

Interim Unaudited  
**Consolidated**  
**Financial Statements**

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31 March 2021

**Interim Report to Stockholders**  
**For the three months ended 31 March 2021**

On behalf of the Board of Directors, we present the unaudited consolidated financial statements of PanJam Investment Limited for the three months ended 31 March 2021.

Highlights

- Net profit attributable to shareholders of \$1.01 billion for the quarter (2020: \$0.01 billion)
- Earnings per stock unit for the quarter of \$0.95 (2020: \$0.00)
- Book value per stock unit of \$44.37 at 31 March 2021 (31 March 2020: \$38.26)
- Ordinary dividend paid during the quarter of \$0.105 (2019: \$0.275)

Income Statement

Net profit attributable to owners of \$1.01 billion for the three months ended 31 March 2021 was a substantial increase over the \$0.01 billion recorded in the same period in 2020, which was negatively impacted by the onset of the COVID-19 pandemic.

Income from our core operations for the quarter improved significantly relative to the first three months of 2020. Investment gains of \$225.0 million reflected a level of improvement in the Jamaican equities market, compared to \$1.1 billion of unrealised investment losses in the first quarter of 2020, which were driven by a decline in global markets related to COVID-19 uncertainty. Our property portfolio continues to deliver strong and consistent performance, remaining relatively flat on a year-over-year basis. Other income totaled \$34.7 million, well below the \$363.1 million recorded in 2020 which was comprised principally of a non-recurring gain on the sale of our Bamboo Avenue property in Kingston.

In keeping with management's goal of reducing costs and implementing efficiencies where possible, operating expenses fell by 4.5 per cent relative to the first three months of 2020. However, finance costs increased from \$145.8 million to \$224.3 million as a result of higher effective interest rates and increased borrowing levels.

Associated Companies

The results of associated companies consist principally of our 30.2 per cent investment in Sagikor Group Jamaica. We also hold minority positions in a number of diverse private entities across the adventure tourism, business process outsourcing, hospitality, consumer products, micro-lending and office rental sectors.

Our share of results of associated companies for the first three months of 2021 increased by \$318.5 million, or 54.5 per cent, driven principally by Sagikor's results, but also positively influenced by strong results from our investment in Walkerswood.

Balance Sheet

Total assets at March 31, 2021 amounted to \$62.4 billion, compared to \$62.6 billion at December 31, 2020 and \$56.2 billion at March 31, 2020. Stockholders' equity of \$47.1 billion was relatively flat to the 31 December 2020 balance of \$47.2 billion. This equates to a book value per stock unit of \$44.37 (December 31, 2020: \$44.47).

Outlook

Although there was a spike in COVID-19 cases locally in the first quarter of 2021, we continue to see a measured return to normalcy as a result of the Government of Jamaica's efforts to contain any additional spread of the virus. We applaud our government and private sector leaders who are taking the steps necessary to ensure and enable the increase in business activities in a safe manner.

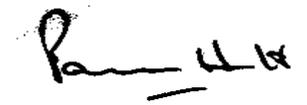
We are encouraged by the Ministry of Health and Wellness's vaccination drive, and are heartened by the population's positive response to the initiative. Successful vaccination of the majority of Jamaicans is the quickest way to economic recovery.

We are extremely grateful to, and proud of, the PanJam and Jamaica Property teams, and we appreciate the guidance provided by our Directors as we continue to navigate these uncertain and challenging times. We thank you, our shareholders, for your patience and trust.

On May 3, 2021, PanJam's Board of Directors announced the appointment of Joanna Banks to the role of Chief Executive Officer effective July 1, 2021. Stephen Facey, the current Chairman and Chief Executive Officer, will serve the Company as our Executive Chairman.



Stephen B. Facey  
Chairman & Chief Executive Officer



Paul R. Hanworth  
Director & Deputy Chief Executive Officer

**PANJAM INVESTMENT LIMITED**

**and its subsidiaries**

**Unaudited Consolidated Income Statement**

**Three months ended 31 March 2021**

	<b>3 Months to Mar-21 \$'000</b>	<b>3 Months to Mar-20 \$'000</b>
<b>Income</b>		
Investments	224,999	(1,083,854)
Property	525,130	518,156
Other	34,718	363,095
	784,847	(202,603)
Operating expenses	(422,374)	(442,082)
Net impairment recovery/(losses) on financial assets	8,933	(10,076)
<b>Operating profit/(loss)</b>	371,406	(654,761)
Finance costs	(224,340)	(145,822)
	147,066	(800,583)
Share of results of associated companies	902,651	584,105
<b>Profit before taxation</b>	1,049,717	(216,478)
Taxation	(33,361)	228,482
<b>Net profit</b>	1,016,356	12,004
<b>Net profit attributable to:</b>		
Owners of the parent	1,012,054	4,914
Non-controlling interest	4,302	7,090
	1,016,356	12,004
<b>Earnings per stock unit attributable to owners of the parent for the period</b>	<b>\$0.95</b>	<b>\$0.00</b>

**PANJAM INVESTMENT LIMITED**  
**and its subsidiaries**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**Three months ended 31 March 2021**

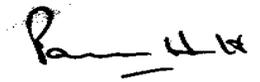
	<b>3 Months to Mar-21 \$'000</b>	<b>3 Months to Mar-20 \$'000</b>
Net profit for the period	1,016,356	12,004
<b>Other comprehensive income, net of taxes:</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Change in the fair value of equity instruments at fair value through other comprehensive income	(2,531)	(95,596)
Share of other comprehensive income of associated company, net of taxation	52,874	5,502
	<b>50,343</b>	<b>(90,094)</b>
<i>Items that may be subsequently reclassified to profit or loss</i>		
Exchange differences on translating foreign operations	4,000	246
Change in the fair value of debt instruments at fair value through other comprehensive income	4,559	(40,781)
Share of other comprehensive income of associated company	(1,072,427)	(1,835,291)
<b>Other comprehensive income for the period, net of tax</b>	<b>(1,063,868)</b>	<b>(1,875,826)</b>
<b>Total comprehensive income for the period</b>	<b>2,831</b>	<b>(1,953,916)</b>
<b>Total comprehensive income attributable to</b>		
Owners of the parent	(1,471)	(1,961,006)
Non-controlling interest	4,302	7,090
	<b>2,831</b>	<b>(1,953,916)</b>

**PANJAM INVESTMENT LIMITED**  
**and its subsidiaries**  
**Unaudited Consolidated Statement of Financial Position**  
**as at 31 March 2021**

	Unaudited March 2021 \$'000	Audited December 2020 \$'000	Unaudited March 2020 \$'000
<b>ASSETS</b>			
<b>Cash and Bank Balances</b>	210,320	125,149	162,039
<b>Investments</b>			
Deposits	775,944	694,275	288,963
Securities			
Financial assets at fair value through other comprehensive income	1,473,997	1,219,231	4,091,418
Financial assets at fair value through profit and loss	7,687,700	7,584,640	7,798,983
Financial assets at amortised cost	2,263,369	3,646,796	168,116
Securities purchased under agreements to resell	1,266,217	868,712	1,541,783
Investment properties	9,568,928	9,531,152	9,084,630
Investment in associated companies	35,222,749	35,339,651	29,880,379
	58,258,904	58,884,457	52,854,272
<b>Other assets</b>			
Taxation recoverable	53,169	73,749	82,517
Development in progress projects	874,792	869,977	851,806
Prepayments and miscellaneous assets	681,432	687,240	1,139,241
Property, plant and equipment	2,311,296	1,880,236	1,101,848
Intangibles	49,611	50,470	49,236
	3,970,300	3,561,672	3,224,648
	62,439,524	62,571,278	56,240,959
<b>STOCKHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Stockholders' Equity</b>			
<b>Capital and Reserves Attributable to the Company's Equity holders</b>			
Share capital	2,141,985	2,141,985	2,141,985
Equity compensation reserve	127,607	116,594	103,143
Property revaluation reserve	5,249,285	5,211,785	4,952,085
Investment and other reserves	4,382,556	5,395,698	2,067,277
Retained earnings	35,556,050	34,692,918	31,570,380
Treasury stock	(371,238)	(372,609)	(325,704)
	47,086,245	47,186,371	40,509,166
<b>Non-controlling interest</b>	290,977	286,675	349,475
	47,377,222	47,473,046	40,858,641
<b>Liabilities</b>			
Bank overdraft	11,438	11,378	5,550
Taxation payable	7,715	81,447	59,359
Loan liabilities	13,662,088	13,663,531	13,737,779
Lease liabilities	33,315	34,979	37,094
Deferred tax liabilities	350,821	314,399	394,999
Retirement benefit liabilities	536,652	510,477	391,400
Other liabilities	460,273	482,021	756,137
Total liabilities	15,062,302	15,098,232	15,382,318
	62,439,524	62,571,278	56,240,959



Stephen B. Facey  
Chairman & Chief Executive Officer



Paul R. Hanworth  
Director & Deputy Chief Executive Officer

**PANJAM INVESTMENT LIMITED**  
**and its subsidiaries**  
**Unaudited Consolidated Statement of Changes in Equity**  
**for the three months ended 31 March 2021**

31-Mar-20

\-----Owners Of The Parent-----/

	Share Capital \$'000	Equity Compensation reserve \$'000	Property Revaluation Reserves \$'000	Investment and other reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Non-controlling Interests \$'000	Total \$'000
<b>Balance at 1 January 2020</b>	2,141,985	89,376	4,897,207	4,029,178	31,911,597	(326,142)	342,385	43,085,586
<b>Comprehensive income</b>								
Net profit	-	-	-	-	4,914	-	7,090	12,004
Other comprehensive income	-	-	-	(1,965,920)	-	-	-	(1,965,920)
Total comprehensive income for the period	-	-	-	(1,965,920)	4,914	-	7,090	(1,953,916)
<b>Transactions with owners</b>								
Employee share option scheme value of services provided	-	13,767	-	-	-	-	-	13,767
Dividends paid to equity holders of the company	-	-	-	-	(291,253)	-	-	(291,253)
Share purchase plan	-	-	-	733	-	438	-	1,171
Change in reserves of associated company	-	-	-	3,286	-	-	-	3,286
Transfer of unrealised property revaluation gains	-	-	54,878	-	(54,878)	-	-	-
<b>Balance at 31 March 2020</b>	2,141,985	103,143	4,952,085	2,067,277	31,570,380	(325,704)	349,475	40,858,641

31-Mar-21

\-----Owners Of The Parent-----/

	Share Capital \$'000	Equity Compensation Reserve \$'000	Property Revaluation Reserve \$'000	Investment and other reserves \$'000	Retained Earnings \$'000	Treasury Shares \$'000	Non-controlling Interests \$'000	Total \$'000
<b>Balance at 1 January 2021</b>	2,141,985	116,594	5,211,785	5,395,698	34,692,918	(372,609)	286,675	47,473,046
<b>Comprehensive income</b>								
Net profit	-	-	-	-	1,012,054	-	4,302	1,016,356
Other comprehensive income	-	-	-	(1,013,525)	-	-	-	(1,013,525)
Total comprehensive income for the period	-	-	-	(1,013,525)	1,012,054	-	4,302	2,831
<b>Transactions with owners</b>								
Employee share option scheme value of services provided	-	11,013	-	-	-	-	-	11,013
Dividends paid to equity holders of the company	-	-	-	-	(111,422)	-	-	(111,422)
Share purchase plan	-	-	-	383	-	1,436	-	1,819
Acquisition of treasury stocks	-	-	-	-	-	(65)	-	(65)
Transfer of unrealised property revaluation gains	-	-	37,500	-	(37,500)	-	-	-
<b>Balance at 31 March 2021</b>	2,141,985	127,607	5,249,285	4,382,556	35,556,050	(371,238)	290,977	47,377,222

**PANJAM INVESTMENT LIMITED**  
**and its subsidiaries**  
**Unaudited Consolidated Statement of Cash Flows**  
**Three months ended 31 March 2021**

	<b>3-Months to March 2021 \$'000</b>	<b>3-Months to March 2020 \$'000</b>
Net profit	1,016,356	12,004
<b>Adjustments to reconcile net profit to cash flows provided by operating activities:</b>		
Share of results of associated companies	(902,651)	(584,105)
Fair value gains on investment properties	(37,500)	(57,823)
Gains on foreign currency denominated investments	(30,100)	(43,685)
Other	102,004	857,952
	148,109	184,343
<b>Changes in operating assets and liabilities</b>		
Other assets	1,713	128,761
Other liabilities	(21,671)	(99,935)
Disposal/(acquisition) of financial assets at fair value through profit or loss	12,101	(72,846)
	140,252	140,323
Interest received	54,472	15,203
Income tax paid	(42,401)	(43,251)
<b>Net cash provided by operations</b>	152,323	112,275
<b>Cash flows from investing activities</b>		
Disposal/(acquisition) of investment securities, net	1,287,899	(3,330,593)
Additional investment in associated companies	-	(59,890)
Other investment activities	(2,293)	(2,043)
Acquisition of property, plant and equipment	(441,498)	(436,274)
Dividends from associated companies	-	15,781
<b>Net cash provided by/(used in) investing activities</b>	844,108	(3,813,019)
<b>Cash flows from financing activities</b>		
Dividends paid to equity holders	(111,422)	(264,775)
Acquisition of treasury stock	(65)	-
Disposal of treasury stock	1,436	1,171
Loan received	-	6,495,000
Loans repaid	(24,922)	(2,024,906)
Interest paid	(200,861)	(221,879)
Other financing activities	(1,664)	(3,410)
<b>Net cash (used in)/provided by financing activities</b>	(337,498)	3,981,201
Net increase in cash and cash equivalents	658,933	280,457
Cash & cash equivalents at beginning of the period	1,580,197	1,684,387
Cash & cash equivalents at end of the period	2,239,130	1,964,844
<b>Comprising of:</b>		
Cash at bank and in hand	210,320	162,039
Short term deposits	768,027	262,838
Securities purchased under agreement to resell	1,272,221	1,545,517
Overdraft	(11,438)	(5,550)
	2,239,130	1,964,844

**PANJAM INVESTMENT LIMITED**  
**and its subsidiaries**  
**Unaudited Consolidated Financial Information by Business Segments**

March 31, 2021

	Property Management & Rental \$'000	Investments \$'000	Other Services \$'000	Eliminations \$'000	Total \$'000
<b>REVENUE</b>					
External	545,218	225,366	14,263	-	784,847
Inter-segment	6,499	52,951	-	(59,450)	-
<b>Total revenue</b>	<b>551,717</b>	<b>278,317</b>	<b>14,263</b>	<b>(59,450)</b>	<b>784,847</b>
Segment results	213,628	153,098	4,680	-	371,406
Interest expense	(40,903)	(210,536)	-	27,099	(224,340)
	172,725	(57,438)	4,680	27,099	147,066
Share of results of associated companies	-	902,651	-	-	902,651
<b>Profit before taxation</b>	<b>172,725</b>	<b>845,213</b>	<b>4,680</b>	<b>27,099</b>	<b>1,049,717</b>
Taxation	4,855	(38,223)	7	-	(33,361)
<b>Net profit</b>	<b>177,580</b>	<b>806,990</b>	<b>4,687</b>	<b>27,099</b>	<b>1,016,356</b>
Segment assets	13,441,711	15,956,024	330,549	(2,511,509)	27,216,775
Investment in associated companies	-	35,222,749	-	-	35,222,749
<b>Total assets</b>	<b>13,441,711</b>	<b>51,178,773</b>	<b>330,549</b>	<b>(2,511,509)</b>	<b>62,439,524</b>
Segment liabilities	4,004,269	13,375,742	193,800	(2,511,509)	15,062,302

March 31, 2020

	Property Management & Rental \$'000	Investments \$'000	Other Service \$'000	Eliminations \$'000	Total \$'000
<b>REVENUE</b>					
External	870,204	(1,090,728)	17,921	-	(202,603)
Inter-segment	3,620	44,392	-	(48,012)	-
<b>Total revenue</b>	<b>873,824</b>	<b>(1,046,336)</b>	<b>17,921</b>	<b>(48,012)</b>	<b>(202,603)</b>
Segment results	541,939	(1,209,048)	12,348	-	(654,761)
Interest expense	(48,105)	(130,666)	-	32,949	(145,822)
	493,834	(1,339,714)	12,348	32,949	(800,583)
Share of results of associated companies	-	584,105	-	-	584,105
<b>Profit/(loss) before taxation</b>	<b>493,834</b>	<b>(755,609)</b>	<b>12,348</b>	<b>32,949</b>	<b>(216,478)</b>
Taxation	(8,773)	237,503	(248)	-	228,482
<b>Net profit/(loss)</b>	<b>485,061</b>	<b>(518,106)</b>	<b>12,100</b>	<b>32,949</b>	<b>12,004</b>
Segment assets	12,239,757	15,729,169	360,701	(1,969,047)	26,360,580
Investment in associated companies	-	29,880,379	-	-	29,880,379
<b>Total assets</b>	<b>12,239,757</b>	<b>45,609,548</b>	<b>360,701</b>	<b>(1,969,047)</b>	<b>56,240,959</b>
Segment liabilities	3,477,152	13,736,387	154,046	(1,969,047)	15,398,538

## **Notes to the Unaudited Consolidated Interim Financial Statements**

**31 March 2021**

**1. Basis of preparation**

The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 “interim Financial Reporting”. The consolidated interim financial statements should be read in conjunction with the accounting policies as outlined in note 2 of the 31 December 2020 audited financial statements.