<u>Authorised</u>		
(a) Ordinary Shares	Unlimited	
(i) Ordinary Shares of US\$0.01 each	Unlimited	
(ii) Ordinary Shares of J\$1.30 each	Unlimited	
(iii) Ordinary Shares of TT\$0.07 each	Unlimited	
(b) Special Share of US\$1.00	1	
<u>Issued & Fully Paid</u>		
(a) Ordinary Shares of US\$0.01 each	98,209,523	US\$982,095.23
Share Premium		US\$8,848,904.77
(b) Ordinary Shares of J\$1.30 each	61,060,000	J\$79,378,000.00
Share Premium		J\$717,629,374.88
(c) Ordinary Shares of TT\$0.07 each	0	-
(d) Special Share of US\$1.00	1	US\$1.00
<u>Now Available for Subscription in this IPO:</u>		
90,909,091 Ordinary Shares in two classes @US\$0.11 per US\$ Share or @ J\$13.72 per J\$ Share.	90,909,091	US\$10,000,000.01 ¹

¹ This is the US\$ equivalent of the IPO proceeds and assumes that (i) all shares offered in the IPO (including the Reserved Shares) are subscribed for at the general IPO price of US\$0.11 per US\$ Share or J\$13.72 per J\$ Share and (ii) the number of Shares on offer in the IPO has not been increased on oversubscription.

The authorised capital of the Company is made up of one (1) Special Share and an unlimited number of Ordinary Shares out of which it may issue Ordinary Shares in US\$, J\$ or TT\$ par value. The US\$ denominated Ordinary Shares being issued will have a par value of US\$0.01 and the J\$ denominated Ordinary Shares being issued will have a par value of J\$1.30. The Company does not intend to issue any TT\$ denominated Ordinary Shares in this IPO. The Ordinary Shares for which subscriptions are invited by this Prospectus and which are the subject of this IPO by the Company will, when issued, be designated and classified as US\$ Shares or J\$ Shares according to subscribers' applications and then converted into stock units. The Special Share is held by Sygnus Capital Management Limited. The purpose of the Special Share is to ensure that the structure of the investment is not subverted by investors who may acquire substantial interest in the Company. The Special Share carries no right to participate in dividends or distribution of capital except on a winding-up.

Of the maximum 90,909,091 Shares available for subscription in this IPO, 40,000,000 ("the Reserved Shares") have been reserved for subscription by Reserve Share Applicants. Reserve Shares will be available for subscription by Existing Shareholders and Sygnus Employees at the subscription price of US\$0.105 per US\$ Share or J\$13.10 per J\$ Share. All other Reserve Share Applicants will subscribe for Shares at the general IPO price of US\$0.11 per US\$ Share and J\$13.72 per J\$ Share. Reserved Shares not subscribed for by Reserve Share Applicants will be available for subscription by other investors at the general IPO price of US\$0.11 per US\$ Share and J\$13.72 per J\$ Share.

The Special Share held by Sygnus Capital Management Limited ("SCM") was issued to SCM as Investment Manager of the Company in accordance with the Articles of Association of the Company. All of the Ordinary Shares which are the subject of this Prospectus rank *pari passu* with each other and with all other Ordinary Shares of the Company. Accordingly, they will all rank equally for dividends and other distributions hereafter declared, paid or made on the ordinary share capital of the Company. Dividends payable on the US\$ Shares will be paid in US\$. Dividends paid on the J\$ Shares will be paid in J\$ based on the J\$ Currency Equivalent of the US\$ dividends paid on US\$ Shares.

INDEBTEDNESS

At the close of business on April 18, 2018 ("the Preparation Date") the Company had no outstanding debentures, debenture stock, mortgages or any other form of loan stock or borrowings or other indebtedness nor any guarantees or contingent liabilities. The Company has been incurring legal, accounting and financial advisory fees, printing costs, registration fees and the like in connection with the transaction contemplated by this Prospectus ("IPO & Listing Expenses"). The Company has undertaken to pay all IPO & Listing Expenses which are not expected to exceed US\$465,300.00

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1. DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

“Administrators”	CrichtonMullings Strategics Limited
“Articles”	the Articles of Association of the Company
“Application Form”	the subscription form for Shares in the IPO and the term “Application” shall be construed as a subscription for Shares
“Auditors”	KPMG
“Brokers”	Sagikor Investments Jamaica Limited (Co-Arranger and Lead Broker) and JN Fund Managers Limited (Co-Broker)
“Business Day”	any day (other than a Saturday, Sunday or public general holiday) on which banks are open for business in Jamaica
“Closing Date”	the date on which the List closes
“Co-Arranger”	Sagikor Investments Jamaica Limited
“Co-Broker”	JN Fund Managers Limited
“the Company” or “SCI”	Sygnus Credit Investments Limited, an international business company established under the International Business Companies Act, 1999 (as amended) of Saint Lucia
“Directors” or “Board”	the Board of Directors of the Company including a duly authorized committee thereof
“Dollars” or “J\$”	Jamaican dollars
“Dry Powder”	Capital that is available for investing in Medium-Sized Firms which may comprise of cash held in bank accounts, and cash equivalents held in short term marketable instruments.
“Existing Shareholders”	the shareholders of the Company as of the date of this Prospectus
“Fifth Anniversary Date”	the fifth anniversary of the date on which the Shares are listed on the Main Market of the JSE

“FSC”	the Financial Services Commission
“Government”	the Government of Jamaica
“Independent Directors”	Directors of SCI who are not associated with the Company’s shareholders
“Investors”	subscribers for Shares in the IPO
“Investment Advisor”	Sygnus Capital Limited
“Investment Manager”	Sygnus Capital Management Limited
“IPO”	the initial public offer whereby the public is invited to subscribe for Shares to be issued by the Company
“IPO & Listing Expenses”	all costs incurred in connection with the IPO and the listing of Shares on the JSE including but not limited to (i) legal fees; (ii) accountant’s fees; (iii) Brokers’ fees; (iv) registration fees payable to the Registrar of Companies in Jamaica and the FSC; (v) the JSE listing fees; (vi) printing and promotional expenses; (vii) registrar and issuing agent’s fees and (viii) all other expenses and disbursements associated with the IPO and the listing of the Shares
“J\$ Currency Equivalent”	The J\$ currency equivalent of the US\$ based on the weighted average spot exchange selling rate for US\$ in exchange for J\$ as published by the Bank of Jamaica.
“J\$ Shares”	the Ordinary Shares of J\$1.30 par value in the capital of the Company
“JSE”	the Jamaica Stock Exchange
“JSE Rules”	the rules made by the JSE from time to time
“JCSD”	the Jamaica Central Securities Depository
“Lead Arranger”	Sygnus Capital Limited
“Lead Broker”	Sagikor Investments Jamaica Limited
“Main Market”	means the Main Market of the JSE
“Material Adverse Event”	means an event beyond the reasonable control of the

	Investment Manager including without limitation any Act of God, war, strike, lockout, industrial action, lightning, fire, earthquake, flood, storm, hurricane or adverse change in law
“Medium-Sized Firms”	Firms with annual revenues between US\$5 million and US\$25 million or the equivalent in other currencies
“Net Asset Value”	means the current market value of the Company’s total assets less its total liabilities as reasonably determined by a computation methodology approved by the auditors of the Company
“List”	the Subscription or Application List applicable to the IPO
“Opening Date”	the date on which the List opens for subscription
“Private Credit”	Credit that is extended to companies or projects on a bilaterally negotiated basis and is originated or held by non-bank creditors
“Reserved Shares”	the 40,000,000 Shares reserved for priority subscription by Reserve Share Applicants
“Reserve Share Applicants”	Sygnus Clients, Sygnus Employees, Sygnus Directors, the Existing Shareholders and Directors of the Company,
“Sagcor Investments”	Sagcor Investments Jamaica Limited, a company incorporated under the laws of Jamaica
“Sygnus Clients”	the clients of the subsidiaries of Sygnus Capital Group Limited as of the date of this Prospectus
“Sygnus Directors”	the directors of (i) Sygnus Capital Group Limited; and (ii) all its subsidiaries as of the date of this Prospectus
“Sygnus Employees”	the employees of the subsidiaries of Sygnus Capital Group Limited as of the date of this Prospectus
“SCL”	Sygnus Capital Limited, a company incorporated under the laws of Jamaica
“SCM”	Sygnus Capital Management Limited, a company incorporated under the laws of the Cayman Islands
“Shareholder”	includes stockholder and <i>vice versa</i>

“Shares”	the J\$ Shares and US\$ Shares and includes stock units and <i>vice versa</i>
“Special Share”	the special rights share of US\$1.00 par value in the capital of the Company issued to SCM
“Subscriber” or “Applicant”	a person who applies for Shares in the IPO
“Subscription Price”	US\$0.11 per US\$ Share or J\$13.72 per J\$ Share or such price as it relates to each Reserved Share, as applicable
“US\$ Shares”	the Ordinary Shares of US\$0.01 par value in the capital of the Company
“Velocity”	The rate at which SCI is investing in Portfolio Companies, measured in dollar amount of investments deployed on a monthly, quarterly, or annual basis

In this Prospectus, the singular includes the plural and *vice versa*. References to one gender include all other genders. References to “person” include any individual, company or other corporate body or any firm or partnership.

2. IMPORTANT NOTICE & DISCLAIMER

2.1 If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, securities adviser, investment adviser, bank manager, attorney-at-law, professional accountant or other professional adviser.

2.2 You should not subscribe for any of the Shares unless you have received and read or had the opportunity to read this Prospectus. You should rely only on information contained in, or incorporated by reference in this Prospectus. No one has been authorized by the Company to provide you with different or additional information. The Shares are available for subscription only in 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 distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus may come are required to inform themselves about, and to observe, such restrictions.**

2.3 The Shares have not been nor will they be registered or qualified under the United States Securities Act, 1933, as amended (the "1933 Act") or any applicable Blue Sky law or other securities law of any State or political sub-division of the United States of America. The Shares may not be offered, sold, transferred, or delivered, directly or indirectly in the United States of America, its territories or possessions or any area subject to the jurisdiction of the United States or in any other country in which an invitation to subscribe for the Shares or the offering of the Shares is not permitted by applicable law.

2.4 The Directors of the Company do not claim the accuracy of the information in this Prospectus as of any date other than the Preparation Date.

2.5 This Prospectus should not be considered as a recommendation by the Company or the Brokers to any recipient of this Prospectus to subscribe for or purchase any of the Shares. Each investor contemplating a subscription for any Shares should make his own independent investigation and appraisal of the financial condition, creditworthiness and affairs of the Company.

2.6 This Prospectus contains forward-looking statements. Specifically, forward-looking statements are found in Sections 9 and 10. Forward-looking statements are also found in other places throughout the document and may be identified by accompanying language such as "expects", "intends", "anticipates", "estimates" and other cognate or analogous expressions or by qualifying language or assumptions. These statements involve both known and unknown risks, uncertainties and other important factors that could cause the actual results or outcome to differ materially from the forward-looking statements or projections.

2.7 These risks, uncertainties and other factors beyond the control of the Company include among others:

- (a) general economic and business conditions (both locally and regionally);
- (b) competition;
- (c) changes in political, social and economic conditions impacting adversely on the securities market in general and the Company in particular;
- (d) regulatory initiatives adversely affecting the securities market or the Company in particular;
- (e) compliance with governmental regulations;
- (f) natural disasters such as earthquake, hurricane;
- (g) changes in tax policy, the application of tax laws and the like.

2.8 If you are thinking of purchasing Shares in the Company you are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Prospectus. The Company and the Brokers expressly disclaim any obligation or undertaking to distribute any updates or revision to any forward-looking statements or to reflect changes in subscriber's expectations with regard to those statements or any changes in events, conditions or circumstances on which any forward-looking statement is based.

2.9 Prospective Investors should be aware that the price of the Shares and the income derived from them can, in common with other Shares, go down as well as up. There is no assurance that the investment objectives of Company will be actually achieved.

2.10 Neither the FSC, nor the Registrar of Companies or any other Government agency or regulatory authority in Jamaica has made any determination as to the accuracy or adequacy of the matters contained in the Prospectus.

2.11 The Brokers, and any other selling agent or dealer, have not separately verified the information contained in this Prospectus. Neither the Brokers nor 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 nature of the Shares and the extent of their exposure to risk and that they consider the suitability of the Shares as an investment in light of their own circumstances and financial condition.

2.12 For convenience, the website addresses of certain parties have been provided in this Prospectus. In addition the Prospectus may be posted on various websites such as the websites of the Lead Arranger (www.sygnusgroup.com), the Co-Arranger and Lead Broker (www.sagikorjamaica.com), the Co-Broker (www.jnfunds.com) and the websites of other stockbrokers. Jamaica Stock Exchange has also approved the publication of the Prospectus on its website and, accordingly, in accordance with Rule 403 of the Main Market Rules of the JSE the Prospectus will be uploaded to the website of the Exchange (www.jamstockex.com). 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 assumes no responsibility for the information contained on such websites.

2.13 This Prospectus may be sent to you in electronic form. You are reminded that documents transmitted via that medium may be altered or changed during the process of transmission and consequently neither the Company nor the Brokers nor any of their directors, officers employees or advisers accepts any responsibility whatsoever in respect of any difference between the Prospectus delivered to any prospective investors in electronic form and the hard copy version registered with the Registrar of Companies.

2.14 Notwithstanding anything herein, 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 Form shall be deemed to be making an offer to subscribe for Shares in the Company. The Company may or may not accept such offer. Acceptance of any such offer will occur only by way of allotment of Shares by the Company. In submitting an Application Form each Investor acknowledges the foregoing legal effect of the Prospectus and of subscriptions and applications for Shares.

3. DIRECTORS, SECRETARY & ADVISORS TO THE IPO

DIRECTORS

Name	Position	Further Information
Clement Wainwright Iton , <i>B.Sc., M.B.A</i>	Chairman	See Section 11.2
Nakita Edwards , <i>CFA, FCCA, CPA</i>	Non-executive Director	
Ian Williams , <i>B.Sc., M.B.A</i>	Non-executive Director	
Peter Thompson , <i>CFA, M.Sc.</i>	Non-executive Director	
Damian Chin , <i>B.A., M.Sc.</i>	Non-executive Director	
Hope Fisher , <i>B.Sc.</i>	Non-executive Director	
Ike Johnson , <i>PhD, CFA</i>	Non-executive Director	

SECRETARY

Description	Name	Address	Further Information
Secretary	MCSI Inc.	20 Micoud Street Castries St. Lucia	See Section 11.3

ADVISORS TO THE IPO

Description	Name	Address	Further Information
Registrar and Transfer Agent	Jamaica Central Securities Depository Limited	40 Harbour Street Kingston Jamaica	-
Lead Arranger & Financial Advisor	Sygnus Capital Limited	Unit 28, 80LMR 80 Lady Musgrave Road Kingston 10 Jamaica	See Section 11.3
Co-Arranger, Lead Broker and Underwriter	Sagicor Investments Jamaica Limited	The Sagicor Bank Building 85 Hope Road Kingston 6 Jamaica	-
Co-Broker	JN Fund Managers Limited	2 Belmont Road Kingston 5 Jamaica	-
Auditors	KPMG	The Victoria Mutual Building, 6 Duke Street, Kingston, Jamaica	See Section 14.1
Legal Advisors to the Issuer	Patterson Mair Hamilton	Temple Court 85 Hope Road Kingston 6 Jamaica	-

4. SUMMARY OF IPO

4.1 The following summary information is derived from, and should be read in conjunction with, the full text of this Prospectus. The summary is not complete and does not contain all the information that may be important to prospective Investors.

4.2 Prospective Investors are advised to read the entire Prospectus carefully before making an investment decision about this IPO. **Specific attention of the Investors is invited to the Risk Factors in Section 7 of this Prospectus.** Any decision to invest in the Shares should be based on consideration of this Prospectus, as a whole, including any document incorporated therein by reference.

4.3 If you, as a prospective Investor, have any queries about any information contained in this document, you should consult your stockbroker or securities dealer, investment adviser, attorney-at-law, professional accountant or other professional advisor.

I. OVERVIEW OF BUSINESS

4.4 Sygnus Credit Investments Limited is a specialty Private Credit investment company, dedicated to providing non-traditional financing to Medium-Sized Firms across the wider Caribbean region. Non-traditional forms of credit are more customized and flexible than traditional financing. Consequently, the Company offers an alternative channel through which Medium-Sized Firms - which are typically underserved by traditional forms of financing - can access capital to drive their expansion and growth.

4.5 The investment objective of the Company is to generate attractive risk adjusted returns with an emphasis on principal protection, by generating current income, and to a lesser extent capital appreciation, through investments primarily in Medium-Sized Firms ("Portfolio Companies") using Private Credit instruments. The Company invests primarily in Private Credit instruments including bilateral notes and bonds, preference shares, asset-backed debt, mezzanine debt, convertible debt and other forms of structured Private Credit instruments. These forms of financing are typically more aligned with the growth and expansion plans of Portfolio Companies.

4.6 The Company targets mostly Portfolio Companies operating across a broad range of sectors, including manufacturing, distribution, financial services, energy, real estate, transportation, infrastructure and business services. These Portfolio Companies typically have revenues between US\$5 million and US\$25 million.

4.7 The Company intends to pay out up to 85% of the earnings generated from these investments as dividends on a quarterly basis, after the end of the first financial year. Thus, the Company unlocks capital for the growth and expansion of Portfolio Companies through its Private

Credit investments, while providing its Shareholders with access to the Private Credit market in the form of consistent dividend payments.

4.8 The Company's investment activities are managed by its Investment Manager, Sygnus Capital Management Limited acting on the advice of the Investment Advisor, Sygnus Capital Limited, both of which are wholly owned subsidiaries of Sygnus Capital Group Limited.

II. USE OF PROCEEDS

4.9 The Company proposes to invest and hold the net funds raised in the IPO in customized credit instruments issued primarily by Medium-Sized Firms, across a broad range of sectors, including manufacturing, distribution, financial services, energy, real estate, oil and gas, transportation, infrastructure and business services. The Company will pay a management and performance fee to the Investment Manager (see Section 11.14 for further details) in relation to the day-to-day management of the Company. The Company will also be responsible for all fees and costs incurred by the Investment Manager relating to the administration and management of the Company and its investment portfolio ("the Investment Portfolio"). The Investment Manager has contracted with Sygnus Capital Limited to provide investment advisory services in relation to the Company's Investment Portfolio(s).

III. CAPITAL STRUCTURE

4.10 The Company has four classes of shares; namely

- (a) A special rights redeemable preference share (the Special Share). At a general meeting of the Company, the holder of the Special Share has one vote on a show of hands and on a poll he shall have such number of votes as is equivalent to 101% of the aggregate votes, vested in all ordinary Shares issued by the Company from time to time but no right to dividend or to receive any distribution of assets on a winding-up except the US\$1.00 which was subscribed for the Special Share. The Special Share will rank ahead of the US\$, J\$ and TT\$ shares in the event of a winding up of the Company;
- (b) US\$ Shares. At a general meeting of the Company, every member present in person and holding a US\$ Share or US\$ Shares has one vote on a show of hands and on a poll every member present in person or by proxy holding a US\$ Share or US\$ Shares shall have one vote for each share of which he is the holder. Holders of US\$ Shares will have the usual right to receive dividends and to participate in the assets of the Company on a winding-up. Each US\$ Share has a par value of US\$0.01;
- (c) J\$ Shares. At a general meeting of the Company, every member present in person and holding a J\$ Share or J\$ Shares has one vote on a show of hands

and on a poll every member present in person or by proxy holding a J\$ Share or J\$ Shares shall have one vote for each share of which he is the holder. Holders of J\$ Shares will have the usual right to receive dividends and to participate in the assets of the Company on a winding-up. Each J\$ Share has a par value of J\$1.30;

- (d) TT\$ Shares. At a general meeting of the Company, every member present in person and holding a TT\$ Share or TT\$ Shares has one vote on a show of hands and on a poll every member present in person or by proxy holding a TT\$ Share or TT\$ Shares shall have one vote for each share of which he is the holder. Holders of TT\$ Shares will have the usual right to receive dividends and to participate in the assets of the Company on a winding-up. Each TT\$ Share has a par value of TT\$0.07;

The US\$, J\$ and TT\$ shares all rank *pari passu* with each other.

4.11 The Special Share is designed to ensure that the purpose and operational philosophy of the Company cannot be subverted without the consent of the holder of the Special Share. This is achieved by:

- a) preventing any variation of rights attached to the Special Share without the consent of the holder thereof. Each of the following proposals is deemed to be a proposed variation of the rights attaching to the Special Share and is only effective with the consent in writing of SCM, as holder of the Special Share; namely: (i) modification or termination of the Investment Management Agreement; (ii) the amendment, or removal or alteration of the effect of all or any of the provisions in the Memorandum of Association or the Articles of Association of the Company setting out the rights and privileges attaching to the Special Share or otherwise concerning the Special Share.
- b) providing majority votes on a poll to such holder at a general meeting (see Section 4.10(a) above). At a general meeting, the holder of the Special Share carries 101% of the aggregate votes, vested in all ordinary Shares issued by the Company. In comparison, each ordinary Share carries one vote on a poll. This means that the holder of the Special Share could, by itself, pass a resolution requiring a simple majority vote.

The Special Share is held by the Investment Manager, SCM.

4.12 The voting rights attached to the Special Share are restricted by the Articles as follows:

- a) If the Company fails to repurchase Shares or to make an invitation to repurchase Shares in accordance with its share buy-back program, the holders of Shares in the Company may vote on a resolution to reduce the management fee payable to

the Investment Manager. The holder of the Special Share will not have a vote on such a resolution (see Section 4.13 for further information);

- b) If the Company experiences “Under-Performance” the shareholders of the Company may by resolution passed at any general meeting vote to wind-up the Company. The holder of the Special Share will have no vote on any such resolution to wind-up the Company unless it is shown that the Under-Performance of the Company has ceased. “Under-performance” means that for three (3) consecutive financial years, not including the Company’s first financial year, the gross return on the Investment Portfolio is 150 basis points less than the hurdle rate of 6%.

Share Buy-Back Program

4.13 The Articles provide that the Company will, after the Fifth Anniversary Date, invite shareholders to offer for sale such number of Shares the aggregate value of which shall not exceed more than 15% of the Net Asset Value (“the Initial Invitation”). After the Initial Invitation, similar invitations will be made every three years following the Fifth Anniversary Date. Every such invitation shall be made within ninety (90) days of the relevant anniversary date and generally to all shareholders.

If in response to any such invitation offers are received for more Shares than the Company is obligated to repurchase then acceptances by the Company will be scaled back on a *pro rata* basis based on the offers received and not on the number of Shares held by the offering shareholders. The repurchase of Shares by the Company in any such invitation is subject to the availability of distributable profits or proceeds from the fresh issue of Shares.

Where the Company:

- a) fails to make any such invitation; or
- b) fails to repurchase Shares which it is obliged to repurchase pursuant to any invitation,

and such failure was not caused by a Material Adverse Event (as defined in Section 1), any one or more of the Company’s shareholders holding not less than 10% of the issued Shares of the Company may requisition a meeting to consider a resolution to reduce the management fees payable to the Investment Manager. If such a resolution is passed by a simple majority vote, the reduction of the management fee will take effect. The holder of the Special Share shall not be entitled to vote on such a resolution. Any reduction in the fee payable to the Investment Manager will cease to have effect once the relevant Shares are repurchased.

4.14 As a listed company, SCI will be required to comply with the JSE Main Market Rules. Rule 413 (Purchase by Company of Its Own Shares) of the JSE Main Market Rules requires, among other things, that the Company at all times maintain and satisfy the requirements as to minimum issued capital and the minimum number of shares/stockholders as specified in Rules 402(A) and 402(B)

respectively. Accordingly, the Company will ensure that its share buy-back program does not affect its compliance with Rule 413.

IV. IPO STATISTICS

IPO Sale Price	
• US\$ Shares	US\$0.11
• J\$ Shares	J\$13.72
Reserved Shares	40,000,000
Reserved Share Price	i) Existing Shareholders: US\$0.105 per US\$ Share or J\$13.10 per J\$ Share; ii) Sygnus Employees: US\$0.105 per US\$ Share or J\$13.10 per J\$ Share; iii) All other Reserve Share Applicants: US\$0.11 per US\$ Share or J\$13.72 per J\$ Share
Number of Shares Available for subscription	Up to 90,909,091 extendable on demand to an amount to be decided by the Directors of the Company
IPO Capitalisation	Equivalent to US\$10,000,000.01 ²
Market Capitalisation after the IPO	Equivalent to US\$27,519,648 ³

4.14 The statistics set out above are based on the maximum number of Shares available for subscription at the IPO Price. The Market Capitalisation figure includes the issue of up to 40,000,000 Shares to Reserve Share Applicants. If the IPO is not fully subscribed the maximum number of Shares would not be issued and the market capitalisation at the IPO price would fall.

² This assumes that (i) all shares offered in the IPO (including the Reserved Shares) are subscribed for at the general IPO price of US\$0.11 per US\$ Share or J\$13.72 per J\$ Share and (ii) the number of Shares on offer in the IPO has not been increased on oversubscription.

³ This is the total market capitalization of SCI after the IPO and assumes that (i) all shares offered in the IPO (including the Reserved Shares) are subscribed for at the general IPO price of US\$0.11 per US\$ Share or J\$13.72 per J\$ Share and (ii) the number of Shares on offer in the IPO has not been increased on oversubscription.

VI. THE COMPANY'S RESPONSIBILITY

4.15 The Company has made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the IPO, which is or may be material in the context of the IPO. The Company further confirms that the information contained in this Prospectus is true and correct and not misleading in any material respect. The opinions and intentions expressed herein are honestly held and there are no other facts, the omission of which makes this document, as a whole, or any of such information or expressions of such opinions or intentions, misleading in any material respect.

4.16 Forward-looking statements are based on reasonable assumptions but investors should note that projections and other forward-looking information may be influenced by factors that could cause actual outcome and results to be materially different from those projected. Prospective investors in the Company are cautioned not to place undue reliance on these forward-looking statements.

5. IPO DETAILS

General Overview

5.1 By this initial public offer the Company is inviting prospective investors to subscribe for 90,909,091 Shares at US\$0.11 per US\$ Share and J\$13.72 per J\$ Share with 40,000,000 Shares being reserved for Reserve Share Applicants. Reserve Shares will be available for subscription by Existing Shareholders and Sygnus Employees at the subscription price of US\$0.105 per US\$ Share or J\$13.10 per J\$ Share. All other Reserve Share Applicants will subscribe for Shares at the general IPO price of US\$0.11 per US\$ Share and J\$13.72 per J\$ Share. The Company intends to use the IPO proceeds to invest in credit instruments which will constitute the Company's investment portfolio, working capital and to pay its IPO & Listing Expenses (estimated at US\$465,300.00). The Company expects to earn income from interest paid on the credit instruments comprised in its investment portfolio.

IPO by SCI

5.2 Details of the IPO are set out in the table below:

IPO Issuer	Sygnus Credit Investments Limited, an international business company incorporated under the International Business Companies Act, 1999 of Saint Lucia
Securities Available for Subscription	90,909,091 Ordinary Shares in the capital of SCI of which 40,000,000 Ordinary Shares (the Reserved Shares) are reserved for Reserve Share Applicants
Share Classification	Two classes of Ordinary Shares, namely J\$ Shares and US\$ Shares, are available for subscription in this IPO
Subscription Price	US\$0.11 per US\$ Share and J\$13.72 per J\$ Share. Reserve Shares will be available for subscription by Existing Shareholders and Sygnus Employees at the subscription price of US\$0.105 per US\$ Share or J\$13.10 per J\$ Share. Reserved Shares will be available to all other Reserve Share Applicants at the general IPO price of US\$0.11 per US\$ Share and J\$13.72 per J\$ Share.
How Payable	In full on application. Payment for US\$ Shares and J\$ Shares subscribed for must be made in US\$ and J\$ respectively (subject to the right of the Company to accept payment for Shares in either currency)

Minimum Subscription	1,000 Shares
Underwriting	The issue of Shares in the IPO is partially underwritten up to 45,454,545 Shares (equivalent to US\$5,000,000.00) by Sagicor Investments Jamaica Limited.
Basis of Allotment	“First come first served basis”
Target IPO Capitalization	US\$10,000,000.01 (subject to the right of the Company to upsize the offer on oversubscription)
Oversubscription	In the event that subscriptions or applications are received for more Shares than the number of Shares available for subscription and sale in this IPO, the Company reserves the full, unqualified and absolute right to increase the number of Shares in the IPO in order to satisfy all or part of the applications in excess of the 90,909,091 Shares, which are comprised in the IPO
Use of Proceeds of IPO	To invest in credit instruments issued by Medium-Sized Firms and to pay IPO Expenses
Lead Arranger	Sygnus Capital Limited
Co-Arranger , Lead Broker and Underwriter	Sagicor Investments Jamaica Limited
Co-Broker	JN Fund Managers Limited

IPO Dates and Time

5.3 Important dates and times relating to the IPO are set out below:

Prospectus Publication Date	April 24, 2018
Subscription List Opens	9.00 a.m. on May 2, 2018
Subscription List Closes	4.30 p.m. on May 16, 2018 ¹ . Subject to right of SCI to close at any time after the IPO is fully subscribed.
Announcement of Allotment	By May 29, 2018 ²
Refund Cheques	Within 10 Business Days after the close of the IPO
Listing	By June 15, 2018 (subject to JSE approval)

Notes:

1. The Subscription List may close at any time after the IPO is fully subscribed. Notice of such closure will be immediately published on the websites of the Lead Arranger (www.sygnusgroup.com), the Co-Arranger and Lead Broker (www.sagicorjamaica.com), the Co-Broker (www.jnfunds.com) and will be sent to the JSE. The JSE may elect to publish the notice on its website (www.jamstockex.com). Notice will also be sent to the local Press.
2. Announcement of allotment will be made on the websites of the Lead Arranger (www.sygnusgroup.com), the Co-Arranger and Lead Broker (www.sagicorjamaica.com), the Co-Broker (www.jnfunds.com) and notified to the JSE.
3. The JSE may refuse to list the Company's Shares. Accordingly, no assurance can be given that the Shares will be listed for trading on that market or on the day proposed.
4. The allotment of Shares in the IPO is conditional on the issued ordinary share capital of the Company being listed on the Main Market of the Jamaica Stock Exchange within twenty-one (21) days after the close of the Subscription List. In the event that this condition is not met, the Company will not proceed with the allotment and all subscription monies tendered by potential investors for any of the Shares will be refunded to them without interest within forty (40) days of the issue of the Prospectus.
5. Each application must be for a minimum of 1000 Shares and in multiples of 100 Shares.
6. Applications for Shares should be made in accordance with the procedure set out in Section 16 of this Prospectus and the allotment of Shares will be made on the basis set out in that Section. Within three (3) days after the close of the Subscription List the JSE shall be notified of the basis of the allotment. The allotment of Shares to subscribers who take up Shares will be made and announced within seven (7) days after the close of the Subscription List. A list of the allottees will be submitted to the JSE within ten (10) days after the close of the Subscription List.
7. However, until the Shares are admitted for listing on Main Market of the Jamaica Stock Exchange, allotment or allocation to subscribers and applicants even if notified to them, shall be provisional only and will be revoked by the Company if the Shares are not listed on the JSE.
8. The issue of shares in the IPO is partially underwritten up to 45,454,545 Shares (equivalent to US\$5,000,000.00) by Sagicor Investments Jamaica Limited.

9. The ownership structure of the Company, both before and after the IPO, is and will be as shown below.

BEFORE THE IPO:

Shareholders	Shareholding	Approx. % Issued Capital
Investment Manager (SCM)	1 Special Share	0.00%
Investment Manager (SCM)	5,400,000 Ordinary Shares	3.39%
Existing Shareholders	153,869,523 Ordinary Shares	96.61%
Total Issued Shares	159,269,523 Ordinary Shares	100%

AFTER IPO (Assuming that all Shares in the IPO are fully taken up by the public and the Reserve Share Applicants):

Shareholders	Shareholding	Approx. % Issued Capital
Investment Manager (SCM)	1 Special Share	0.00%
Investment Manager (SCM)	5,400,000 Ordinary Shares	2.16%
Existing Shareholders	153,869,523 Ordinary Shares	61.50%
Reserve Share Applicants (including Reserve Shares taken up by Existing Shareholders)	40,000,000 Ordinary Shares	15.99%
Members of the Public	50,909,091 Ordinary Shares	20.35%
Total Issued Shares	250,178,614 Ordinary Shares	100%

The foregoing tables assume that all the Shares in the IPO will be subscribed for. The results of the IPO may, of course, be quite different.

6. PRE-IPO TRANSACTIONS

6.1 The Company has appointed SCM as its investment manager pursuant to an Investment Management Agreement (“the IMA”) dated June 2, 2017. Pursuant to the IMA and the Articles of the Company, the Investment Manager is empowered to manage the day-to-day affairs of the Company (see Section 11.13 for further information).

6.2 The Investment Manager has appointed an affiliated company, Sygnus Capital Limited, a company incorporated under the laws of Jamaica, as Investment Advisor to the Company. The services to be carried out by the Investment Advisor in relation to the Company’s investment portfolio include the following:

- (a) identifying, reviewing and evaluating investment opportunities;
- (b) making recommendations to the Investment Manager on the terms of the investments (including, but not limited to, the purchase, sale, retention or conversion of investments); and
- (c) monitoring the performance of the Portfolio Companies.

6.3 As regards the management of the Company’s investment portfolio, the Investment Manager will have overall responsibility for that aspect of the Company’s affairs. This includes executing the Company’s investment policies under the oversight of the Credit Risk and Investment Committee, a sub-committee of the Board of SCM (see Section 11.11 for further details).

6.4 On May 1, 2017 the Investment Manager has also, on behalf of the Company, appointed CrichtonMullings Strategics Limited, Chartered Accountants, as Administrator to the Company. The Administrator is responsible for managing and operating the financial affairs of the Company and to provide general accounting services. Such services will include *inter alia*, preparation and filing of relevant tax returns and other monthly or periodic statutory returns, bank reconciliation and accounts payables and receivables reconciliations.

6.5 On April 3, 2017 the Company effected a private placement (“the Private Placement”) under the Guidelines for Exempt Distributions (Guidelines SR-GUID-08/05-0016) of Ordinary Shares denominated in Jamaican Dollars and United States Dollars. The Company raised approximately US\$14,000,000 in the Private Placement.

6.6 Subsequent to the Private Placement an additional 19,029,523 Shares were issued to three (3) additional Shareholders to raise approximately US\$2,000,000.00.

7. RISK FACTORS

7.1 In addition to other information set forth in this Prospectus Investors should, before subscribing for Shares in SCI, consider carefully the risks described below. These risks are not the only ones facing Investors. Additional risks not presently known to the Directors or that the Directors may presently consider to be immaterial may also impair the Company's operations.

7.2 This Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of certain factors, including the risks faced by SCI described below and elsewhere in this Prospectus. You should read Section 2 entitled "Important Notice & Disclaimer" for more information.

(i) **Risk in Relation to First Issue**

7.3 This being the first public issue of Shares by SCI, no formal market for the Shares has been established. The subscription price for the Shares has been determined by the Directors on the advice of Sygnus Capital Limited as Lead Arranger and Financial Adviser. The IPO price should not be taken to be indicative of the market price of the Shares after they are listed on the Main 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 listing of the Shares on the Main Market.

(ii) **Ordinary Stock Price Fluctuations**

7.4 The trading price of the Shares may fluctuate significantly after the IPO and may continue to do so in the future. Some of the reasons for fluctuations in the price of the Shares include but are not limited to:

- announcements of developments related to the Company's business;
- the issue of additional Shares by the Company from time to time;
- announcements concerning or affecting credit instruments in the Company's investment portfolio;
- general conditions in the economy or the industries in which SCI have made investments;
- changes in the law regarding several matters including but not limited to taxation and the credit industry;
- Changes to the JSE Rules.

In addition, prices on the stock market may be particularly subject to volatility. In many cases, the fluctuations may be unrelated to the operating performance of the affected companies. As a result, the price of the Shares could fluctuate in the future without regard to operating performance.

(iii) **Changes in Government Policies**

7.5 Governments in various countries in which the Company invests, may from time to time affect macroeconomic conditions through fiscal and monetary policies or changes in regulations, which may have an adverse impact on the credit market and the performance of the Company.

(iv) **Risk relating to Marketability of the Shares**

7.6 The Shares, though listed on the Main Market of the Jamaica Stock Exchange, may not be readily saleable and shareholders who may want to “cash-out” may not be able to do so or may only be able to do so at a discount.

(v) **Risks of hurricane, fire and other Acts of God**

7.7 Catastrophic events affecting Jamaica such as hurricane and earthquake could impact generally on economic activity in Jamaica and more specifically on some of the companies in whose securities the Company may invest from time to time.

(vi) **Taxation Risks**

7.8 The Company is an International Business Company registered in Saint Lucia. As such it will pay income tax in Saint Lucia at the rate of 1% of its taxable profits. In addition it is exempt from withholding tax, capital gains tax and stamp duties in Saint Lucia. If all Board Meetings are held outside Jamaica and all policy decisions affecting the Company are made at such Board Meetings then the Company should not be treated as resident in Jamaica for tax purposes. Dividends paid by the Company to Jamaican residents and other residents in a country which is a party to the CARICOM Double Taxation Treaty will be taxed at zero rate in the country in which the Company is resident (i.e. Saint Lucia) and will not be taxed in Jamaica or in the other CARICOM treaty country in which the shareholder resides

SCI's operation is structured with the objective that the Company will not be treated, under Jamaican tax law, as resident, or as carrying on business, in Jamaica. If SCI is deemed to be resident, or carrying on business, in Jamaica its tax liability could increase which could materially affect the operation and profitability of the Company.

(vii) **Credit & Counterparty Risks**

7.9 The Company's assets will be represented substantially by investments in credit instruments issued by other companies. This creates special risks associated with the creditworthiness of such companies. For instance, a debtor could default, its credit worthiness deteriorates or be down-graded by credit rating agencies; these events could materially and

adversely affect the value of the relevant credit instrument. In addition, there are documentary risks and settlement risks in the closing of transactions.

The Company will manage the foregoing risks by:

- (a) diversifying its holdings across various issuers to limit exposure to any single issuer;
- (b) restricting investment to credit instruments which are within limits and ranges set by the Credit Risk and Investment Committee;
- (c) carrying out extensive financial due diligence on companies in which it invests;
- (d) active monitoring of investments through financial covenants, interim financial reviews, collateral review, annual review of the businesses in which an investment was made and acquiring board representation where appropriate; and
- (e) prudently managing credit spreads according to the changing risks of the underlying credit instruments based on issuers' financial positions.

(viii) **Foreign Currency Risk**

7.10 The Company will be exposed to the risk that the value of the future cash flows from its investment portfolio may fluctuate because of changes in foreign exchange rates. The Company will manage Foreign Currency Risk by matching currencies i.e. J\$ will be invested in opportunities that generates J\$ and similarly for US\$. In addition, to mitigate this risk the Company may hedge its foreign exchange risks by investing in currency derivatives and buying foreign currency hedging instruments if the Investment Manager determines that such hedging strategy is in the best interest of the Company.

(ix) **Collateral and Documentation Risk**

7.11 All investments will have documentation reflecting the nature of the transaction structure and the collateral securing the transaction in order to provide adequate protection of the investments made by SCI. The Company is exposed to the risk of loss of investments or interest or dividends on such investments if the relevant documentation is unenforceable or inadequate. To mitigate this risk, the Company retains internal and external attorneys to review and advise on documentation relating to investments. In instances where SCI holds security, it must be perfected and meet credit risk policy requirements.

(x) **Operational Risks**

7.12 In the execution of its business functions the Company is exposed to operational risks arising from failures in systems and the processes through which it operates. Critical areas of operational risks include:

- (a) errors by the Investment Manager and other agents of the Company;
- (b) accounting errors, data entry errors; and
- (c) fraud (internal and external) or other criminal activity.

Under the Investment Management Agreement between the Company and the Investment Manager, the latter is required to indemnify the Company against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Company by reason of any fraud, negligence or willful default on the part of the Investment Manager. Similar obligations are imposed upon parties contracted by the Investment Manager to provide services to the Company. The Investment Manager will seek to eliminate such risks by maintaining a comprehensive system of internal controls and administrative checks and balances to monitor transactions supported by a robust external auditing oversight. The Company has also engaged CrichtonMullings Strategics Limited (the Administrator), Chartered Accountants, to provide general accounting support. It is expected that the Administrator will establish robust internal procedures to ensure completeness of entries to the financial statement as well as providing general accounting oversight.

(xi) **Thin Market in Company's Shares**

7.13 The Jamaican stock market is relatively small and the market in the Company's Shares is expected to be relatively thin compared to larger capital markets. That means that trade in small quantities of SCI's Shares can trigger wide swings (up or down) in the market price of the Shares and make it easier for the stock price to be manipulated. In this IPO, the minimum subscription is for 1,000 shares and the IPO is directed both at the institutional and retail investor markets.

(xii) **Control of the Company**

7.14 Consistent with the business model which the Company has adopted, the Investment Manager will retain some control over the Company through the Special Share. This is designed to ensure that the Company is managed and its assets invested in the manner contemplated herein. Nevertheless, the significant influence with respect to the election of directors may be adverse to the interest of the other stockholders.

(xiii) **The Special Share held by SCM will deter take-over bids.**

7.15 The fact that SCM holds the Special Share which gives it control over the election of Directors and other key corporate decisions will make it unlikely that any investor other than SCM or entities affiliated to SCM would bid for control of the Company. Such bid if made would usually

be expected to be at a premium above the prevailing trading price of the Shares. Accordingly, the likelihood of stockholders receiving a take-over bid is reduced, perhaps significantly.

(xiv) **Lack of Diversification**

7.16 The Company's investment portfolio consists of various types of credit investments but does not contain any other types of investments such as real property or stocks. This lack of diversification means that the Portfolio is particularly exposed to credit risks.

(xv) **Related Party & Potential Conflict of Interest**

7.17 The Company will be managed by SCM. SCM is a shareholder in the Company and as Investment Manager it has contracted an affiliated company, Sygnus Capital Limited, to provide investment advisory services in relation to the Company's investment portfolio. In spite of the multiple roles which SCM has, the interests of the various parties are generally aligned. Notwithstanding that the parties all share common interest in the success of the Company it is possible that conflicts of interest may arise in the day-to-day operations of SCI. The risk management policy of the company also adopts best practice measures to address any perceived or real conflict of interest that may arise in the operations and management of the business.

7.18 Peter Thompson, a director of the Company, represents one of the Company's shareholders, JMMB Fund Managers Limited ("JMMB"). JMMB and its affiliated companies, in particular JMMB Bank (Jamaica) Limited, are in the business of providing credit services to companies in Jamaica and other Caribbean countries. Given that the Company is also in the business of providing credit services to companies, it will likely compete with JMMB and its affiliated companies for customers. As a director of the Company, Mr. Thompson will be privy to information on the Company and its clients as well as those of JMMB. Accordingly, Mr. Thompson may have competing interests in the Company and JMMB.

7.19 The Directors owe fiduciary duties to the Company. These duties include the duty to (i) act honestly and in good faith with a view to the best interest of the company; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including, but not limited to the general knowledge, skill and experience of the director. These duties would prohibit the Directors of the Company from disclosing the Company's confidential information in any manner which is not in the best interest of the Company. As fiduciaries, Directors have a duty not to put themselves in a position where their personal interests conflict with their duty to the Company. Directors are also required to disclose the nature or extent of their interest in contracts with the Company. This would include their relationships with any person, company or body who is a party to a contract or proposed contract with the Company.

(xvi) **Changes in Law & Regulatory Risks**

7.20 The Company is a St. Lucian International Business Company which intends to invest in Medium-Sized Firms located in jurisdictions across the wider Caribbean region. Changes in

legislation in these jurisdictions could negatively impact on the financial or operational performance of the Company or on the financial or operational performance of any such Medium-Sized Firm which in turn could negatively impact the performance of the Company.

7.21 The Company or Medium-Sized Firms in which it invests may 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 clients, as the case may be, this could require the Company to recapitalize, or to change its business operations, and in any case, changes in such regulatory rules or standards may affect its long - term profitability.

7.22 The Investment Advisor is licensed as a securities dealer under the Securities Act of Jamaica and regulated by the FSC. Officers and Directors of the Investment Advisor, are also registered under the Securities Act as dealer's representatives in relation to the Investment Advisor. The ability of the Investment Advisor to provide investment advisory services in relation to the Company's investment portfolio could be adversely impacted if:

- (a) its dealer's license is suspended or canceled;
- (b) the registration of its Dealer Representatives is suspended or canceled; or
- (c) there are adverse changes in regulations and laws affecting the Investment Advisor.

7.23 The performance of the Company and its ability to invest in Medium-Sized Firms located in different jurisdictions could be affected by changes in treaties made between St. Lucia and such jurisdictions (such as the CARICOM Double Taxation Treaty).

(xvii) **New Accounting Rules or Standards**

7.24 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.

(xviii) **Inability to Redeem Shares**

7.25 The Company is obliged to invite shareholders to offer Shares for redemption from time to time (see Section 4.13 for further information). The Company may not be in a position to redeem such Shares if it does not have sufficient distributable profits or if it is unable to raise sufficient funds from a fresh issue of Shares.

(xix) **Risk Management**

7.26 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.

7.27 The Board of Directors of the Company is ultimately responsible for the risk management policies of SCI and has delegated the management of credit risk to the Credit Risk and Investment Committee, a sub-committee of the Board of SCM. The Directors do not guarantee that changes in the local and international markets will not have any materially adverse impact on SCI's financial results.

8. THE COMPANY

Incorporation

8.1 The Company was incorporated on January 13, 2017 with the name Sygnus Credit Investments Limited as an international business company under the International Business Companies Act, 1999 (as amended) of Saint Lucia. Ike Johnson was appointed its first director.

Share Capital

8.2 At incorporation its authorized capital was US\$10,000.00 made up of 100,000 Ordinary Shares of US\$0.10 each. The Company's authorized share capital was subsequently increased to an unlimited number of ordinary shares, made up as follows:

- (a) Unlimited Ordinary Shares of US\$0.01 each;
- (b) Unlimited Ordinary Shares of J\$1.30 each;
- (c) Unlimited Ordinary Shares of TT\$0.07 each; and
- (d) One Special Share of US\$1.00.

8.3 The Special Share was issued to the Investment Manager.

8.4 The Company has, as at the date of this Prospectus, 44 Shareholders including the Investment Manager. The issued Shares in the Company, as at the date of this Prospectus, are held as follows:

Shareholders	Shareholding	Approx. % Issued Capital
Investment Manager (SCM)	1 Special Share	0.00%
Investment Manager (SCM)	5,400,000 Ordinary Shares	3.39%
Existing Shareholders (other than Investment Manager)	153,869,523 Ordinary Shares	96.61%

8.5 As at the date of this Prospectus, there are no shareholders of the Company who hold more than five percent (5%) of the Company's issued share capital except:

Shareholders	Shareholding (Ordinary Shares)	Share Class	Approx. % Issued Shares
ATL Group Pension Fund Trustees Nominee Limited	20,000,000	J\$	12.56%
National Insurance Fund	20,000,000	US\$	12.56%
JMMB T1 Equity Fund (JMD)	18,210,000	J\$	11.43%
JCSD Trustee Services Ltd - Sigma Venture	10,000,000	US\$	6.28%

The remaining shareholders hold 91,059,523 Ordinary Shares representing approximately 57.17% of the total issued share capital of the Company.

Corporate Actions

8.6 In anticipation of this IPO, the Company adopted requisite resolutions whereby:

- (a) it adopted new Articles of Association designed to comply with the JSE Rules;
- (b) the following persons were appointed additional directors of the Company, namely:
 - i. Clement Wainwright Iton;
 - ii. Nakita Edwards;
 - iii. Ian Williams;
 - iv. Peter Thompson;
 - v. Damian Chin; and
 - vi. Hope Fisher.

8.7 The Company has entered into the following agreements with the approval of its Board; namely:

- (a) an Investment Management Agreement, dated June 2, 2017, with SCM under which SCM manages the day-to-day affairs of the Company and its investment portfolio;

- (b) Lead Arranger Services Agreement, dated February 5, 2018, with Sygnus Capital Limited;
- (c) Arranger and Broker Services Agreement, dated March 16, 2018, with Sagicor Investments Jamaica Limited;
- (d) Underwriting Agreement, dated March 16, 2018, with Sagicor Investments Jamaica Limited;
- (e) Brokerage Services Agreement, dated February 21, 2018, with JN Fund Managers Limited;
- (f) Registrar and Transfer Agency Agreement, dated May 11, 2017, with the JCSD.

8.8 The Investment Manager has entered into the following agreements with various service providers to provide services to the Company; namely:

- (a) an Investment Advisory Agreement, dated January 2, 2018, with Sygnus Capital Limited under which Sygnus Capital Limited will provide investment advisory services to SCM in relation to client investment portfolios, including the Company's investment portfolio, managed by SCM.
- (b) an Administration Agreement, dated May 1, 2017, with CrichtonMullings Strategics Limited to provide financial administrative services for the Company.
- (c) Registrar and Transfer Agency Agreement, dated May 11, 2017 with the JCSD.

Intellectual and Real Property

8.9 As at April 18, 2018 being the latest practicable date prior to the publication of this Prospectus, the Company has no intellectual or real property.

Applicable Regulatory Regime

8.10 The Company is a St. Lucian International Business Company and does not carry on or intends to carry on business in Jamaica. By virtue of this IPO the Company will become subject to all laws applicable to issuers of securities in Jamaica and companies listed on the stock exchange. The Company is also subject to the regulatory authority of the JSE, the Financial Services Commission and the Companies Office by virtue of this IPO, the issue of this Prospectus and the listing of the Company's Shares on the Main Market of the JSE.

8.11 The Investment Manager, SCM, is a Cayman exempt investment management company registered with the Cayman Islands Monetary Authority (CIMA).

8.12 The Investment Advisor, Sygnus Capital Limited (SCL), is licensed as a securities dealer under the SA. The SA requires a licensed dealer to appoint a responsible officer to ensure that the licensee complies with all requirements of the Act. Accordingly, SCL has appointed Dr. Ike Johnson as responsible officer for the company. As a licensed securities dealer SCL, and its dealer's representatives are required to keep records of the securities in which they have an interest in and the FSC is empowered to inspect these records. A securities dealer and its dealer representative(s) are required to disclose the nature of their interest in, or their interest in the acquisition or disposal of, or the interest of any associated person in, the securities which they recommend for purchase. This disclosure must accompany any such recommendation. Dealers licensed under the SA are also required to file annual and quarterly reports with the FSC in accordance with the provisions of the Securities (Conduct of Business) Regulations. Failure by a licensed dealer or dealer's representative to comply with the SA or its attendant regulations is an offence.

9. MANAGEMENT DISCUSSION & ANALYSIS (INCLUDING FINANCIAL PERFORMANCE)

9.1 The following Management Discussion and Analysis (MD&A) and Financial Highlights section should help prospective investors understand the results of the financial performance of the Company. The information contained in this section should be read in conjunction with the financial statements and respective notes in Section 10.

OVERVIEW OF THE BUSINESS

9.2 Sygnus Credit Investments Limited is a specialty Private Credit investment company, dedicated to providing non-traditional financing to Medium-Sized Firms across the wider Caribbean region. Non-traditional forms of credit are more customized and flexible than traditional financing. Consequently, the Company offers an alternative channel through which Medium-Sized Firms - which are typically underserved by traditional forms of financing - can access capital to drive their expansion and growth.

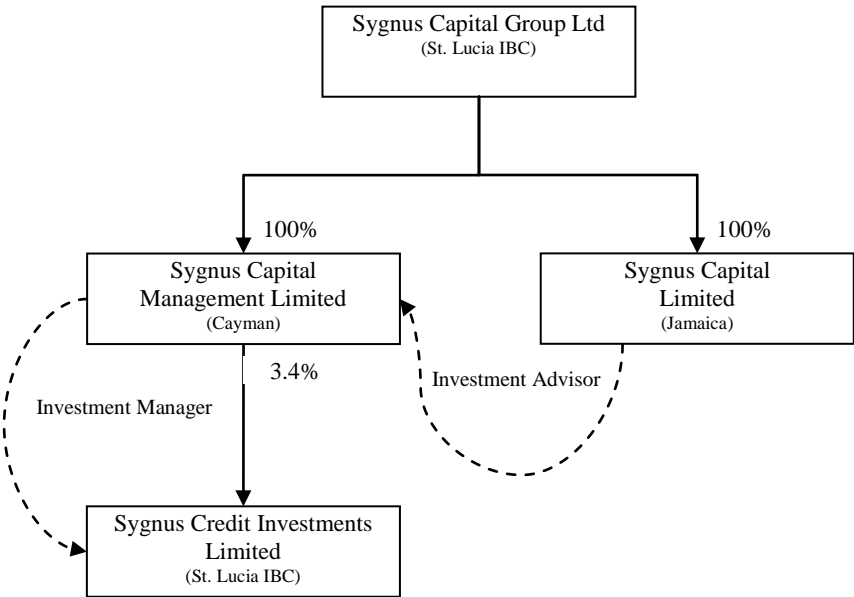
9.3 The investment objective of the Company is to generate attractive risk adjusted returns with an emphasis on principal protection, by generating current income, and to a lesser extent capital appreciation, through investments primarily in Medium-Sized Firms ("Portfolio Companies") using Private Credit instruments. The Company invests primarily in Private Credit instruments including bilateral notes and bonds, preference shares, asset-backed debt, mezzanine debt, convertible debt and other forms of structured Private Credit instruments. These forms of financing are typically more aligned with the growth and expansion plans of Portfolio Companies.

9.4 The Company targets mostly Portfolio Companies operating across a broad range of sectors, including manufacturing, distribution, financial services, energy, real estate, transportation, infrastructure and business services. These Portfolio Companies typically have revenues between US\$5 million and US\$25 million.

9.5 After providing for an appropriate reserve to cover outgoings and contingencies, the Company intends to pay out up to 85% of the earnings generated from these investments as dividends on a quarterly basis. This is in keeping with the Company's mission of unlocking capital for the growth and expansion of Portfolio Companies through its Private Credit investments, while providing its Shareholders with access to the Private Credit market in the form of consistent dividend payments. The dividend policy is subject to review from time to time by the Board of Directors of the Company acting on the advice of the Investment Manager.

9.6 The Company's investment activities are managed by its Investment Manager, Sygnus Capital Management Limited, on the advice of the Investment Advisor, Sygnus Capital Limited, both of which are wholly owned subsidiaries of Sygnus Capital Group Limited ("SCG"). SCG is an

international Business Company incorporated under the laws of St. Lucia. The diagram below sets out the relationship between the aforementioned companies.



Investment Activity

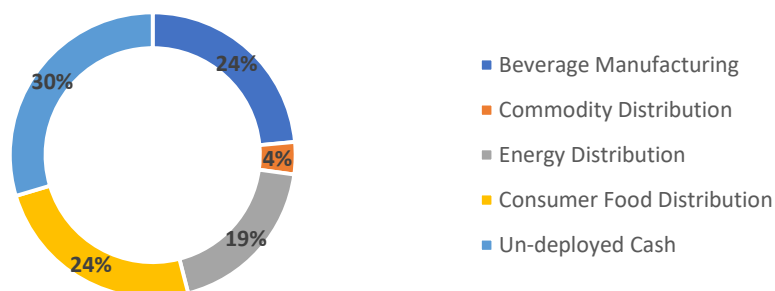
9.7 SCI began operating on July 1, 2017 and has raised approximately US\$ 16 million in capital from institutional and accredited high net worth investors. More than two thirds of the capital raised was from institutional investors. The monies raised were used to capitalize the Company and to invest on behalf of its shareholders, by investing in Portfolio Companies using customized credit instruments.

9.8 The Company had US\$16.7 million in total assets as at December 31, 2017, and has invested US\$11.1 million (US\$11.6 million at fair value) in 4 Portfolio Companies diversified across the following industries: Energy Distribution, Beverage Manufacturing, Commodity Distribution and Consumer Food Distribution. At the current pace of investment, SCI is sourcing and investing an average of US\$1.9 million in transactions per month, which is a faster Velocity than anticipated. The average initial investment in each Portfolio Company is US\$2.8 million for an average term of 3.1 years.

Investment Activity (in US dollars, except as otherwise indicated)

Total Assets	16,702,768
New Investment in Portfolio Companies	11,121,629
Investment Commitments Exited	Nil
Net Investment in Portfolio Companies	11,121,629
Fair Value of Investment in Portfolio Companies	11,557,694
Un-deployed Cash	4,866,654
Total Number of Portfolio Companies	4.0
Average Velocity of Investments per month	1,853,604
Average Initial Investment in Portfolio Companies	2,780,407
Weighted Average Term of Investments (in years)	3.1
Current Weighted Average Income Yield on Investment in Portfolio Companies	10.3%
Percentage of Investment in Portfolio Companies with potential additional upside (profit participation)	56.6%
Weighted Average Yield on Un-deployed Cash	3.8%

Investment Allocation as at December 31, 2017



9.9 The investment in Portfolio Companies is currently earning income at a yield of 10.3%, while the un-deployed cash (“Dry Powder”) held in short term instruments and bank balances is earning a yield of 3.8%. The income on investments in Portfolio Companies only represents the minimum current income and does not yet factor in additional upside potential returns that may arise from profit participation and other upside structures.

9.10 The Company’s potential upside from profit participation comes in the form of additional income that may be earned from participating in the net profits of a particular Portfolio Company. Additional profit participation will begin to be earned during the course of 2018 and beyond if the respective Portfolio Companies are successful in executing their business strategies. US\$6.5 million (56.6%) of the initial investment in Portfolio Companies is structured with profit participation.

9.11 The Company may also derive additional upside from investments over the medium-to long term if certain events are triggered, such as the partial conversion of its Private Credit investment into equity prior to an initial public offering of a Portfolio Company. However, these types of potential upside are extremely low probability events.

9.12 The Company has US\$4.9 million of Dry Powder to deploy into new Portfolio Companies.

Summary of Portfolio Companies

9.13 The Company's investment in Portfolio Companies is summarized below. The Company has board observation rights or a Board Seat for two of the four Portfolio Companies. The Portfolio companies are currently yielding a minimum rate of 10.3% from core income, with the potential to participate in additional upside based on the success of the Portfolio Companies.

Portfolio Companies as at December 31, 2017 (in US Dollars)

Portfolio Company Description	Country	Industry	Issue Date	Maturity	Principal	Fair Value
Bottling & Beverage Manufacturer	Jamaica	Beverage Manufacturing	Aug 2017	Aug 2022	3,538,380	3,866,725
Primary Commodity Distributor	Jamaica	Commodity Distribution	Aug 2017	Feb 2018	583,249	603,379
Petroleum Products Distributor	Jamaica	Energy Distribution	Aug 2017	Aug 2022	3,000,000	3,087,590
Consumer Food Distributor	Jamaica	Food Distribution	Sep 2017	Sep 2018	3,000,000	3,000,000
			Nov 2017	Sep 2018	1,000,000	1,000,000
					<u>11,121,629</u>	<u>11,557,694</u>

Bottling and Beverage Manufacturer

9.14 In August 2017, the Company financed a leading bottling and beverage manufacturer (the "Beverage Manufacturer") by investing the Jamaican equivalent of US\$3,538,380 in a convertible preference share issued by the Beverage Manufacturer. The Beverage Manufacturer was financed at a fixed rate plus a share in the profit upside of the firm.

9.15 These proceeds were used to refinance debt and fund expansion. As part of this financing, the Company was awarded 1 seat on the Board of the Portfolio Company and has Board observation rights. SCI is represented on the Board by a member of the Investment Advisor.

Primary Commodity Distributor

9.16 In August 2017, the Company participated in the financing of a leading primary commodity distributor ("Commodity Distributor") by investing the Jamaican equivalent of US\$583,249 for a period of six months in a commodity repurchase agreement. The short-term nature of this financing allowed the Company to enhance the returns of its short-term investments while

allowing the Commodity Distributor to optimize its working capital. The maturity proceeds were paid out and SCI received this payment in full.

Petroleum Products Distributor

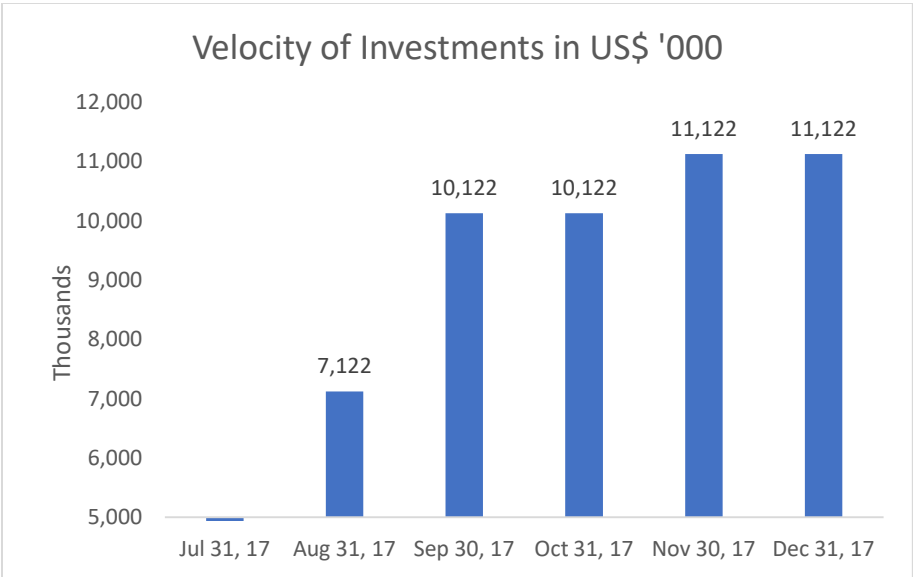
9.17 In August 2017, the Company financed a leading petroleum products distributor (“Petroleum Distributor”) in the Energy Distribution industry by investing US\$3,000,000 in convertible preference shares. The financing was customized to meet the needs of the Energy Distributor and provide a participation upside in profits for the Company. SCI has board observation rights to attend Board Meetings, and is represented by a member of the Investment Advisor at these meetings.

Consumer and Food Distributor

9.18 In September 2017, the Company financed a leading consumer foods distributor (“Food Distributor”) by investing US\$3,000,000 in a consumer foods inventory repurchase agreement with the Food Distributor. In November of 2017, the Company financed an additional US\$1,000,000 in this transaction for a total of US\$4,000,000. The transactions were customized to allow the Food Distributor to fund its working capital while allowing the Company to earn a double-digit rate of return.

Velocity of Investment in Portfolio Companies

9.19 The Company invested US\$10.1 million in Portfolio Companies between the months of August 2017 and September 2017. A further US\$1,000,000 was invested in November 2017, bringing the monthly average rate of financing to US\$1,853,604 since the Company began operating on July 1, 2017.



The Company will seek to maintain the current investment Velocity from its investment pipeline.

Results of Operations

9.20 The Company began operating on July 1, 2017, but was incorporated on January 13, 2017. As such, the financial results mainly reflect the activities of the company from July 1, 2017 through to December 31, 2017. The Company's financial year end is June 30, and its first financial year will consist of 18 months ending June 30, 2018. No revenues were generated prior to July 1, 2017.

For the 6 Months Ended December 31, 2017

Selected Profit or Loss Data and Other Comprehensive Income

Total Investment Income	500,568
Total Operating Expenses	87,418
Net Investment Income	413,150
Net Foreign Exchange Gains	247,705
Net Profit	660,855
Other Comprehensive Income:	
Total Other Comprehensive Income	280,695
Total Comprehensive Income	941,550
Earnings Per Share (cents)	0.01¢
Weighted Average Number of Shares in Issue	64,503,985

9.21 For the period ending December 31, 2017, the Company generated Total Investment Income of US\$500,568 while Total Operating Expenses amounted to US\$87,418. This resulted in Net Investment Income of US\$413,150 which represents the Company's core operating earnings. The Company generated an Net Foreign Exchange gains of US\$247,705 due to the appreciation of the Jamaican dollar viz-a-viz the US dollar, primarily driven by US\$4,121,629 (principal amounts) of investments in Portfolio Companies that are denominated in Jamaican currency. This unrealized gain may fluctuate depending on movement in the Jamaican currency viz-a-viz the US currency. As a result of Net Investment Income and the Net Foreign Exchange Gains, Net Profit for the period amounted to US\$660,855. There were no Income Tax charges for this reporting period. The reported Net Profit represented 0.01 cents per share, based on a weighted average number of ordinary stock units in issue of 64,503,985.

9.22 The Company recorded Total Other Comprehensive Income of US\$280,695 reflecting fair value gains on its investment in Portfolio Companies. The combination of the US\$660,855 in Net Profit and US\$280,695 in Total Other Comprehensive Income, resulted in the Company recording Total Comprehensive Income of US\$941,550.

Investment Income

9.23 For the period ended December 31, 2017, Total Investment Income of US\$500,568 comprised of US\$369,319 (73.8%) in Interest Income from investment in four Portfolio Companies and US\$121,422 (24.3%) in Interest Income from other investments comprising repurchase agreements. Commission Income of US\$7,500 (1.5%) was generated from commissions earned by the Company for financing activities, while Other Income of US\$2,327 was generated from interest on bank balances.

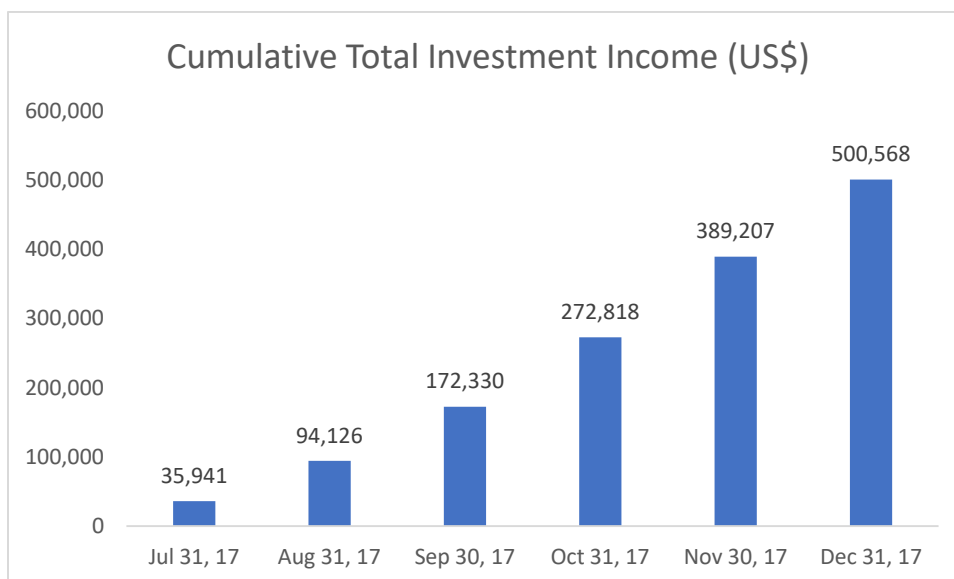
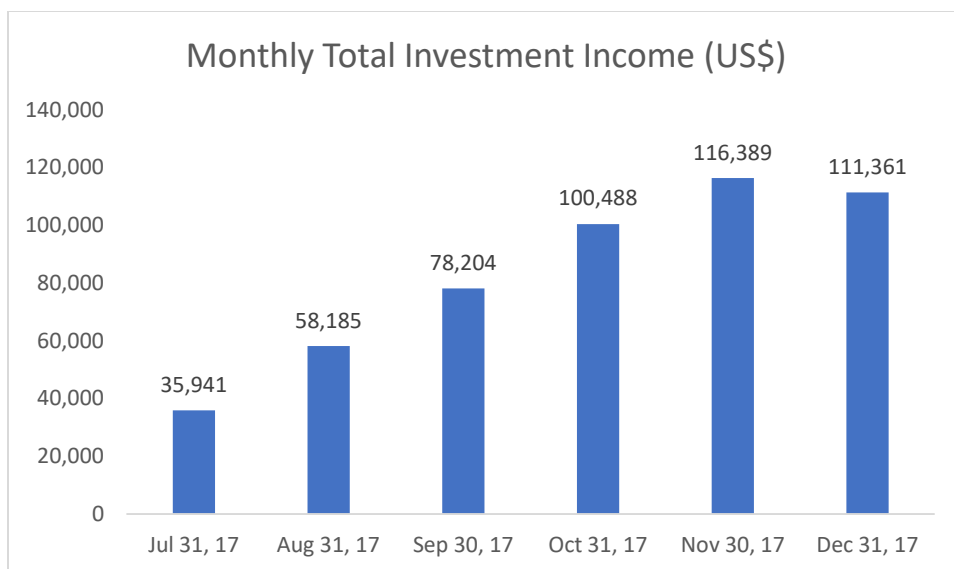
For the 6 Months ended December 31, 2017

Investment Income (in US dollars)

Interest income from Investment in Portfolio Companies	369,319
Interest income from other Investments	121,422
Commission Income	7,500
Other Income	2,327
Total Investment Income	500,568

9.24 Monthly Investment Income rose steadily from US\$35,941 in July 2017 to US\$111,361 in December 2017, as capital was converted from Dry Powder to investment in Portfolio Companies. December's Investment Income was lower than the peak of US\$116,389 earned in November 2017 due to US\$7,500 earned in Commission Income in November. This source of revenue was occurring for the first time, but did not recur in December 2017. However, this source of revenue is expected to recur in varying amounts and varying frequency going forward.

9.25 Total Investment Income reflected investments that have only been on the books for five months, following the first investment in August 2017. Total Investment Income is expected to continue increasing steadily as lower earning Dry Powder is converted into higher earning investments in Portfolio Companies from its pipeline of US\$31.4 million. In addition, potential income resulting from US\$6.5 million of investments structured with additional upside in the form of profit participation, is expected to enhance Total Investment Income.



Operating Expenses

9.26 For the period ended December 31, 2017, Total Operating Expenses recorded US\$87,418 comprising of US\$2,009 for Bank Charges, US\$10,545 for Accounting Fees, US\$20,000 for Audit Fees, US\$10,803 for Director's Fees and Related Expenses, US\$21,360 for Professional Fees, US\$11,197 for Registration Fees, and US\$11,504 in Irrecoverable Withholding Tax. Professional Fees represented the largest individual expense item (24%) and reflected costs for legal and consulting services. Director's Fees and Related Expenses pertained to three independent Directors of the Company who are paid for their services, including the Chairman of the Board. The Company's Board consists of seven Directors, four of whom are not paid for their services. Three of these four Directors represent the individual interests of three major shareholders, while the other represents the Investment Manager.

Operating Expenses

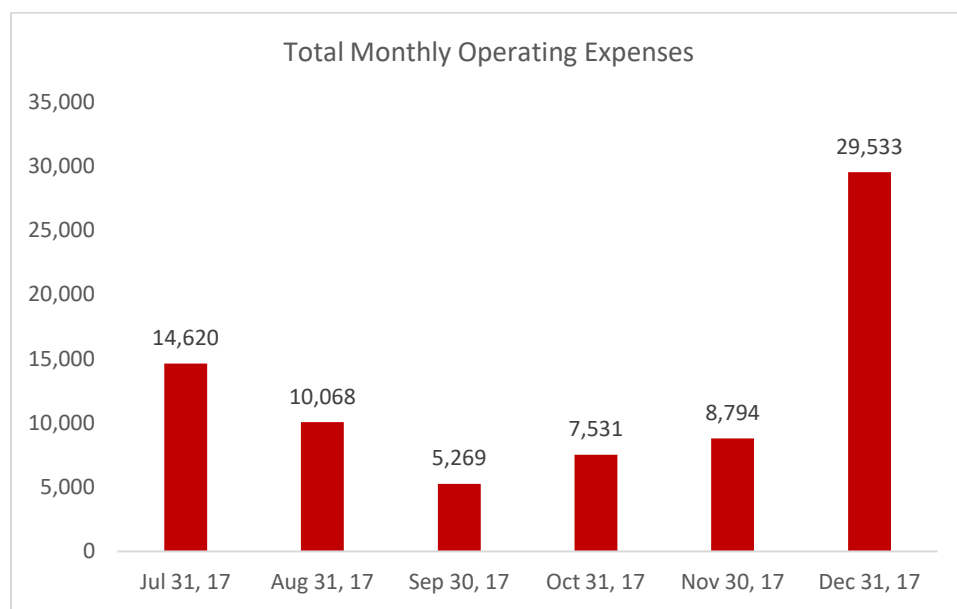
For the 6 Months ended December 31, 2017 (in US dollars)

Bank Charges	2,009
Accounting Fees	10,545
Audit Fees	20,000
Director's Fees and Related Expenses	10,803
Professional Fees	21,360
Registration Fee	11,197
Irrecoverable Withholding Tax	11,504
Base Management Fees	0
Performance Fees	0
Total Operating Expenses	87,418

9.27 There were no Management Fees charged during the period, as these fees were waived by the Investment Manager to the benefit of Shareholders for the first six months of operation. Management Fees will begin to be charged from January 2018. There were no Performance Fees due. Management Fees and Performance Fees are discussed in more detail in Section 11.14.

9.28 Total Operating Expenses in December 2017 recorded the highest monthly expenses of US\$29,533, or a third of total expenses. These expenses mainly reflected consulting fees of US\$12,000 and Audit Fees of US\$8,750.

9.29 Prior to the start of operations on July 1, 2017, a total of US\$11,602 in expenses was incurred for Registrar (US\$5,951), Audit Fees (US\$5,000) and Bank Charges (US\$651).



Selected Balance Sheet Information

9.30 As at December 31, 2017, the Company had US\$16,702,768 in Total Assets comprising US\$4,866,654 in Un-deployed Cash to finance new investment opportunities, with US\$11,557,694 invested in Portfolio Companies, and US\$278,420 in Other Assets.

9.31 95.3% of Un-deployed Cash or Dry Powder was invested in repurchase agreements earning an average interest rate of 3.8%, with the remainder representing deposits in bank accounts. The Company has made a concerted effort to actively manage all its cash balances to maximize the income and minimize the drag on earnings from capital waiting to be deployed into new Portfolio Company opportunities. Un-deployed cash is expected to be reduced from new investments in Portfolio Companies.

Selective Balance Sheet Information

As at December 31, 2017 (in US dollars)

Cash and Cash Equivalents	226,809
Repurchase Agreements	4,639,845
Un-deployed Cash / Dry Powder	4,866,654
Total Long-term Investments in Portfolio Companies	6,954,315
Total Short-term Investments in Portfolio Companies	4,603,379
Total Investment in Portfolio Companies	11,557,694
	16,424,348
Other Assets:	
Investment Income Receivable from Portfolio Companies	253,420
Due from Related Company	25,000
Total Assets	16,702,768

9.32 Total Long-term investments in Portfolio Companies of US\$6,954,315 and Total Short-term investments in Portfolio Companies of US\$4,603,379.

9.33 Other Assets of US\$278,420 comprised of US\$253,420 in Investment Income Receivable from Portfolio Companies, and US\$25,000 due from Related Company.

Summary of Shareholder's Equity

9.34 As at December 31, 2017, the Company reported Total Shareholder's equity of US\$16,656,406, comprising of US\$15,714,856 in Share Capital, US\$660,855 in Retained Earnings and US\$280,695 in Fair Value Reserve. Fair Value Reserve reflected the increase in fair value of Long-term Investments in Portfolio Companies relative to their amortized cost. The Company's investments in Portfolio Companies are intended to be held for the full term of those investments,

and are thus reflected in changes in Shareholders' Equity rather than through the income statement.

9.35 The Company raised US\$16,023,045 in capital privately from institutional and accredited investors, for 159,269,523 ordinary shares with the majority of capital coming from institutional investors. The one-time Transaction Costs Associated with the number of ordinary shares issued for the private capital raised was US\$308,189 or 1.9% of the Paid-in Capital. These one-time costs represented fees paid to the arranger, broker and selling agent involved in the capital raise. Taking these costs into account, the Share Capital was US\$15,714,856.

As at December 31, 2017 (in US dollars)	
Paid-in Capital	16,023,045
Less Transaction Costs Associated with Shares Issued	308,189
Share Capital	15,714,856
Retained Earnings	660,855
Fair Value Reserve	280,695
Total Shareholder's Equity	16,656,406
Number of Shares Issued	159,269,523
Book Value Per Share (US cents)	10.46

9.36 The number of shares issued by the Company was 159,269,523. Shares were initially issued at a price of US\$0.10 per share and J\$12.86 per share during a private placement in May 2017. As at December 31, 2017, the company's book value per share was US\$0.1046.

Risk Management

9.37 A complete disclosure of risks faced by the Company is contained in Section 7. In addition to the information contained in Section 7, the following outlines some of the key risks currently being faced by the Company and how these risks are being managed.

Economic Environment and Credit Conditions:

9.38 The general economic environment in Jamaica and the wider Caribbean, though improving, continues to remain fragile with low levels of growth, which may affect underlying Portfolio Companies. The Company seeks to mitigate these risks by focusing its geographic exposure to stable or improving economies (currently 100% of its exposure is to Jamaica which has a B credit rating and stable outlook), capping its exposure to individual companies and sectors, and limiting the tenor of its investments to a maximum of five years (seven years on an exceptional basis).

9.39 More importantly, the majority of the Company's investments come through direct origination by the Investment Advisor, which allows the Company to benefit from direct

negotiation and structuring of terms that limits downside risks in the event of weakening economic conditions. These include the type of collateral used as security, guarantees by sponsors of Portfolio Companies, and early warning indicators such as Board seats, Board participation rights, restrictive covenants and other conditions.

Currency Risk:

9.40 Given the rise in US interest rates as the US Federal Reserve and other global Central Banks continue to normalize their policy rates, there is the risk of unrealized currency losses on local currency investments flowing through the income statement. The Company mitigates currency risk by appropriately allocating its Portfolio Company investments in local and foreign currency. Thirty-eight-point-nine percent of the fair value of the Company's investment in Portfolio Companies was denominated in Jamaican dollars. For the period ending December 31, 2017, appreciation of the Jamaican dollar viz-a-viz the US dollar resulted in Net Foreign Exchange Gains of US\$247,705. However, this gain which flows through the income statement, may reverse in future periods, and may thus affect Net Profit.

Investment Strategy and Outlook

9.41 The Company's vision is to be a leading provider of Private Credit solutions to Medium-Sized firms across the Caribbean. Through its Investment Advisor, the Company's direct origination financing strategy incorporates a focus on leading the negotiation and structuring of the credits in which it invests. The Company intends to hold all of its Private Credit investments for the full term of those investments.

9.42 The Company invests primarily in Portfolio Companies, which typically have revenues of between US\$5.0 million and US\$25.0 million annually or its equivalent in local currency. The average investment size per transaction ranges from US\$500,000 or its equivalent to a maximum of US\$5,000,000 or its equivalent, with the ability to source co-investment partners to participate in transactions larger than US\$5,000,000.

9.43 The Company's maximum exposure per sector is 35%, while its maximum exposure to any single group of companies is 25%. As at December 31, 2017, the company's maximum exposure was 29% to the Financial sector, mainly reflecting Dry Powder to be deployed in Portfolio Companies, and 28% exposure to the Distribution Sector, well within the concentration limit of 35%. The Company may invest for a period of up to 5 years, with a maximum of 7 years on an exceptional basis. However, the Company anticipates that the average tenor of its investments will typically be closer to 3.5 years.

9.44 All investments by the Company are typically structured to have at least two clear exit strategies which are achievable within the investment horizon. An exit strategy may take the form of any of the following options: (1) repayment of debt, (2) sale of position or sale of collateral, (3) an initial public offering (IPO) or a merger and acquisition (M&A) opportunity.

9.45 A key strategy of the Company is the utilization of customized credit financing instruments, which, in addition to normal interest income, has additional upside which includes profit participation, convertibility and exit at Initial Public Offering. This strategy may allow the Company to generate above average returns for its Shareholders.

9.46 The Company anticipates using leverage as part of its investment strategy over the medium term, and has the option to utilize a leverage ratio of up to 50% of its Total Assets.

Pipeline of Investments in Portfolio Companies

9.47 The Company has built a very robust investment pipeline since commencing business operations. Below is a summary of the Company's current financing opportunities.

Deal Name	Size (US\$M)	Timing	Status
Capex Acquisition	0.7	1-3 months	Approved
Aggregate and Mining Company	2.0	1-3 months	Approved
Equipment Leasing	0.5	1-3 months	Approved
Equipment Leasing Company	1.0	1-3 months	Mandated
Mining Acquisition Financing	2.0	3-6 months	Mandated
Transportation Services	1.0	1-3 months	Mandated
Residential Real Estate Development #1	1.0	1-3 months	Mandated
Residential Real Estate Development #2	2.0	3-6 months	Mandated
Commercial Real Estate Development	2.0	6-9 months	Mandated
Gas distribution firm	3.3	3-6 months	Mandated
Manufacturing and Distribution Financing	1.0	3-6 months	Prospecting
Refinancing Distribution Company	2.0	3-6 months	Prospecting
Manufacturing & Distribution	3.5	3-6 months	Prospecting
Various Other Projects Below US\$1M	7.0	6-9 months	Prospecting
Equipment Distribution	2.4	3-6 months	Prospecting
Total	31.4		

The Company currently has a robust pipeline of US\$31.4 million in deals to finance, of which US\$3.2 million has been approved, US\$12.3 million has been mandated, and US\$15.9 million are at various stages of prospecting. As such, the Company is in the process of conducting an initial public offering that is expected to increase its capitalization and hence its capacity to fulfill its mandate to provide financing solutions to Medium-Sized Firms.

10. FINANCIAL STATEMENTS

**SYGNUS CREDIT INVESTMENTS LIMITED
AUDITED FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 2017**



KPMG

204 Johnsons Centre

#2 Bella Rosa Rd

Gros Islet

Saint Lucia

Telephone: (758) 453 2298

Email: ecinfo@kpmg.lc

INDEPENDENT AUDITORS' REPORT

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Sygnus Credit Investments Limited ("the Company"), set out on pages 4 to 28, which comprise the statement of financial position as at December 31, 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

KPMG, a Barbados and Eastern Caribbean partnership, registered in Barbados, Antigua and Barbuda, Saint Lucia and St. Vincent and the Grenadines, and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
SYGNUS CREDIT INVESTMENTS LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 achieves fair presentation.

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

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

Chartered Accountants
Saint Lucia

April 6, 2018

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Financial Position

December 31, 2017

(Expressed in United States dollars)

	<u>Notes</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	5	226,809
Securities purchased under resale agreements	6	4,639,845
Interest receivable		253,420
Due from related company	7	25,000
Investments	8	<u>11,557,694</u>
Total Assets		<u>\$16,702,768</u>
LIABILITIES		
Accounts payable and accrued liabilities	9	30,362
Due to related company	7	<u>16,000</u>
Total Liabilities		<u>46,362</u>
SHAREHOLDERS' EQUITY		
Share capital	10	15,714,856
Fair value reserve	11	280,695
Retained earnings		<u>660,855</u>
Total Shareholders' Equity		<u>16,656,406</u>
Total Liabilities and Shareholders' Equity		<u>\$16,702,768</u>

The financial statements on pages 4 to 28 were approved by the Board of Directors on April 6, 2018 and signed on its behalf by:

 Director
Mike Johnson

 Director
Damian Chin

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

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Six months ended December 31, 2017
(Expressed in United States dollars)

	<u>Notes</u>	<u>2017</u>
Income		
Interest income	12	493,068
Commission income		7,500
Net foreign exchange gains		<u>247,705</u>
		<u>748,273</u>
Expenses		
Accounting fees		10,545
Audit fees		20,000
Bank charges		2,009
Registration fees		11,197
Directors' fees and related expenses		10,803
Irrecoverable withholding tax		11,504
Professional fees		<u>21,360</u>
		<u>87,418</u>
Profit for the period		660,855
Other comprehensive income		
Items that are or may be subsequently reclassified to profit or loss:		
Unrealised gains on available-for-sale investments,		
being total other comprehensive income		<u>280,695</u>
Total comprehensive income for the period		<u>\$941,550</u>
Earnings per share (cents)	13	<u>0.01¢</u>

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

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Changes in Equity
Six months ended December 31, 2017
(Expressed in United States dollars)

	Share capital (note 10)	Fair value reserve (note 11)	Retained earnings	Total
Total comprehensive income				
Profit for the period	-	-	660,855	660,855
Other comprehensive income				
Unrealised gains on available- for-sale investments, being total other comprehensive income	-	<u>280,695</u>	-	<u>280,695</u>
Total comprehensive income for the period	-	<u>280,695</u>	<u>660,855</u>	<u>941,550</u>
Transaction with owners				
Issue of ordinary shares	<u>15,714,856</u>	-	-	<u>15,714,856</u>
Balances at December 31, 2017	<u>\$15,714,856</u>	<u>280,695</u>	<u>660,855</u>	<u>16,656,406</u>

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

SYGNUS CREDIT INVESTMENTS LIMITED

Statement of Cash Flows

Six months ended December 31, 2017*(Expressed in United States dollars)*

	<u>Notes</u>	<u>2017</u>
Cash flows from operating activities		
Profit for the period		660,855
Adjustments for:		
Interest income	12	(493,068)
Unrealised foreign exchange gains		(247,705)
		(79,918)
Increase in operating assets:		
Due from related company	7	(25,000)
Increase in operating liabilities:		
Accounts payable and accrued liabilities		30,362
Due to related company	7	<u>16,000</u>
Net cash used in operating activities		(58,556)
Cash flows from investing activities		
Investments, net		(11,167,438)
Securities purchased under resale agreements, net		(4,482,479)
Interest income received		<u>230,817</u>
Net cash used in investing activities		(15,419,100)
Cash flows from financing activities		
Proceeds from issue of shares	10	16,023,045
Transaction costs associated with shares issued	10	(308,189)
Net cash provided by financing activities		<u>15,714,856</u>
Net increase in cash and cash equivalents		237,200
Effects of foreign exchange gain on cash and cash equivalents		(10,391)
Cash and cash equivalents at the end of period	5	<u><u>226,809</u></u>

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

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements
Six months ended December 31, 2017
(Expressed in United States dollars)

1. The Company

Sygnus Credit Investments Limited ("the Company") was incorporated in Saint Lucia on January 13, 2017 under the International Business Companies Act as an International Business Company ("IBC"). Its registered office is located at McNamara Corporate Services Inc., 20 Micoud Street, Castries, Saint Lucia.

The investment portfolio of the Company is managed and administered by Sygnus Capital Management Limited ("SCM"), a related company incorporated in the Cayman Islands under the Cayman Companies Act (the "Act") and registered with the Cayman Islands Monetary Authority ("CIMA") as an Exempt Investment Management Company. No management fee was charged by SCM during the period.

The Company is a specialty private credit investment company, dedicated to providing non-traditional financing to medium-sized firms across the Caribbean region. Non-traditional forms of credit are more customized and flexible than traditional financing. The Company offers an alternative channel through which medium-sized firms, which are typically underserved by traditional forms of financing, can access capital to drive their expansion and growth.

The Company has no employees.

The Company elected, under section 109 of the International Business Companies Act, to be liable to income tax at a tax rate of 1% per annum.

The Company started operations on July 1, 2017. Consequently, these financial statements are for the six months ended December 31, 2017.

2. Statement of compliance and basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Amended standards that became effective during the period

Certain new and amended standards came into effect during the financial period under review. The adoption of the amendments did not have any significant impact on the Company's financial statements.

New and amended standards issued but not yet effective

Certain new and amended standards and interpretations have been issued which are not yet effective for the current period and which the Company has not early-adopted. The Company has assessed them and determined that the following are relevant:

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

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

(a) **Statement of compliance (continued)**

New and amended standards issued but not yet effective (continued)

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

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset’s credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for short-term receivables without a significant financing component.

The Company believes that impairment losses are likely to increase and become more volatile for assets in the scope of IFRS 9 impairment model. However, the Company is still in the process of determining the likely financial impact on its financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

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

(a) **Statement of compliance (continued)**

New and amended standards issued but not yet effective (continued)

• *IFRS 9 Financial Instruments* (continued)

IFRS 9 will require extensive disclosures, in particular for credit risk and ECLs. The Company's assessment included an analysis to identify data gaps against current processes and the Company is in the process of implementing the system and controls changes that it believes will be necessary to capture the required data.

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as follows:

- The Company will take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement as well as impairment changes. Differences in the carrying amounts of financial instruments resulting from the adoption of IFRS 9 will generally be recognized in retained earnings and reserves as at January 1, 2018.
- The Company will determine the business model which a financial asset is held on the facts and circumstances that exist at the date of initial application.
- *IFRS 15, Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31, *Revenue-Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

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

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

The Company has conducted a preliminary assessment in order to determine the qualitative and quantitative impacts of the implementation of the standard. The Company does not expect a material impact due to the transition to IFRS 15. However, management has not yet completed its assessment.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

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

(a) **Statement of compliance (continued)**

New and amended standards issued but not yet effective (continued)

- IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities.

The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short-term leases and for low-value items with value of US\$5,000 or less.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

The Company is assessing the impact that this new standard will have on its 2019 financial statements.

- Amendments to IFRS 9, *Financial Instruments*, effective retrospectively for annual periods beginning on or after January 1, 2019 clarifies the treatment of:

(i) Prepayment features with negative compensation

Financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.

(ii) Modifications to financial liabilities

If the initial application of IFRS 9 results in a change in accounting policy arising from modified or exchanged fixed rate financial liabilities, retrospective application is required, subject to particular transitional reliefs. There is no change to the accounting for costs and fees when a liability has been modified, but not substantially. These are recognised as an adjustment to the carrying amount of the liability and are amortised over the remaining term of the modified liability.

The Company is assessing the impact that the amended standard will have on its 2019 financial statements.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

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

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for available-for-sale financial assets, which are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States dollars, which is the functional currency of the Company.

(d) Use of estimates and judgement

The preparation of financial statements in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of, and disclosures relating to, assets and liabilities at the date of the financial statements and the reported amounts of income, expenses, gains and losses for the period then ended. Actual results could differ from these estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3.

3. Accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key sources of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustment in the next year, is as follows:

Fair value of financial assets:

As described in note 14, management uses its judgement in selecting appropriate valuation techniques to determine fair values of financial assets.

In the absence of quoted market prices, the fair value of a significant proportion of the Company's financial instruments was determined using a generally accepted alternative to quoted market prices. Considerable judgement is required in interpreting market data to arrive at estimates of fair values. Consequently, the estimates arrived at may be significantly different from the actual price of the instrument in an arm's length transaction.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*4. Significant accounting policies**(a) Cash and cash equivalents**

Cash and cash equivalents are measured at cost and comprise cash at bank.

(b) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures*, as the “reporting entity”, that is, the Company.

A) A person or a close member of that person’s family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company.

B) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group of companies (which means that each parent, subsidiary and fellow subsidiary is related to the other).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of companies of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of companies of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

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

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

4. Significant accounting policies (continued)

(c) Revenue recognition

(i) Interest income

Interest income is recognised in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently.

(ii) Commission

Commission income is recognised on the accrual basis when the related services have been provided.

(d) Securities purchased under resale agreements

Securities purchased under resale agreements ("Resale agreements") are short-term transactions whereby securities are bought with simultaneous agreements to resell the securities on a specified date and at a specified price. Resale agreements are accounted for as short-term collateralised lending and are carried at amortised cost.

The difference between the purchase and resale considerations is recognised on the accrual basis over the period of the agreement, using the effective interest method, and is included in interest income.

(e) Foreign currency transactions and balances

Assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date.

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Realised and unrealised gains and losses arising from fluctuations in exchange rates are included in profit or loss.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, securities purchased under resale agreements, investments and due from related company. Financial liabilities include accounts payable and accrued liabilities and due to related company.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)
Six months ended December 31, 2017
(Expressed in United States dollars)

4. Significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Classification:

Management determines the classification of investments at the time of acquisition and takes account of the purpose for which the investments were acquired. Investments are classified as available-for-sale investments.

Loans and receivables are those created or acquired by the Company, with fixed or determinable payments and are not quoted in an active market. Loans and receivables comprise cash and bank balances, securities purchased under resale agreements and due from related company.

Available-for-sale securities are financial assets that are so designated by the Company.

Non-derivative financial liabilities are classified as other financial liability.

(ii) Recognition:

The Company initially recognises, securities purchased under resale agreements and debt securities on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual terms of the instrument.

A financial asset or financial liability is measured initially at fair value, plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

(iii) Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

4. Significant accounting policies (continued)

(f) Financial instruments (continued)

(v) Measurement:

Financial assets classified as available-for-sale are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, they are measured at fair value. Unrealised gains and losses arising from changes in fair value, except for impairment losses, and foreign currency differences on debt instruments, are recognised in other comprehensive income and presented in fair value reserve in equity (see note 11). Where fair value cannot be reliably determined, they are stated at cost. Where these securities are disposed of or impaired, the related accumulated unrealised gains or losses are reclassified to profit or loss.

(vi) Identification and measurement of impairment:

The carrying amounts of the Company's financial assets are reviewed at each reporting date to determine whether there is objective evidence that financial instruments not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and the loss event has an impact on the future cash flows of the asset that can be estimated reliably. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Objective evidence that financial assets are impaired include default or delinquency by a borrower, the disappearance of an active market for a security, adverse changes in the payment status of the borrowers or issuers, indications that a debtor or issuer will enter into bankruptcy or observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risks.

In assessing collective impairment, the company uses historical information of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

4. Significant accounting policies (continued)

(f) Financial instruments (continued)

(vi) Identification and measurement of impairment (continued):

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by reclassifying the cumulative loss that has been recognised in the fair value reserve to profit or loss. The cumulative loss that is reclassified is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(vii) Fair value measurement:

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*4. Significant accounting policies (continued)**(f) Financial instruments (continued)****(vii) Fair value measurement (continued):**

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

(g) Taxation

The Company is subject to tax at 1% of its taxable income in Saint Lucia. Taxation on the profit or loss for the period comprises current and deferred taxes. Current and deferred taxes are recognised as tax expense or benefit in profit or loss.

(i) Current taxation

Current tax charges are based on the taxable profit for the period, which differs from the profit before tax reported because they exclude items that are taxable or deductible in other periods, and items that are never taxable or deductible. The current tax is calculated at tax rates that have been enacted at the reporting date.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*4. Significant accounting policies (continued)**(g) Taxation (continued)****(ii) Deferred tax**

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised. Deferred tax assets are reviewed at each reporting date to determine whether it is probable that the related tax benefit will be realised.

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

(h) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are measured at amortised cost.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

5. Cash and cash equivalents

Cash and cash equivalents comprise savings accounts and a non-interest bearing operating account at commercial banks in Jamaica and Saint Lucia.

6. Securities purchased under resale agreements

	<u>2017</u>
Denominated in United States dollars (a)	3,627,824
Denominated in Jamaica dollars (b)	<u>1,012,021</u>
	<u>\$4,639,845</u>

(a) These instruments earn interest between 4.00% and 4.15% and mature within 3 months from the reporting date.

(b) These instruments earn interest at 3.85% and mature within 3 months from the reporting date.

At December 31, 2017, the fair value of the underlying collateral of the resale agreements approximated their carrying values due to their short-term nature.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*7. Related party balances and transactions

(a) Identity of related parties:

The company has related party relationships with its directors, shareholders, fellow subsidiaries, and other key management personnel.

(b) The statement of financial position includes the following balances with related parties in the ordinary course of business as follows:

	<u>2017</u>
	\$
Due from related company:	
Sygnus Capital Limited	25,000
Due to related company:	
Sygnus Capital Management Limited	<u>16,000</u>

These balances are unsecured, interest free and repayable on demand.

(c) The statement of profit or loss and other comprehensive income includes expenses incurred in transactions with related parties in the ordinary course of business as follows:

	<u>2017</u>
Directors' fees and related expenses	<u>\$10,803</u>

8. Investments2017**Available-for-sale investments**

Preference shares (a)	6,954,315
Commodity resale agreements (b)	<u>4,603,379</u>
	<u>\$11,557,694</u>

(a) This represents two (2) convertible preference shares maturing in three to five years.

(b) The commodity resale agreements will mature within one year from the reporting date. This includes investments located principally in certain member and associate member states of CARICOM.

9. Accounts payables and accrued liabilities2017

Audit fee payable	20,000
Directors' fees payable	4,625
Other payables	<u>5,737</u>
	<u>\$30,362</u>

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*10. Share capital2017

Authorised capital:

- (i) Unlimited ordinary shares
- (ii) One(1) special share of US1

Issued and fully paid:

159,269,523 ordinary shares 16,023,045

Less: transaction costs of share issues (308,189)\$15,714,856

Sygnus Capital Management Limited, a related company, holds 1 special share and 5.4 million ordinary shares in the Company. The remaining ordinary shares are held by private investors.

No dividends were paid during the period.

11. Fair value reserve

This represents the unrealised gains on available-for-sale investments.

12. Interest income2017

Resale agreements 121,422

Investments 369,319

Bank balances 2,327\$493,06813. Earnings per share

Earnings per stock unit is calculated by dividing the profit attributable to stockholders, by the weighted average number of ordinary share in issue.

2017Profit attributable to stockholders \$ 660,855Weighted average number of ordinary share in issue 64,503,985Basic earnings per share (cents) 0.01¢14. Fair value of financial instruments

The amounts included in the financial statements for cash and cash equivalents, securities purchased under resale agreements, accounts payable and accrued liabilities, and due to/from related companies reflect the approximate fair values because of short-term maturity of these instruments.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017

(Expressed in United States dollars)

14. Fair value of financial instruments (continued)

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. These two types of inputs have created the following fair value hierarchy:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets that are considered less than active or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and those inputs have a significant effect on the instrument valuation. This category includes instruments that are valued based on prices for similar instruments for which significant adjustments or assumptions are made to reflect differences between the instruments.

Accounting classification and fair values:

The Company's investments measured at fair value are classified at Level 3 in the fair value hierarchy. There were no transfers between levels during the period.

The valuation techniques used in measuring fair value in Level 3 hierarchy is detailed below, as well as the significant unobservable inputs used.

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Preference shares	<ul style="list-style-type: none"> • Adjusted profit of the issuer(s) based on probability of achievement. • Risk-adjusted discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Adjusted profit was higher/(lower) • The cost of debt was (higher)/lower • The cost of debt was (higher)/lower • Interest rate changes
Commodity repurchase agreements	<ul style="list-style-type: none"> • Estimated cash flows • Risk-adjusted discount rate 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Estimated cash flows declined • Interest rate changes

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*15. Financial risk management

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

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Cash flow risk

The Board of Directors, together with management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board's risk management mandate is carried out through the following committees:

(i) Audit & Governance Committee

The Company has established an Audit & Governance Committee. The primary purpose of this Committee is to assist the Board in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with the Board, the Enterprise Risk Committee, the Company's management and the Company's external auditors. The Committee will play a key role in corporate governance and internal controls. The Committee is also responsible for assisting the Board of Directors and management in its compliance with regulatory requirements.

(ii) Credit and Risk Management Committee

The Company has delegated the management of credit risk to the Credit Risk and Investment Committee ("CRIC"), a sub-committee of the Board of the Investment Manager. The committee is responsible for the overall risk management function of the Company and is responsible for all credit and investment decisions relating to the Company's investment portfolio. This committee consists of three members, two of whom are independent of the Company, including the Chairman, appointed by the Investment Manager's Board of Directors. The Committee reviews and approves all investment recommendations and also determines the level conditions that will be attached to each investment.

In addition to CRIC, the Company has also established an Enterprise Risk Committee. This Committee is accountable to the Board and assists the Board in providing leadership, direction, and oversight pertaining to the Company's risk governance and framework, including the Company's risk appetite statement and risk limits and tolerances ("Risk Appetite Statement"). The Committee also assists the Board to foster a culture within the Company that demonstrates the benefits of a risk-based approach to risk management and internal controls. The Committee works closely with the Audit & Governance Committee.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*15. Financial risk management (continued)**(iii) Investment Advisory Committee**

The Investment Advisor has established an Investment Advisory Committee ("IAC"), which is responsible for analyzing and recommending all investment and credit proposals to the Credit Risk and Investment Committee and monitoring the performance of the Company's investment portfolio. This committee consists of 3 members who were appointed by the Investment Advisor's Board of Directors. The CEO of the Investment Advisor was appointed as the Chairman of the IAC.

The Company's risk management policies are established to identify and analyze the risks faced by the Company in order to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of a financial loss arising from a counter-party to a financial contract failing to discharge its obligations. The Company manages this risk by establishing policies for granting credit and entering into financial contracts. The Company's credit risk is concentrated, primarily, in cash and bank balances, securities purchased under resale agreements, investments and due from related company.

Exposure to credit risk:

The maximum credit exposure, the total amount of loss the Company would suffer if every counter-party to the Company's financial assets were to default at once, is represented by the carrying amount of financial assets shown on the statement of financial position:

- (i) Cash and bank balances are held with financial institutions and collateral is not required for such accounts, as management regards the institutions as strong.
- (ii) The Company manages credit risk related to amounts due from related entities by limiting exposure to specific counterparties and by monitoring settlements.
- (iii) Securities purchased under resale agreements and investments expose the Company to credit losses as there is a risk that the counterparty will fail to fulfill its contractual obligations. The Company manages this risk by contracting only with counterparties that management considers to be financially sound.

Credit quality:

As at December 31, 2017, the Company's investments were neither past due nor impaired.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*15. Financial risk management (continued)**(i) Credit risk (continued)***Credit quality (continued):*

An analysis of the concentration of credit risk from its investments is as follows:

<u>Industry</u>	<u>2017</u>
Distribution	4,603,379
Manufacturing	3,866,725
Energy	3,087,590
Financial	<u>4,639,845</u>
	<u>\$16,197,539</u>

(ii) Liquidity risk

Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. The Company generally makes investments in financial instruments issued by private companies, substantially all of which are otherwise less liquid than publicly traded securities. These investments are intended to be held until maturity. The illiquidity of these investments may make it difficult for the Company to sell or dispose of such investments in a timely manner at or close to fair value, if the need arises.

In addition, the Company faces liquidity risk in the form of funding risk. This is the risk that the Company may encounter difficulty in raising funds to meet commitments associated with its investment portfolio companies. Maturities of assets and liabilities, and the ability to replace, at an acceptable cost, interest bearing liabilities as they mature, are important factors in assessing the liquidity of the Company and its exposure to changes in interest rates and exchange rates.

The Company is not subject to any externally imposed liquidity requirements.

The Company maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

Financial liabilities, are due to be settled within three months at their measurement values.

(iii) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*15. Financial risk management (continued)**(iii) Market risk (continued)**

Such risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices, such as foreign exchange and interest rates. The market risk arising from investment activities is reviewed and assessed by the Investment and Advisory Committee and the Credit and Risk Investment Committee. Investment transactions are monitored by the Board of Directors.

The elements of market risk that affect the Company are as follows:

(a) Foreign currency risk

Foreign currency risk is the risk that the market value of, or future cash flows from, financial instruments will vary because of exchange rate fluctuations. The Company incurs foreign currency risk on transactions that are denominated in currency other than the United States dollar. The currency giving rise to this risk is the Jamaica dollar.

The exposure to foreign currency risk at the statement of financial position date was as follows:

	<u>JM\$</u>	<u>US\$ equivalent</u>
Foreign currency assets:		
Cash and bank balances	13,512,200	109,313
Long-term notes	480,633,898	3,888,309
Short-term notes	75,000,000	606,747
Securities purchased under resale agreements	<u>125,794,277</u>	<u>1,017,671</u>
	<u>694,940,375</u>	<u>5,622,040</u>

Exchange rates, in terms of Jamaica dollars, were as follows:

	J\$ value of US\$1
At December 31, 2017:	<u>123.61</u>

Sensitivity analysis

A 4% weakening of the Jamaica dollar against the United States dollar would have decreased profit by US\$216,232, assuming all other variables remained constant. A 2% strengthening of the Jamaica dollar against the United States dollar would have increased profit by US\$114,736.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*15. Financial risk management (continued)**(iii) Market risk (continued)****(b) 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. The Company takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company manages this risk by monitoring interest rates daily. Even though there is no formally predetermined gap limits, to the extent judged appropriate, the maturity profile of the financial assets is matched with that of the financial liabilities. Where gaps occur, management expects that its monitoring will, on a timely basis, identify the need to take quick action to close a gap, if it becomes necessary.

Management of interest rate risk

Interest rate risk exposure is measured using sensitivity analysis. Interest rate risk is managed by utilising derivative instruments where necessary and maintaining an appropriate mix of variable and fixed rate instruments.

At the reporting date the interest rate profile of the company's interest bearing financial instrument was:

	<u>Carrying value</u>
	<u>2017</u>
	\$
Variable rate instruments:	
Assets	<u>226,809</u>
Fixed rate instruments:	
Assets	<u>16,197,540</u>

Interest rate sensitivity analysis

Interest rate sensitivity has been determined based on the exposure to interest rates for the Company's investments, resale agreements and bank balances. These are substantially the interest sensitive instruments impacting the Company's financial results. For floating rate assets, the analysis assumes the amount of asset outstanding at the statement of financial position date was outstanding for the whole period. A 100 basis point increase or 100 basis point decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

SYGNUS CREDIT INVESTMENTS LIMITED

Notes to the Financial Statements (Continued)

Six months ended December 31, 2017*(Expressed in United States dollars)*15. Financial risk management (continued)**(iii) Market risk (continued)****(b) Interest rate risk (continued)***Interest rate sensitivity analysis (continued)*

If market interest rates had been 100 basis points higher or lower and all other variables were held constant, the effect on the Company's profit would have been as follows:

	<u>2017</u>
	\$
Effect on profit	
Increase 100 basis points	<u>2,268</u>
Effect on profit	
Decrease 100 basis points	<u>(2,268)</u>

(iv) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate because of changes in market interest rates. The Company manages this risk through budgetary measures, ensuring, as far as possible, that fluctuations in cash flows relating to monetary financial assets and liabilities are matched, to mitigate any significant adverse cash flows

16. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optional capital structure to enable investments in additional portfolio companies. The Company may utilise leverage and may borrow up to 50% of its total assets to fund investments in additional portfolio companies. There was no other externally imposed capital requirement.

The Company's approach to capital management is monitored by the Board of Directors.

17. Subsequent event

The Company has indicated its intention, to have an Initial Public Offering by the end of April 30, 2018, to offer 90,909,091 ordinary shares, with the intention to raise US\$10 million from the market. The split will be between two classes of shares issued in Jamaican and US dollars. Both classes of shares will be listed separately on the Jamaica Stock Exchange.

11. MANAGEMENT, ADMINISTRATION & CORPORATE GOVERNANCE

The Board

11.1 The Articles of Association of SCI provides for a Board of Directors of not more than nine (9) persons. The current Board comprises seven (7) Directors. The Board of Directors is responsible for (i) the strategic direction of SCI which involves setting its business objectives and the plans for achieving them; (ii) execution of the approved business objectives through adequate management and resources; (iii) monitoring the performance of the Company's investment Portfolio with a view to achieving the strategic objectives and ensuring compliance with all applicable legal and regulatory regimes; and (iv) due and proper accounting to all stakeholders of SCI including in particular, the stockholders.

11.2 Brief Particulars of the current Directors are set out below.

Clement Wainwright Iton, <i>B.Sc., M.B.A</i> <i><u>Independent Chairman</u></i> <i>(appointed July 1, 2017)</i>	Former Chief Executive Officer of the Trinidad and Tobago Securities and Exchange Commission (TTSEC); Former Chief Executive Officer of the Trinidad and Tobago Stock Exchange (TTSE); Former General Manager of the Jamaica Stock Exchange (JSE); Former Project Manager and Corporate Planning Analyst at Grace Kennedy.
Ike Johnson, PhD, CFA <i><u>Non-executive Director</u></i> <i>(appointed January 13, 2017)</i>	Managing Director of Sygnus Capital Management. Chief Operating Officer and Head of M&A Advisory and Strategy at Sygnus Capital Limited. Former Assistant VP of Business Analytics and Product Development at Scotia Investments Jamaica; former Senior Strategy Management Officer and former Market Risk Analyst at JMMB Group.
Nakita Edwards, CFA, FCCA, CPA <i><u>Non-executive Director</u></i> <i>(appointed July 1, 2017)</i>	Nakita Edwards is a Tax, Accounting, Audit, Finance and Development Specialist with experience working throughout the Caribbean with a variety of private sector companies, state corporations and statutory bodies in various industries. She is also a director and Co-founder of DCIC Professional Services.
Ian Williams, B.Sc., M.B.A	Ian Williams is currently the President and CEO of ZNW Management and Consultancy Limited. Ian works with

<p><u>Non-executive Director</u></p> <p>(appointed July 1, 2017)</p>	<p>companies that do not have a presence across the Caribbean market to help establish new relationships and sales in the region. Previously, Ian worked with CIBC FirstCaribbean International Bank (FCIB) for 15 years primarily within Treasury. Prior to leaving the FCIB Ian was the Director and Head of Foreign Exchange Sales.</p>
<p>Damian Chin, B.A., M.Sc.</p> <p><u>Non-executive Director</u></p> <p>(appointed November 9, 2017)</p>	<p>Damian is currently the Deputy Director, Finance and Planning at Sandals Resort International. Previously he was a consultant at Paul Chen Young & Associates and a Financial Analyst at First Fidelity Bank in New Jersey.</p>
<p>Peter Thompson, CFA, M.Sc.</p> <p><u>Non-executive Director</u></p> <p>(appointed November 9, 2017)</p>	<p>Peter is a Senior Investment Manager, Pension and Client Portfolios at JMMB Ltd where he is responsible for the build out of the process and structures for the management and service delivery for client portfolios of JMMB. Previously he was Manager, Group Product Portfolio and Business Development Manager JMMB Ltd.</p>
<p>Hope Fisher, B.Sc.</p> <p><u>Non-executive Director</u></p> <p>(appointed February 16, 2018)</p>	<p>Hope Fisher is a Civil Servant with the Ministry of Labour & Social Security where she is currently the Director of the Bond Portfolio at the National Insurance Fund ("NIF"). She has responsibility for monitoring of the fixed income portfolio and developing the strategy to capitalise on investment opportunities.</p>

The Management

11.3 Brief Particulars of the Management of the Company is set out below:

<p>MCSI Inc.</p> <p><u>Company Secretary</u></p>	<p>MCSI Inc. ("MSCI") is a company incorporated under the laws of St. Lucia. MSCI has provided corporate services to the Company since its incorporation pursuant to a Secretary Agreement dated January 13, 2017.</p>
<p>Sygnus Capital Management Limited</p> <p><u>Investment Manager</u></p>	<p>Sygnus Capital Management Limited ("SCM") was incorporated on November 22, 2016 under the laws of the Cayman Islands. It is a wholly owned subsidiary of Sygnus Capital Group Limited, an International Business Company incorporated under the laws of St. Lucia. SCM is an exempt investment management company registered with the Cayman Islands Monetary</p>

	<p>Authority.</p> <p>SCM sponsors and actively manages private credit investment companies which invest in medium sized companies across the Caribbean region using non-traditional credit instruments.</p> <p>SCM also provides customized international portfolio management and administration services on a discretionary and non-discretionary basis to corporate and high net worth clients. These services include derivative and portfolio hedging solutions, international private credit investment solutions, traditional fixed income solutions, and capital appreciation solutions including international stocks and listed funds.</p> <p>SCM is the asset manager of Sygnus Group’s non-traditional asset portfolios. SCM’s first non-traditional investment offering is Sygnus Credit Investments Limited (the Company). SCM is a shareholder in the Company.</p>
<p>Sygnus Capital Limited <u>Investment Advisor</u></p>	<p>Sygnus Capital Limited (“SCL”) was appointed Investment Advisor to SCM and as such provides investment advisory services in relation to SCI’s Investment portfolio. SCL was incorporated on June 20, 2016 under the laws of Jamaica. It is a wholly owned subsidiary of Sygnus Capital Group Limited and an affiliate of SCM. SCL is a non-traditional financial solutions firm operated by a group of experienced bankers and reputable Caribbean entrepreneurs. SCL is licensed as a securities dealer by the FSC and is focused on providing Caribbean clients with independent needs based investment banking and investment management solutions.</p>

The Management Arrangement

11.4 The Company will operate as a special purpose investment company. As such it will not need any permanent management staff or employees. Instead, the Investment Manager will provide management services and operational oversight of the business and affairs of SCI. The foregoing services are being provided under the Investment Management Agreement, details of which are outlined in Section 11.13 to 11.16. Pursuant to its powers under the Investment Management Agreement, SCM has appointed its affiliate company, Sygnus Capital Limited, as Investment Advisor in relation to the Company’s Portfolio.

11.5 Details of the Directors of the Investment Manager (Sygnus Capital Management Limited) are set out below:

<p>Walter H. Scott, Q.C. <u>Independent Chairman</u> (appointed February 1, 2017)</p>	<p>Senior Partner and Managing Partner at Rattray Patterson Rattray. Crown Counsel, Office of Director of Public Prosecution; former Partner of Messrs. Grant, Stewart, Phillips & Co., Attorneys-at-law; founding Partner of Chancellor & Co, Attorneys-at-Law; member of the Jamaican Bar Association, Commonwealth Lawyers Association and Advocates Association of Jamaica; Chairman of Casino Gaming Commission; Director of University Hospital of the West Indies; former Chairman of Betting Gaming & Lotteries Commission; former Chairman of Private Security Regulations Authority; former Director of the Board of the Petroleum Corporation of Jamaica; specializes in commercial, civil and criminal (white collar) litigation, mining, libel, labour and gaming law.</p>
<p>Milton Brady, B.A., M.B.A <u>Non-executive Director</u> (appointed July 1, 2017)</p>	<p>Milton currently works as a Senior Advisor with Pan American Finance, where he uses his experience to provide advice and counsel to businesses and governments in the Caribbean region. Some roles that Milton has held includes: Director and Global Head of Credit at SEB Merchant Banking (Sweden); President of SEB, New York (USA); Managing Director, Corporate and Investment Banking at CIBC FirstCaribbean (Barbados); Managing Director, CIBC FirstCaribbean (Jamaica); Chief Commercial Officer, LIME (formerly Cable & Wireless Caribbean); and Chief Risk Officer, NCB Group (Jamaica).</p>
<p>Simon Cawdery, CFA <u>Non-executive Director</u> (appointed February 13, 2017)</p>	<p>Non Executive Director, HLX Management/IPAF Group, Cayman. Founder/Director Helix Group, Cayman. Former Head of Investment Strategy/Senior Portfolio Manager at EFG Bank, Cayman. Former Head of Discretionary Investments/Senior Portfolio Manager at Butterfield Bank, Cayman. Former Credit Analyst at Barclays, UK.</p>
<p>Ike Johnson, PhD, CFA <u>Managing Director</u> (appointed June 26, 2017)</p>	<p>See Section 11.2</p>
<p>Jason Morris, CFA, M.Sc. <u>Executive Director</u></p>	<p>Chief Investment Officer and Head of Investment Management at Sygnus Capital. Former VP of Business Analytics, Portfolio Advisory & Product Development at Scotia Investments</p>

<i>(appointed November 22, 2016)</i>	Jamaica; former Senior Investment Strategist & Portfolio Manager, and former Sovereign Risk Analyst at JMMB Group.
Clement Wainwright Iton , <i>B.Sc., M.B.A</i> <u><i>Non-executive Director</i></u> <i>(appointed July 1, 2017)</i>	See Section 11.2
Winston Connolly, B.B.A., LL.B <u><i>Non-executive Director</i></u> <i>(appointed July 1, 2017)</i>	Winston is the Managing Partner of Lainston International Management (Cayman) Ltd., a boutique firm providing a range of fiduciary services in the Cayman Islands. He is a former associate at Walkers and Maples and Calder where he specialised in investment funds. He recently served as a Member of the Legislative Assembly of the Cayman Islands; prior to which, he was an equity Partner of High Water Ltd.

11.6 Details of the Board and Senior Management of the Investment Advisor (Sygnus Capital Limited) are set out below:

Walter H. Scott, Q.C. <u><i>Independent Chairman</i></u> <i>(appointed February 1, 2017)</i>	See Section 11.5
Milton Brady, B.B.A., M.B.A <u><i>Non-executive Director</i></u> <i>(appointed February 13, 2017)</i>	See Section 11.5
Ike Johnson, PhD, CFA <u><i>Executive Director</i></u> <i>(appointed June 20, 2016)</i>	See Section 11.2

<u>Chief Operating Officer and Head of M&A Advisory and Strategy</u>	
Jason Morris, CFA, M.Sc. <u>Executive Director</u> (appointed June 20, 2016) <u>Chief Investment Officer and Head of Investment Management</u>	See Section 11.5
Berisford Grey, M.B.A, M.Sc. <u>Executive Director</u> (appointed February 13, 2017) <u>Chief Executive Officer and Head of Investment Banking</u>	Chief Executive Officer and Head of Investment Banking at Sygnus Capital. Former Managing Director of Corporate & Investment Banking at CIBC FCIB, largest regional bank in the Caribbean. Former SVP Origination and Capital Markets at Scotia Investments Jamaica where he established the capital markets as a strategic Business Unit within Scotia Investments.
Debra Spence, B.Sc., M.B.A <u>Non-executive Director</u> (appointed February 13, 2017)	Vice President Insurance Sales & Service at Scotiabank. Certified Business Coach with ActionCOACH Jamaica. Former VP of Small and Medium Enterprises at Scotiabank Jamaica. Former Centre Director, Scotia Private Client Group Jamaica. Former Wealth Director/Retail Sales Director at CIBC FCIB Jamaica. Former VP Wealth Management and Distribution at NCB Capital Markets Ltd.
Gassan Azan Jr. <u>Non-executive Director</u> (appointed October 13, 2016)	Founder, Chairman and Chief Executive Officer of Bascho Trading Company Ltd and MegaMart Wholesale Club. He is also Chief Executive Officer of Sizzling Slots and SMWS Games Ltd. Awarded Prime Minister's medal of appreciation in Jamaica. He is also a Justice of the Peace.

Corporate Governance

11.7 The Board of Directors of SCI will establish a tradition of best practices in corporate governance as a foundation for long-term success, while committing to internationally accepted standards and practices, including compliance with sound accounting practices. SCI recognizes the need to continuously upgrade its standards of corporate governance through a review process and therefore intends to adopt new standards as they evolve.

11.8 SCI will establish a Shareholder Oversight Committee (“SOC”) which will provide general oversight of the Company’s operations. The Committee will consist of 7 members appointed by the Company’s shareholders. Though not a sub-committee of the Board, SOC will be entitled to receive portfolio reports and raise concerns regarding the operation and management of the Company with the Investment Manager.

11.9 SCI has established an Audit & Governance Committee. The primary purpose of this Committee is to assist the Board in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with the Board, the Enterprise Risk Committee, the Company’s management and the Company’s external auditors. The Committee will play a key role in corporate governance and internal controls of SCI. The Committee is also responsible for assisting the Board of Directors and management in its compliance with regulatory requirements.

The Committee consists of three (3) independent non-executive directors, namely:

- (i) Nakita Edwards (Chair);
- (ii) Ian Williams; and
- (iii) Clement Wainwright Iton.

11.10 SCI has also established an Enterprise Risk Committee. This Committee is accountable to the Board and shall assist the Board in providing leadership, direction, and oversight pertaining to the Company’s risk governance and framework, including the Company’s risk appetite statement and risk limits and tolerances (“Risk Appetite Statement”). The Committee shall also assist the Board to foster a culture within the Company that demonstrates the benefits of a risk-based approach to risk management and internal controls. The Committee will work closely with the Audit & Governance Committee.

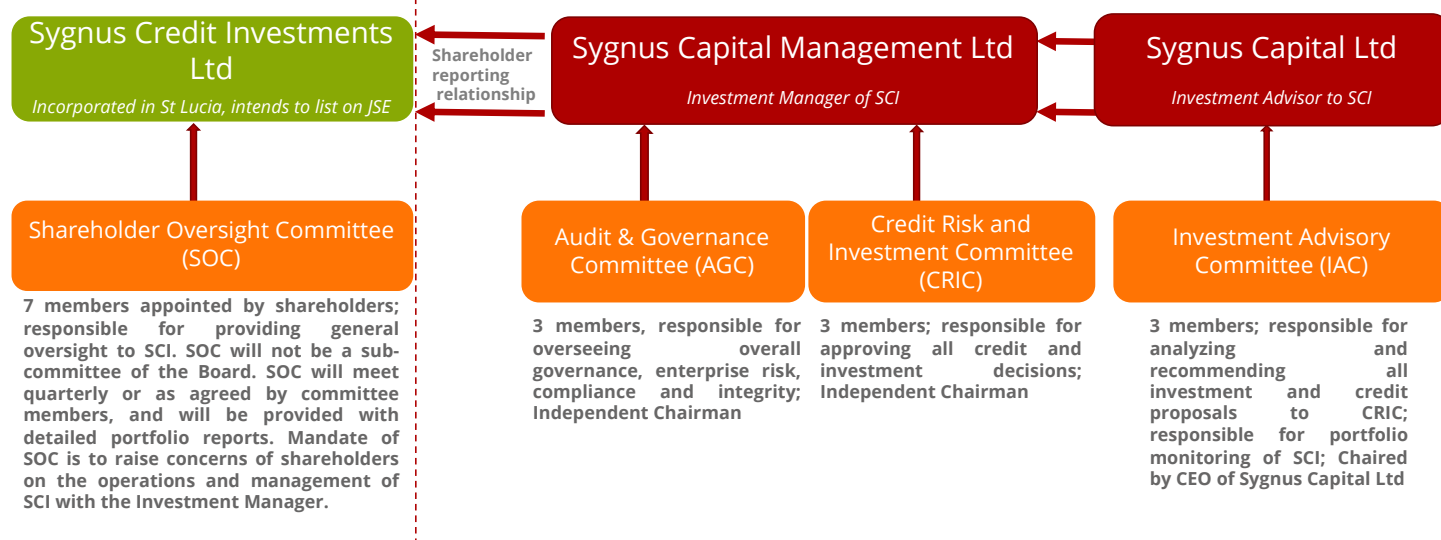
The members of the Enterprise Risk Committee are:

- (i) Damian Chin (Chair);
- (ii) Hope Fisher; and
- (iii) Peter Thompson.

11.11 The Investment Manager has established a Credit Risk and Investment Committee which is responsible for all credit and investment decisions relating to the Company’s investment portfolio. This committee consists of 3 members, two of whom are independent including the Chairman, appointed by the Investment Manager’s Board of Directors.

11.12 The Investment Advisor has established an Investment Advisory Committee which is responsible for analyzing and recommending all investment and credit proposals to the Credit Risk and Investment Committee and monitoring the performance of the Company’s investment

portfolio. This committee consists of 3 members who were appointed by the Investment Advisor's Board of Directors. The CEO of the Investment Advisor was appointed as the chairman of the Investment Advisory Committee.



Investment Management Agreement

11.13 The Company has entered into an Investment Management Agreement ("the IMA") with SCM whereby SCM is empowered to manage the day-to-day affairs of the Company subject to Articles of the Company and the instructions and directions of the Board. SCM provides non-exclusive Investment Management Services to its clients, including the Company. Under the IMA SCM will, *inter alia*, provide a variety of management and administrative services to SCI. These services include, but are not limited to, the following:

- i. provide or arrange all clerical, accounting and administrative functions and maintain or arrange for the maintenance of proper and complete books and records in connection with the management and administration of the affairs of SCI;
- ii. negotiate, enter into, and perform all contracts, agreements and other undertakings on behalf of the Company;
- iii. conduct day-to-day relations on behalf of the Company with other persons, including other service providers;
- iv. act as attorney-in-fact or agent of the Company in obtaining such services for the Company as may be required, including disbursing and collecting monies, arranging for the deposit of monies of the Company, paying the debts and fulfilling other obligations as they become due and handling, prosecuting and settling any claims of the Company;

- v. administer or supervise the administration on behalf of the Company for the payment of distributions from the Company to its Shareholders and supervise the processing and registration of subscriptions and transfers of Shares;
- vi. co-ordinate the preparation of accounting reports and financial statements by professionals and other service providers at the request and at the expense of the Company; and
- vii. any other duties normally carried out by an Administrator; and
- viii. pay on behalf of the Client, all expenses in connection with the foregoing as may be directed or approved by the Board.

11.14 SCM will be paid a management fee of 1.9% of assets under management ("AUM") and a performance fee of 15% of return on average equity above the hurdle rate of 6% (see Schedule A of the Investment Management Agreement for further details regarding the calculation of the management fee). The management fee will be paid monthly and the performance fee annually. The fees will be deducted from income received on behalf of the Company. The Investment Manager will bear its own operating and overhead expenses attributable to its duties. Other expenses incurred by the Investment Manager in the management of SCI's affairs such as service provider, legal fees and travelling expenses shall be borne by the Company and will be deducted from SCI's income or other funds in hand.

The fees payable to the Investment Manager may be reduced by a shareholders' resolution if:

- a) the Company fails to make an invitation to redeem Shares at certain time intervals; or
- b) fails to redeem shares which it is obliged to redeem pursuant to any invitation,

and such failure was not caused by a Material Adverse Event (as defined in Section 1). If such a resolution is passed by a simple majority vote, the reduction of the management fee will take effect. Any reduction in the fee payable to the Investment Manager will cease to have effect once the relevant Shares are redeemed (see Section 4.13 for further information).

11.15 SCM has contracted with an affiliated company, Sygnus Capital Limited ("the Investment Advisor"), to provide investment advisory services to SCM in relation to client investment portfolios held by SCM. These services include but are not limited to: (i) advice and assistance in order to identify and evaluate potential Investments to be made by Clients of SCM; (ii) monitor the performance of SCM's Client Investments; (iii) execute on behalf of SCM Clients any transaction approved by SCM.

11.16 The IMA empowers SCM to delegate any power or duty given thereunder to qualified service providers and to contract with such service providers on behalf of the Company. In pursuance of those powers, SCM has delegated to the Investment Advisor the duty to provide

investment advisory services in relation to the Company. Fees paid to the Investment Advisor will be paid out of the assets of SCM's clients, which include the Company.

11.17 SCM has also contracted with the Administrator to provide financial administrative services to the Company.

Investment Arrangement

11.18 It is a critical element of the business model on which this IPO is based that SCI shall remain as a special purpose investment company managed by SCM. In order to achieve that objective, it is entrenched into SCI's Memorandum of Association and Articles of Association that termination or modification of the Investment Management Agreement shall be treated as modification of the rights attaching to the Special Share and accordingly SCM as holder of the Special Share must consent before the Investment Management Agreement can be legally terminated or modified. This arrangement will give investors the assurance that the structure in which they have invested will not change even if control of SCI passes to a third party.

12. DIVIDEND POLICY

12.1 After providing for an appropriate reserve to cover outgoings and a modest reserve for contingencies, the Directors intend to distribute up to 85% of SCI's net income to stockholders in the form of quarterly cash dividends. This is in keeping with the Company's mission of unlocking capital for the growth and expansion of Portfolio Companies through its Private Credit investments, while providing its Shareholders with access to the Private Credit market in the form of consistent dividend payments. The dividend policy is subject to review from time to time by the Board of Directors of the Company acting on the advice of the Investment Manager.

12.2 Dividends payable on the US\$ Shares will be paid in US\$. Dividends payable on the J\$ Shares will be paid in J\$ based on the J\$ Currency Equivalent of the US\$ dividends paid on US\$ Shares. The J\$ Currency Equivalent shall be determined on the Business Day immediately preceding the date of payment of the dividend.

13. STATUTORY & GENERAL INFORMATION

The following statutory and general information is required to be set out in the Prospectus by section 42 and the Third Schedule to the Companies Act, 2004.

13.1 (a) The Company has issued one Special Share to the Investment Manager, SCM. The Special Share carries the right to 101% of the votes on a poll in general meetings otherwise, on a show of hands, it has only one vote. The holder of the Special Share may demand a poll at a general meeting. The Special Share has special class rights entrenched in the Memorandum of Association of the Company. Accordingly each of the following proposals is deemed to be a proposed variation of the rights attaching to the Special Share and is only effective with the consent in writing of the Special Shareholder (i.e. SCM); namely: (i) modification or termination of the Investment Management Agreement ; (ii) the amendment or removal or alteration of the effect of all or any of the provisions in the Memorandum of Association or the Articles of Association of the Company setting out the rights and privileges attaching to the Special Share or otherwise concerning the Special Share. The Company has not issued any other founders, management or deferred shares.

(b) The Memorandum of Association and the Articles of Association fix no shareholding qualification for directors and none have been otherwise fixed by the Company in general meeting. The Articles of Association contain the following provisions with respect to the remuneration of directors and other pertinent matters which may be material:

7. *The shares shall be under the control of the directors, who may allot and dispose of or grant options over the same to such persons, on such terms, and in such manner as they think fit PROVIDED that the Special Share shall be held only by Sygnus Capital Management Limited or its nominee. If any class of shares of the Company shall be listed on the Jamaica Stock Exchange or any other recognized stock exchange including any cross-listing then the holders of such class of shares hereby consent to the directors issuing such new shares in such class of shares as consideration for acquiring, or in exchange for, any real property, shares, units in any unit trust or any other securities or any other securities or asset (but not cash) without offering shares to the shareholders of such class.*
81. *Subject to Article 122, the remuneration of the directors shall be such amount as the board of directors, or any appropriate committee of the board of directors, may determine. 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 in connection with the business of the Company.*

82. *The shareholding qualification for directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.*
83. *A director of the Company may be or become a director or other officer of, or otherwise interested in, any Company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.*
93. (3) *A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the directors may determine and no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.*
- 93.(5) *Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director; provided that nothing herein contained shall authorise a director or his firm to act as auditor to the Company.*
98. *The directors, on behalf of the Company, may pay a gratuity or pension or allowance on retirement to any director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.*
108. *The Company may by resolution remove any director before the expiration of his period of office notwithstanding anything in these regulations or in any agreement between the Company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company.*
122. *A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the board of directors, or any appropriate committee of the board of directors, may determine.*

(c) The names, occupations and addresses of the Directors of the Company are as follows:

Names	Addresses	Occupation
Clement Wainwright Iton	12 Balata Heights St. Joseph Trinidad & Tobago	Financial Consultant
Ike Johnson	c/o 80 LMR 80 Lady Musgrave Road, Kingston 10 Jamaica	Investment Banker
Nakita Edwards	Gate Park Cap Estate Gros Islet Saint Lucia	Financial Consultant
Ian Williams	Villa Merissa Flamboyant Crescent Cap Estate, Gros Islet Saint Lucia	Financial Services Consultant
Hope Fisher*	c/o 40 Knutsford Boulevard Kingston 5 Jamaica	Civil Servant
Damian Chin*	c/o 35 Half Way Tree Road Kingston 5 Jamaica	Financial Analyst
Peter Thompson*	c/o 6 Houghton Terrace Kingston 10 Jamaica	Investment Manager

** These persons were nominated by shareholders in the Company, having invested a minimum of US\$2 million during the Company's Private Placement of Shares.*

(d) The Secretary of the Company is:

MCSI Inc.
20 Micoud Street,
Castries, Saint Lucia

13.2 (a) The minimum amount, which in the opinion of directors, must to be raised by the issue of Shares by the Company in the IPO comprised in this Prospectus to provide for the matters set out in paragraph 2(a) of Part 1 of the Third Schedule to the Companies Act, 2004 is US\$5,000,000.00.

(b) No amount is required from any other source or will be obtained from any other source to provide for the matters set out in sub-paragraph (a) above.

13.3 (a) The Subscription List for Shares in the IPO will open at 9:00 am on May 2, 2018 and will close at 4:30 pm on May 16, 2018, subject to the right of the Company to close the Subscription List at any time if subscriptions have been received for an amount in excess of the available Shares or to extend the Closing Date in the event of any natural disaster, market disruption or inclement weather conditions affecting Jamaica.

(b) The Subscription Price of US\$0.11 per US\$ Share or J\$13.72 per J\$ Share is payable in full (subject to discounts where applicable) on application. No further sums will be payable on allotment by the Company.

13.4 On April 3, 2017 the Company offered 200,000,000 Ordinary Shares to Accredited Investors in a private placement ("the Private Placement") under the Guidelines for Exempt Distributions (Guidelines SR-GUID-08/05-0016). The Company allotted 140,140,000 Shares to subscribers in the Private Placement. The amount paid on the shares allotted in the Private Placement was J\$589.5 and US\$9.43 Million. In September 2017, a further 19,029,523 Shares were allotted to three (3) additional Shareholders to raise approximately US\$2,000,000. No other previous offer of Shares in the Company has been made to the public.

13.5 There are no options to subscribe for Shares or debentures in the Company with a view of the option holder offering such Shares or debentures for sale. Accordingly, paragraph 4(2) of Part 1 of the Third Schedule to the Companies Act, 2004 is inapplicable.

13.6 The Table below shows that (except as to bank loans and overdrafts as shown below) the Company has none of the assets or liabilities required to be disclosed pursuant to paragraph 5 of Part 1 of the Third Schedule to the Companies Act, 2004.

Assets	Aggregate Amount
(i) Trade investments	Nil
(ii) Quoted investments (other than trade investments); and	Nil
(iii) Unquoted investments (other than trade investments)	Nil
Goodwill, patents, trade marks or part of that amount is shown as a separate item in or is otherwise ascertainable from the books of the Company, or from any contract for the sale or purchase of any property to be acquired by the Company or from any documents in the possession of the Company relating to the stamp duty payable in respect of any such contract or the conveyance of any such property, the said amount so shown or ascertained so far as it is shown or ascertainable and as so shown or ascertained, as the case may be	Nil
Bank loans and overdrafts (as at April 18, 2018)	Nil
Net amount recommended for distribution of dividend after tax	Nil

13.7 For the purposes of paragraphs 7 and 8 of Part 1 of the Third Schedule to the Companies Act, 2004, the Company hereby confirms that it does not propose to purchase or acquire with the proceeds of the IPO any specific property which can be identified. The net proceeds of the IPO will be used (i) to invest in credit instruments which will constitute the Company's investment portfolio, and (ii) to pay IPO & Listing Expenses and/or (iii) as working capital for the Company. Pending its use, the net IPO proceeds will be held in an interest-bearing cash deposit with a commercial bank.

13.8 Paragraph 7 of Part 1 of the Third Schedule to the Companies Act, 2004 is inapplicable to the IPO as there is no identifiable property which the Company intends to purchase from the IPO proceeds.

13.9 Paragraph 8 of Part 1 of the Third Schedule to the Companies Act, 2004 is inapplicable to the IPO as there is no identifiable property which the Company intends to purchase from the Net IPO proceeds.

13.10 (a) Within the two preceding years of the date of this Prospectus no commissions have been paid, nor will any be payable to anyone by the Company for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares or debentures of the Company, save that the Company will pay to Sagicor Investments Jamaica Limited (as Lead

Broker) and JN Fund Managers Limited (as Co-Broker) with respect to the IPO, commissions of 1.60% and 0.50% respectively. Other securities dealers and investment advisors may be contracted by the Lead Broker on such terms as they may deem appropriate to distribute the Shares. Sagicor will also be paid an underwriting fee of 2% on the amounts underwritten.

(b) The IPO & Listing Expenses (estimated at US\$465,300.00) will be borne by the Company and be paid out of the IPO proceeds.

(c) On April 3, 2017 the Company effected a private placement (“the Private Placement”) under the Guidelines for Exempt Distributions (Guidelines SR-GUID-08/05-0016) of Ordinary Shares denominated in Jamaican Dollars and United States Dollars. The companies listed in the table below were paid fees (set out opposite their name in the table below) in relation to services provided to the Company in the Private Placement:

Beneficiary	Fee Type	Amount Paid (US\$)
Sygnus Capital Limited	Arranger Fees	273,911.33
Proven Investment Limited	Selling Agent Fees	24,631.17
Sagicor Investments Jamaica Limited	Selling Agent Fees	8,737.50
Total		307,280.00

With the exception of the payments listed in the table above, no payment or benefit has been paid or given to any other promoter within the preceding two (2) years or is intended to be paid or given to any other promoter save for Sygnus Capital Limited, Sagicor Investments Jamaica Limited and JN Fund Managers Limited for arrangement, financial advisory and brokerage services associated with this IPO and listing on the JSE. The Company’s business model contemplates that it will not have any employees. Administrative support will be provided by SCM under an Investment Management Agreement pursuant to which SCM is entitled to be paid a monthly management fee and an annual performance fee (see Sections 11.13 to 11.16 for more details).

13.11 The issue of Shares in this IPO is partially underwritten up to US\$5,000,000.00 by Sagicor Investments Jamaica Limited.

13.12 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the last two (2) years immediately preceding the date of issue of this Prospectus and is, or may be, material, namely:

Date	Counterparty	Description
May 11, 2017	JCSD	Registrar and Transfer Agency Agreement pursuant to which JCSD will act as issuing agent to the IPO and registrar and transfer agent to the Company
June 2, 2017	Sygnus Capital Management Limited	Investment Management Agreement pursuant to which SCM will provide general management and administrative services in relation to the Company's investment portfolio
February 5, 2018	Sygnus Capital Limited	Lead Arranger Services Agreement whereby Sygnus Capital Limited will arrange and act as advisor on the offering and support the distribution of the offering.
February 21, 2018	JN Fund Managers Limited	Brokerage Services Agreement pursuant to which JN Fund Managers Limited will act as co-broker in the IPO
March 16, 2018	Sagicor Investments Jamaica Limited	Arranger and Broker Services Agreement under which Sagicor Investments Jamaica Limited will provide arranger, broker and listing agent services in relation to the IPO and act as Co-arranger and Lead Broker therein
March 16, 2018	Sagicor Investments Jamaica Limited	Underwriting Agreement pursuant to which Sagicor Investments Jamaica Limited will act as underwriter to the IPO

13.13 The name and address of the auditors of the Company are:

KPMG
The Victoria Mutual Building
6 Duke Street
Kingston, Jamaica

Directors' Interest

13.14 Two (2) Directors of the Company namely, Dr. Ike Johnson and Clement Wainwright Iton, are also directors of Sygnus Capital Management Limited. Dr. Ike Johnson is also a director of the Investment Advisor, Sygnus Capital Limited. Dr. Ike Johnson holds (through connected companies and/or jointly with connected parties) significant holdings of shares in the parent company of both the Investment Manager and Investment Advisor (see Section 13.29 below for further information).

13.15 The independent directors, namely Clement Wainwright Iton, Nakita Edwards and Ian Williams, are paid directors' fees for attending Board meetings. All other directors have agreed to forgo their rights to receive Directors' fees.

13.16 Except as stated above, no payment or benefit has been made or given directly to any Director for services rendered by him personally to the Company and neither the Company, the Investment Manager nor the Investment Advisor or any other entity has made any payment or granted any benefit to any Director to induce him to serve as a director of the Company or to qualify him as a director of the Company.

Share Capital & Business of the Company

13.17 The Company is authorised to issue four (4) classes of shares namely:

- (a) One Special Share;
- (b) US\$ denominated Ordinary Shares of par value US\$0.01;
- (c) J\$ denominated Ordinary Shares of par value J\$1.30; and
- (d) TT\$ denominated Ordinary Shares of par value TT\$0.07

13.18 The Special Share has a right to cast 101% of the votes capable of being cast on a poll at any general meeting of the Company but on a show of hands, the holder of the Special Share shall only have one vote. The Articles give the holder of the Special Share the right to demand a poll. The holder of Ordinary Shares has, on a show of hands, one vote irrespective of the number of Ordinary Shares held but on a poll, he will have one vote for each ordinary share registered in his name. The Special Share does not carry any right to dividend but in a winding-up the subscription sum of US\$1.00 is payable in priority to any distribution on the Ordinary Shares. The holder of a share, whether Special Share or Ordinary Shares, may vote in person or by proxy and a proxy need not be a member of the Company. The Articles of Association of the Company contain entrenched provisions whereby the rights attaching to the Special Share or modification or termination of the Administrative Services Agreement would operate as modification of the rights attaching to the Special Share and accordingly none of those things may be done without the consent of the holder of the Special Share (i.e. SCM).

13.19 The US\$, J\$ and the TT\$ denominated Ordinary Shares (together the “Shares”) all rank *pari passu*. On a poll a holder of Shares will have one vote for each Share registered in his name or of which he is the duly appointed proxy. On a show of hands a holder of Shares will have one vote regardless of the number of Shares held either in his own name or as proxy. On issue the Shares will be converted into stock units.

13.20 The Company was incorporated on January 13, 2017 and has carried on business for nine (9) months commencing in July 2017.

IPO and Listing Expenses

13.21 The Company intends to use the net proceeds of the IPO to pay the IPO and Listing Expenses, which are estimated to be in the region of US\$465,300.00. The IPO and Listing Expenses will include the following:

	Expenses	Estimated Fees (US\$)
(i)	Legal Fees	40,000.00
(ii)	Audit Fees	25,000.00
(iii)	Broker and Arranger Fees	252,250.00
(iv)	Underwriter’s Fee	100,000.00
(v)	Marketing	30,000.00
(vi)	Printing and Miscellaneous	3,000.00
(vii)	Registration fees payable to the Registrar of Companies	1,150.00
(viii)	JSE initial listing Fees	10,000.00
(ix)	Registrar and Transfer Agent Fees	3,900.00

All the foregoing fees, (except the Prospectus filing fees) will attract general consumption tax.

Material Litigation

13.22 The Company is not involved in any litigation, arbitration or other legal proceedings in Jamaica, Saint Lucia or in any other jurisdiction and the Directors of the Company are not aware of any circumstance which would give rise to any such litigation, arbitration or other proceedings.

Taxation

13.23 The Company is an International Business Company registered in Saint Lucia. As such it will pay income tax in Saint Lucia at the rate of 1% of its taxable profits. In addition it is exempt from withholding tax, capital gains tax and stamp duties in Saint Lucia. If all Board Meetings are held outside Jamaica and all policy decisions affecting the Company are made at such Board Meetings then the Company should not be treated as resident in Jamaica for tax purposes. Dividends paid by the Company to Jamaican residents and other residents in a country which is a party to the CARICOM Double Taxation Treaty will be taxed at zero rate in the country in which the Company is resident (i.e. Saint Lucia) and will not be taxed in Jamaica or in the other CARICOM treaty country in which the shareholder resides.

Particulars of the Shares

13.24 The Shares offered for subscription are Ordinary Shares to be issued by Sygnus Credit Investments Limited, an international business company incorporated under the International Business Companies Act of Saint Lucia. They will be issued in registered book-entry form. The book entry records will be maintained by:

Jamaica Central Securities Depository Limited ("JCSD")
40 Harbour Street
Kingston
Jamaica.

JCSD is a wholly-owned subsidiary of the Jamaica Stock Exchange.

13.25 The Shares issued in this IPO will rank *pari passu* in all respects with the Shares already issued.

Other Matters

13.26 The Company does not intend to engage any employee of its own. As such no benefit or employment termination payment or severance payment is or will be payable to any person by the Company and no employee share option plan ("ESOP") or incentive plan will be established for any director or employee of the Company.

13.27 The Company has not established a place of business in Jamaica.

Disclosure of Interests in SCI

13.28 Though the Investment Manager holds 3.4% of the Company's ordinary issued share capital, it has by way of the Special Share the majority of the votes on a poll in a general meeting of the Company (see sections 4.10 to 4.12 above for further information). The Investment Manager and the Investment Advisor are both wholly owned subsidiaries of Sygnus Capital Group Limited

("SCG") an International Business Company incorporated under the laws of St. Lucia. SCG is ultimately owned by Ike Johnson, Jason Morris, Berisford Grey and Gassan Azan ("the Beneficial Owners"). The Investment Manager, the Investment Advisor and the Company are under the ultimate control of the Beneficial Owners.

13.29 Ike Johnson, one of the Beneficial Owners, and Clement Wainwright Iton are directors of the Company and the Investment Manager. Jason Morris, one of the Beneficial Owners, is also a director of the Investment Manager. The Beneficial Owners also sit on the Board of the Investment Advisor.

13.30 The Investment Manager and the Investment Advisor are interested parties to this transaction. The fees payable to the Investment Manager and its relationship with the Investment Advisor are discussed in Sections 11.13 and 11.14 above.

Restriction on Business

13.31 SCI is an International Business Company incorporated under the International Business Companies Act of Saint Lucia ("the IBC Act"). The IBC Act prohibits International Business Companies from:

- (a) carrying on business with persons resident in Saint Lucia;
- (b) owning an interest in immovable property situated in Saint Lucia, other than a lease referred to in subsection (2)(e) of the IBC Act;
- (c) carrying on international banking business unless it is licensed to do so under the law in force in Saint Lucia relating to international financial services;
- (d) carrying on a banking business with a Saint Lucian resident whether alone or in conjunction with any other activity, unless it is licensed to do so under the Banking Act of Saint Lucia;
- (e) carrying on an international insurance business unless it is licensed to do so under the law in force in Saint Lucia relating to international financial services;
- (f) carrying on a shipping business with a Saint Lucian resident whether alone or in conjunction with any other activity, unless it has complied with an enactment relating to the carrying on of shipping business;
- (g) carrying on the business of international financial services representation;
- (h) carrying on international mutual funds business unless it is licensed to do so under the law in force in Saint Lucia relating to international financial services; or
- (i) carrying on business in a manner detrimental to the public interest.

Annual General Meeting

13.32 The Company on April 09, 2018 issued a Notice convening an Annual General Meeting (“AGM”) to all Existing Shareholders. The AGM is scheduled to take place at Cnr. Flamoyant Drive & Almond Road, Rodney Bay, Gros Islet, St. Lucia on May 01, 2018. Accordingly, the AGM will take place prior to the listing of the Shares on the JSE. The meeting will consider, and if thought fit, pass resolutions:

- a) to receive and adopt of the Audited Company Accounts for the six months ended December 31, 2017 and the Reports of the Directors and Auditors circulated therewith;
- b) to appoint the auditors of the Company and authorize the Directors to fix the remuneration of the auditors;
- c) to fix the remuneration of the Directors;
- d) to re-elect the Directors of the Company; and
- e) to ratify actions taken by Directors towards the IPO and the listing on the Jamaica Stock Exchange (JSE)
- f) to convert the Company’s Shares into stock units to facilitate the listing on the Main Market of the JSE.

The Notice of the AGM is among the documents available for inspection (see Section 15 for further details).

13.33 SCI will be unable to list the Shares on the JSE unless the Company passes the resolution to convert its Shares to stock units. SCM, by way of the voting rights attached to the Special Share, has the ability to pass this resolution by itself (see Sections 4.10 to 4.12 above for further information). Consequently, SCM has given to the Directors an irrevocable and unconditional undertaking (“the Voting Undertaking”) to vote in favour of all the resolutions put to the AGM. This undertaking by SCM will ensure that the resolution converting the Company’s Shares to stock units will be passed at the AGM. The Voting Undertaking is among the documents available for inspection (see Section 15 for further details).

14. CONSENTS

14.1 KPMG, the Auditors of the Company, have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion therein of a copy of their Auditors' Report, and the complete audited financial statements of the Company for the six months ended December 31, 2017 in the form and context in which they are included.

14.2 The Directors of the Company have given and have not withdrawn their written consent to the issue of the Prospectus and the inclusion therein of all material facts relevant to the Company as required by the Act.

15. DOCUMENTS AVAILABLE FOR INSPECTION

During the period that the IPO remains open for subscription for Shares, the following documents will be available for inspection on any weekday during the hours of 9:00 am to 4:30 pm, at the office of Patterson Mair Hamilton, Temple Court, 85 Hope Road, Kingston 6; namely:

- (a) the Memorandum and amended Articles of Association of the Company;
- (b) written consent of the Auditors, KPMG;
- (c) the Audited Financial Statements of the Company for six months ended December 31, 2017;
- (d) resolution of the Company to adopt a new set of Articles of Association to conform to the Rules of the JSE;
- (e) copies of the Material Contracts referred to in Section 13.12;
- (f) Power of Attorney given by Clement Wainwright Iton pursuant to which Ike Johnson has been appointed to sign this Prospectus on his behalf;
- (g) Power of Attorney given by Ian Williams pursuant to which Ike Johnson has been appointed to sign this Prospectus on his behalf;
- (h) copy of the International Business Companies Act of Saint Lucia;
- (i) the Notice of Annual General Meeting referred to in Section 13.32; and
- (j) the Voting Undertaking referred to in Section 13.33.

16. APPLICATION PROCEDURE

Applications

16.1 Two classes of Ordinary Shares, namely J\$ Shares and US\$ Shares, are available for subscription in this IPO. Applications for J\$ Shares shall be made on the original J\$ Share Application Form included in Appendix 1 of this Prospectus. Applications for US\$ Shares shall be made on the original US\$ Share Application Form included in Appendix 2 of this Prospectus. Payment for US\$ Shares and J\$ Shares subscribed for must be made in US\$ and J\$ respectively (subject to the right of the Company to accept payment for Shares in either currency). An Application Form must be completed in accordance with the instructions set out on the reverse of the Application Form and be delivered or mailed to Sagicor Investments Jamaica Limited or JN Fund Managers Limited or to any selling agent appointed by Sagicor Investments Jamaica Limited or the Company.

16.2 If needed, additional copies of this Prospectus containing Application Forms may be obtained from the websites of the Lead Arranger (www.sygnusgroup.com), the Co-Arranger and Lead Broker (www.sagicorjamaica.com), the Co-Broker (www.jnfunds.com) and will be sent to the JSE. The JSE may elect to publish the notice on its web-site (www.jamstockex.com). Assistance in completing Application Forms may be obtained from any such stockbroker, securities dealer or investment adviser.

Reserved Shares

16.3 A Reserve Share Applicant may apply for Reserved Shares using the Application Forms accompanying this Prospectus. An Application Form will be treated as a Reserve Share Application Form if the applicant checks the “Reserve Share Applicant” checkbox and the Lead Broker or Co-Broker confirms that such applicant is a Reserve Share Applicant.

16.4 If subscriptions are received for fewer Reserved Shares than the block of 40,000,000 Shares so reserved, then Reserved Shares not taken up will be added to the pool of Shares available to satisfy subscriptions by the general public at the full IPO price.

16.5 The Company reserves the right to reject multiple applications and if multiple applications are received, only the first application in time may be processed. **An Application Form which is not part of a Prospectus should under no circumstances be used to apply for shares in this IPO. All potential investors are encouraged to read the Prospectus in full before deciding to invest in the Shares.**

Terms and Conditions of all Applications

16.6 All Applications for Shares are subject to the following terms and conditions:

- (a) Neither the submission of an Application Form 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 Form) will result in a binding contract under which the Applicant will be deemed to have agreed to subscribe for the number of allotted Shares at the Subscription Price, subject to these terms and conditions.
- (b) The subscription in the IPO will open at 9:00 a.m. on May 2, 2018 and will close at 4:30 p.m. on May 16, 2018 subject to the right of the Company to close the Subscription List at any time if subscriptions have been received for the full amount of the Shares available for subscription and subject also to the right of the Company to extend the closing beyond that date subject to section 48 of the Companies Act, 2004. In the event of an early closing or an extension of the closing, notice will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com).
- (c) Applications made must be for a minimum of 1,000 Shares. Applications for amounts in excess of 1,000 shares must be in multiples of 100 shares. Applications for amounts in other denominations will not be processed or accepted.
- (d) All Application Forms must be submitted together with payment for the Shares in the form of either:
 - (i) a manager's cheque or banker's draft (as applicable) made payable to **"Sagikor Investments Jamaica Limited"**; or
 - (ii) authorization from the Applicant on the Application Form, instructing Sagikor Investments Jamaica Limited or JN Fund Managers Limited to make payment from cleared funds held with Sagikor Investments Jamaica Limited or JN Fund Managers Limited, as the case may be, in an investment account in the Applicant's name; or
 - (iii) where applicable, proof of payment to Sagikor Investments Jamaica Limited made electronically using either the RTGS payment system or by wire transfer.

All payments are to be made to Sagikor Investments Jamaica Limited. Absolutely no cash will be collected.

- (e) All completed Application Forms must be delivered to Sagicor Investments Jamaica Limited or JN Fund Managers Limited at any of the following locations:

If to Sagicor Investments Jamaica Limited:

Branch	Location
Hope Road (Head Office)	85 Hope Road Kingston 6
Dominica Drive	17 Dominica Drive Kingston 5
Montego Bay	Shop B8, 21B Fairview Shopping Centre Bogue Estates Montego Bay, St. James
Duke and Tower Street	17a Duke Street Kingston
Half-Way Tree	6C Constant Spring Rd Kingston
Liguanea	106 Hope Road Kingston
Tropical Plaza	Shop #25, 12 1/2 & 14 Constant Spring Rd Kingston
Savanna-La-Mar	Great George St. Savanna-La-Mar, Westmoreland
Mandeville	5-7 Ward Ave Mandeville, Manchester
May Pen	6B Manchester Ave May Pen, Clarendon
Black River	Corner High and School Streets Black River, St. Elizabeth

If to JN Fund Managers Limited:

Branch	Location
Kingston	JN Financial Centre 2 Belmont Road Kingston 5
Montego Bay	JN Financial Centre MegaMart Complex Catherine Hall
Mandeville	Mandeville Plaza Mandeville

- (k) Sagicor Investments Jamaica Limited or JN Fund Managers Limited, as receiving agents, reserves the right, but is not obliged to, reject incomplete applications.
- (g) Receipts will not be issued for sums received as payment for Shares; All Shares allotted to successful applicants will be held in the JCSD and credited to an account in the JCSD in the name of the applicant within 21 days of the closing date of the subscription list. Evidence of the applicant's holding of Shares will be provided by statements generated by the JCSD and mailed to the applicant at the address indicated on their Application Form. If any subscription is not accepted or is accepted for fewer than the number of Shares applied for, the subscription monies, or the balance thereof as the case may be, will be returned within 40 days following the issue of the Prospectus by crossed cheque sent through the post or, if instructed, held for collection at Sagicor Investments Jamaica Limited or JN Fund Managers Limited. No interest is payable on such refunds.
- (h) Applicants must be at least 18 years old. However, Applicants who have not yet attained the age of eighteen (18) years, may apply jointly with Applicants who are at least eighteen (18) years of age.
- (i) The Company reserves the right to reject, in whole or in part, any subscription and to allot less than the amount of Shares applied for by an applicant.
- (j) The Company reserves the right to withdraw the IPO by notice published in at least one of the local daily newspapers and on the JSE website. The Company also reserves the right to reject any application if any of the conditions for application set out in this Prospectus is not met.

- (k) By submitting an Application a prospective investor shall be deemed to represent to the Company and the Directors and agree with him that:
- (i) he has read and understood or has had the opportunity to read and understand this Prospectus (including the terms and conditions in this Section 16) 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;
 - (ii) he has not relied on the Company or any other persons connected thereto with his investigation of the accuracy of such information or his investment decision;
 - (iii) 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 Application Form;
 - (iv) he has made his 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 implication of subscribing for Shares and tax implications thereof;
 - (v) he has accepted the terms and conditions set out in this Prospectus, including in any Appendix hereto;
 - (vi) the Directors may take all such further requisite action without further reference to him or other stockholders to secure the listing of the Company on the Main Market of the JSE and the completion of all matters relating to this IPO;
 - (vii) he will be deemed to have offered to purchase from the Company the number of Shares applied for in his Application Form (or such lesser number which may be allotted to him by the Directors) on the terms and subject to the conditions set forth herein and subject further to the Articles of Association of the Company.
- (l) Successful Applicants will be allotted Shares for credit to their account in the Jamaica Central Securities Depository specified in their Application Forms. Applicants may refer to the confirmation instructions that will be posted on the website of the Jamaica Stock Exchange (www.jamstockex.com) after the Closing Date. Applicants who wish to receive share certificates must make a specific request.

- (m) Save with respect to the fixed number of Reserved Shares available to Reserve Share Applicants and save as to the requirement for a minimum subscription of 1,000 Shares by a member of the public or Reserve Share Applicants and that subscription in excess of 1,000 Shares must be in multiples of 100 Shares, there is no restriction as to the number of Shares for which an Applicant may apply for subject to provisions of any law or regulation which may impose conditions or restrictions on certain persons, such as approved superannuation funds as to their investment in shares and certain securities.
- (n) The Company will endeavour to return cheques for the amounts refundable to Applicants whose Application Forms are not accepted, or whose Application Forms are only accepted in part, to the Applicant's address shown in the Application Form within 10 (ten) working days after the Closing Date (or the extended Closing Date, as the case may be) or as soon as practicable thereafter. If an Applicant so indicates on his Application Form a refund cheque will be sent to the JCSD for collection by the Applicant (or by the first-named joint Applicant) stated in the Application Form. Any other persons purporting to collect a cheque on behalf of the Applicant must be authorised in writing by the Applicant(s) to do so. All refunds of a quantum greater than the RTGS threshold of \$1 Million will be refunded via RTGS to the account of origin.
- (o) Within three (3) days after close of the Subscription List, the Company shall give notice to the JSE of the basis of allocation and the list of allottees will be delivered to the JSE within ten (10) days after the allotment.

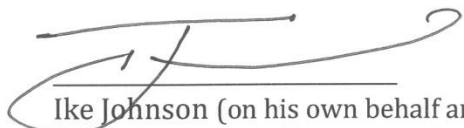
Basis of Allotment

16.7 Application Forms that meet the requirements set out in this Prospectus shall be accepted on a "*first come first served basis*". All Applications will be time-stamped to indicate the date and time it was received. If Applications are received before the Application List opens at 9.00 a.m. on May 2, 2018 then such Applications will, for allotment purposes, be stamped as received at 9.00 a.m. on May 2, 2018 being the date of the opening of the Subscription List.

16.8 Subscriptions for Reserved Shares will be satisfied from the block of 40,000,000 Shares reserved in this IPO for Reserve Share Applicants who submit a valid Subscription Form.

17. DIRECTORS' SIGNATURES

Signed on behalf of Sygnus Credit Investments Limited by its Directors on this 20th day of April 2018.



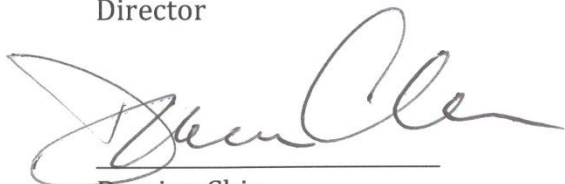
Ike Johnson (on his own behalf and as agent for Clement Wainwright Iton and Ian Williams)
Director



Nakita Edwards
Director



Peter Thompson
Director



Damian Chin
Director

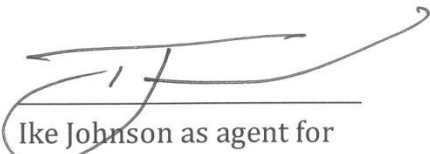


Hope Fisher
Director

Dated as of the 20th day of April 2018

**CERTIFICATION REQUIRED PURSUANT TO
SECTION 372(3)(A) OF THE COMPANIES ACT 2004**

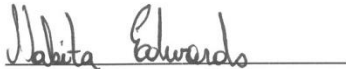
We, the undersigned, being the Chairman and two other directors of SYGNUS CREDIT INVESTMENTS LIMITED, do hereby certify, pursuant to Section 372 (3)(a) of the Companies Act 2004 of Jamaica, that this Prospectus was approved for issue by a resolution of the Board of Directors of SYGNUS CREDIT INVESTMENTS LIMITED.



Ike Johnson as agent for
Clement Wainwright Iton, Chairman



Damian Chin
Director



Nakita Edwards
Director

APPENDIX 1 - J\$ SHARE APPLICATION FORM

SYGNUS

CREDIT INVESTMENTS

SYGNUS CREDIT INVESTMENTS LIMITED
INITIAL PUBLIC OFFER**J\$ APPLICATION FORM – ORDINARY SHARES****PLEASE READ CAREFULLY BEFORE COMPLETING THIS FORM**

To: SYGNUS CREDIT INVESTMENTS LIMITED ("SCI" or "the Company")

Re: Invitation for Subscription for up to 90,909,091 ordinary shares ("the Application Shares") in SCI made pursuant to the Prospectus dated the 20th day of April, 2018 ("the Prospectus").

I/We confirm that I/We have read and understood and hereby agree to be bound by the terms and conditions contained in the Prospectus, all of which are incorporated in this Application Form by reference. I / We hereby apply for _____ Ordinary Shares in Sygnus Credit Investments

Limited on and subject to the terms and conditions of the IPO set out in the Prospectus at the price of **J\$ 13.72**. I / We have made / remitted payment of the sum of JMD _____ for my / our subscription / purchase and the JCSD processing fee of **J\$163.10**.

(inclusive of GCT) with proof of payment attached or I / We request my broker, Sagicor Investments Jamaica Limited / JN Fund Managers Ltd. to make payment on my/ our behalf from cleared funds held by them in my / our names in account numbered _____ with them, for amount _____

"I/We agree to accept the Application Shares or any smaller number in respect of which this application may be accepted, subject to the terms and conditions in the Prospectus and the Articles of Incorporation of SCI, by which I/We agree to be bound. I/We request you to sell and/or transfer to me/us the number of Application Shares, which may be allocated to me/us at the close of the said IPO on the terms and conditions governing applications, as set forth in the Prospectus. I/We hereby agree to accept the Application Shares that may be allocated to me/us to be credited to an account in my/our name(s) in the Jamaica Central Securities Depository (JCSD)."

Instructions to completing application form: All fields are relevant and must be completed. (If you already have an account with the JCSD, please ensure that you indicate your JCSD account number).

☐ **Reserve Share** (If applicable please see overleaf and prospectus)☐ **General Pool****PRIMARY HOLDER**Full Name of Applicant:

TRN:

 Occupation / Line of Business:

Address:

Nationality/
Incorporation:

 Telephone (Home):

Telephone (Work):

 Telephone (Mobile):

Facsimile:

Email Address:

 Broker Code:

JCSD Number:

 Broker Account Number:

Signatures (Company): _____

Director**Director / Secretary**
Seal or Stamp required for Companies

Signatures (Individual): _____

ApplicantDate of Application:

D D M M Y Y Y Y

SECONDARY HOLDERS

Full Name (1st Joint):

TRN: Occupation:

Signatures (Individual): _____ Date of Application:
D D M M Y Y Y Y

Full Name (2nd Joint):

TRN: Occupation:

Signatures (Individual): _____ Date of Application:
D D M M Y Y Y Y

Full Name (3rd Joint):

TRN: Occupation:

Signatures (Individual): _____ Date of Application:
D D M M Y Y Y Y

PAYMENT VERIFICATION INFORMATION

MANAGERS' CHEQUE

Cheque Number: Cheque Amount: Institution:

RTGS

Amount: Confirmation / Reference #: Institution:

Sender's Account Name: Sender's Account Number:

BROKER ACCOUNT

☐ Sagicor Investments Jamaica Ltd ☐ JN Fund Managers Ltd

Account Name: Account Type:

Account Number: Amount: \$.

DIVIDEND MANDATE

Bank Name: Branch Name:

Branch Number: Bank Account Type: ☐ Savings ☐ Chequing

Bank Account Number: BIC:

REFUND MANDATE

Refund Option (Please tick preferred option)

☐ Credit my / our Sagicor Investments a/c #: _____ ☐ Credit my / our JN Fund Managers a/c #: _____

☐ Pick-up cheque at broker office where application was submitted

☐ Credit my / our local commercial bank (_____) a/c # _____ ☐ Savings ☐ Chequing

ADDITIONAL INFORMATION

1. Applicants must apply for a minimum of 1,000 Shares with increments in multiples of 100. Applications in other denominations will not be processed or accepted. This restriction is not applicable to Applicants for Reserved Shares.

2. If you are not a Reserved Share Applicant you must attach your payment for the specified number of Shares you have applied to in the form of either:

A. Manager's cheque made payable to Sagicor Investments Jamaica Limited

B. Transfer or deposit of funds to the following account.

Wire Instructions:

Beneficiary Bank
Beneficiary Bank BOJ A/C #:
BIC:
For further credit to:

Sagicor Bank Jamaica Limited
1058
SAGJAJMKN
Sagicor Investments Jamaica Ltd Stockbrokerage a /c # 5501809081

3. If you are a Reserve Share Applicant, please so specify in the reserved share section on Application Form. You must attach payment for the specified number of Reserve Shares you are applying for

4. If you are applying jointly with any other person you must complete the Joint Holder Information and each joint holder must sign the Application Form at the place indicated.

5. All Applicants must be at least 18 years old.

6. Share certificates will not be issued unless specifically requested. Instead, the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account. Applicants may refer to the notice posted on the JSE website (www.jamstockex.com) for instructions on confirming Share allotments.

7. Applicants who do not have a broker account must provide valid identification, proof of address, proof of source of funds and satisfy Sagicor Investments Jamaica Limited and JN Fund Managers Ltd. customer acceptance requirements for account opening.

8. In the event of an over subscription of shares and where an applicant is entitled to a refund, such refunds will be made by electronic transfers to Applicants whose applications are not accepted or 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 soon thereafter. Each Applicant's refund will be processed as instructed by the Applicant in the Refund Mandate section of this Application. Please note that the JCSD processing fee of J\$ 163.10 will not be refunded to an Applicant in event that the Company refunds payments received for Sale Shares.

9. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus generally.

FOR USE BY BROKER ONLY

Date Application Received:

D	D	M	M	Y	Y	Y	Y

Time Received:

--

Payment Method: ☐ Managers' Cheque ☐ RTGS ☐ Broker Account

Date of Cheque / Electronic Transfer:

--

Payment Amount:

--

Payment Amount:

--

SYGNUS CREDIT INVESTMENTS LIMITED
INITIAL PUBLIC OFFER

Date of Application:

D	D	M	M	Y	Y	Y	Y

SECONDARY HOLDERS

Full Name (1st Joint):

TRN: Occupation:

Signatures (Individual): _____ Date of Application:
D D M M Y Y Y Y

Full Name (2nd Joint):

TRN: Occupation:

Signatures (Individual): _____ Date of Application:
D D M M Y Y Y Y

Full Name (3rd Joint):

TRN: Occupation:

Signatures (Individual): _____ Date of Application:
D D M M Y Y Y Y

PAYMENT VERIFICATION INFORMATION

- ☐ US Draft drawn on a Jamaican Commercial Bank payable to "Sagikor Investments Jamaica Ltd"
- ☐ Completed authorization form from applicant instructing Sagikor Investments to make payment from cleared funds held with Sagikor Investments in an investment account in the applicant's name
- ☐ Completed authorization form from applicant instructing JN Fund Managers to make payment from cleared funds held with JN Fund Managers in an investment account in the applicant's name
- ☐ Wire Transfer as detailed below at note "2B"

DIVIDEND MANDATE

Bank Name: Branch Name:

Branch Number: Bank Account Type: ☐ Savings ☐ Chequing

Bank Account Number: BIC:

REFUND MANDATE

Refund Option (Please tick preferred option)

- ☐ Credit my / our Sagikor Investments a/c #: _____
- ☐ Credit my / our JN Fund Managers a/c #: _____
- ☐ Pick-up cheque at broker office where application was submitted
- ☐ Credit my / our local commercial bank (_____) a/c # _____ ☐ Savings ☐ Chequing

ADDITIONAL INFORMATION

1. Applicants must apply for a minimum of 1,000 Shares with increments in multiples of 100. Applications in other denominations will not be processed or accepted. This restriction is not applicable to Applicants for Reserved Shares.

2. If you are not a Reserved Share Applicant you must attach your payment for the specified number of Shares you have applied to in the form of either:

A. Manager's cheque made payable to Sagicor Investments Jamaica Limited

B. Transfer or deposit of funds to the following account.

Wire Instructions:

Beneficiary Bank	Bank of America, 100 S.E. 2 nd Street, Miami, Florida, 33131
ABA Number:	026009593
Account Name:	Sagicor Investments Jamaica Limited
Account Number:	1901952184
*Special Instructions:	FOR SYGNUS OFFER

3. If you are a Reserve Share Applicant, please so specify in the reserved share section on Application Form. You must attach payment for the specified number of Reserve Shares you are applying for

4. If you are applying jointly with any other person you must complete the Joint Holder Information and each joint holder must sign the Application Form at the place indicated.

5. All Applicants must be at least 18 years old.

6. Share certificates will not be issued unless specifically requested. Instead, the shares allotted to a successful applicant will be credited to his account at the Jamaica Central Securities Depository. If the applicant does not have a JCSD account, one will be created and the allotted shares deposited to that account. Applicants may refer to the notice posted on the JSE website (www.jamstockex.com) for instructions on confirming Share allotments.

7. Applicants who do not have a broker account must provide valid identification, proof of address, proof of source of funds and satisfy Sagicor Investments Jamaica Limited and JN Fund Managers Ltd. customer acceptance requirements for account opening.

8. In the event of an over subscription of shares and where an applicant is entitled to a refund, such refunds will be made by electronic transfers to Applicants whose applications are not accepted or 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 soon thereafter. Each Applicant's refund will be processed as instructed by the Applicant in the Refund Mandate section of this Application. Please note that the JCSD processing fee of US\$ 1.50 will not be refunded to an Applicant in event that the Company refunds payments received for Sale Shares.

9. All Applicants are deemed to have accepted the terms and conditions set out in the Prospectus generally.

FOR USE BY BROKER ONLY

Date Application Received:

D	D	M	M	Y	Y	Y	Y

Time Received:

--

Payment Method: ☐ US\$ Local Draft ☐ Wire Transfer ☐ Broker Account

Date of Cheque / Electronic Transfer:

--

Payment Amount:

--

Payment Amount:

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