



Interim Unaudited
Consolidated
Financial Statements

30 June 2022

Interim Report to Stockholders For the six months ended 30 June 2022

On behalf of the Board of Directors, we present the unaudited consolidated financial statements of PanJam Investment Limited (“PanJam”) for the six months ended 30 June 2022.

Highlights

- Net profit attributable to shareholders of \$107.5 million for the quarter (2021: \$1.3 billion); and \$1.2 billion for the six months (2021: \$2.3 billion)
- Earnings per stock unit for the quarter of \$0.10 (2021: \$1.24); and \$1.10 for the six months (2021: \$2.19)
- Book value per stock unit of \$45.51 at 30 June 2022 (30 June 2021: \$45.84)
- Ordinary dividend per stock unit declared/paid during the six months of \$0.920 (2021: \$0.255)

Income Statement

Net profit attributable to owners of \$107.5 million for the three months ended 30 June 2022 was significantly below the \$1.3 billion recorded in the same period in 2021. Earnings per stock unit for the quarter were \$0.10 (2021: \$1.24).

Last year’s results were heavily influenced by unrealized gains from our portfolio of Jamaican equities, which were largely reversed in the second quarter of 2022 in line with stock and bond prices both locally and globally. Our portfolio composition represents PanJam’s position as long-term investors, while our results reflect only short-term volatility therein.

Property income for the quarter increased by 4.8 per cent year over year, benefiting from annual rental rate adjustments and revaluation gains. In general, our real estate portfolio continued to show its resilience with stable occupancy of 92% as at 30 June 2022.

Operating expenses for the same period amounted to \$582.7 million (2021: \$445.5 million), an increase of 30.8 per cent due mainly to an increase in staff costs related to the recently opened ROK Hotel. Finance costs increased to \$247.8 million (2021: \$222.0 million) on higher average interest rates.

Net profit attributable to owners for the six months ended 30 June 2022 amounted to \$1.2 billion (2021: \$2.3 billion), equivalent to earnings per stock unit of \$1.10 (2021: \$2.19).

Investment losses of \$43.6 million were driven by unrealized losses in our portfolio of local and overseas securities, despite higher dividend income. With stable occupancy levels, year-to-date property income remained flat when compared to the same period in 2021.

PanJam Investment Limited

Six-month operating expenses of \$1.1 billion (2021: \$867.9 million) grew as a result of costs related to the opening of the ROK Hotel as well as overarching inflationary pressures. Finance costs of \$489.2 million (2021: \$446.4 million) increased by 9.6 per cent due to higher average interest rates.

Associated Companies

The results of associated companies consist principally of our 30.2% investment in Sagikor. 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 six months of 2022 increased by \$262.0 million, or 17.0 per cent, compared to the same period in 2021, driven by Sagikor's results, which grew by 24.6 per cent.

Balance Sheet

Total assets at 30 June 2022 amounted to \$64.1 billion, compared to \$67.8 billion at 31 December 2021 and \$64.4 billion at 30 June 2021. Stockholders' equity amounted to \$48.4 billion compared to \$52.3 billion at 31 December 2021 and \$49.0 billion at 30 June 2021. This equates to a book value per stock unit of \$45.51 (30 June 2021: \$45.84).

ROK Hotel, Tapestry Collection by Hilton

On 19 July 2022, Prime Minister Andrew Holness officially opened the ROK Hotel, Tapestry Collection by Hilton.

Located at the corner of King Street and Ocean Boulevard, the four-star hotel boasts 168 rooms, a pool deck, restaurant, coffee shop and gym. It saw a number of key bookings during the Jamaica's 60th independence anniversary celebrations.

PanJam's investment in the ROK underscores our commitment to a renewed vitality in our capital city. Kingston deserves to be seen as yet another of Jamaica's viable and sought-after tourism products. We want everyone to know that the ROK Hotel is open for business, and we invite the world to come, stay and explore the city with us.

We would like to thank Hilton, Highgate, Kronos Investment & Development, REVPAR International, Synergy Design Studios and the other consultants and professionals who helped us bring this vision to reality.

Outlook

Our current economic environment continues to be impacted by geopolitical tensions and ongoing supply chain disruptions. We continue to see markedly higher interest rates and increased inflation, although central banks expect this upward trend to ease in early 2023.

PanJam Investment Limited

While we believe that uncertainty will continue for some time, PanJam's long-term investment horizon remains both relevant and appropriate to this environment. Our investment strategy has allowed PanJam to survive and thrive, and we are committed to playing our part in Jamaica's return to its pre-pandemic economic trajectory.

We thank you, our shareholders, for your trust. We are extremely grateful to, and proud of, the PanJam and Jamaica Property teams, and we appreciate the guidance provided by our Directors.



Stephen B. Facey
Executive Chairman



Joanna A. Banks
Chief Executive Officer

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Income Statement
Six months ended 30 June 2022

	3 Months to Jun-22 \$'000	3 Months to Jun-21 \$'000	YTD Jun-22 \$'000	YTD Jun-21 \$'000
Income				
Investments	(280,506)	868,948	(43,561)	1,093,947
Property	527,497	503,357	1,030,765	1,028,487
Other	31,313	33,942	66,080	68,660
	278,304	1,406,247	1,053,284	2,191,094
Operating expenses	(582,662)	(445,538)	(1,133,791)	(867,912)
Net impairment recovery on financial assets	2,110	8,743	4,562	17,676
Operating profit	(302,248)	969,452	(75,945)	1,340,858
Finance costs	(247,842)	(222,019)	(489,204)	(446,359)
	(550,090)	747,433	(565,149)	894,499
Gain on disposal of shares in associated company	-	25,530	-	25,530
Share of results of associated companies	647,987	637,687	1,802,357	1,540,338
Profit before taxation	97,897	1,410,650	1,237,208	2,460,367
Taxation	14,603	(89,211)	(56,588)	(122,572)
Net profit	112,500	1,321,439	1,180,620	2,337,795
Net profit attributable to:				
Owners of the parent	107,502	1,315,189	1,169,878	2,327,243
Non-controlling interest	4,998	6,250	10,742	10,552
	112,500	1,321,439	1,180,620	2,337,795
Earnings per stock unit attributable to owners of the parent for the period	\$0.10	\$1.24	\$1.10	\$2.19

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Comprehensive Income
Six months ended 30 June 2022

	3 Months to Jun-22 \$'000	3 Months to Jun-21 \$'000	YTD Jun-22 \$'000	YTD Jun-21 \$'000
Net profit for the period	112,500	1,321,439	1,180,620	2,337,795
Other comprehensive income, net of taxes:				
<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	(18,048)	29,193	(6,581)	26,662
Share of other comprehensive income of associated company, net of taxation	(0)	(26)	(1,084)	52,848
	(18,048)	29,167	(7,665)	79,510
<i>Items that may be subsequently reclassified to profit or loss</i>				
Exchange differences on translating foreign operations	126	5,124	(2,874)	9,124
Change in the fair value of debt instruments at fair value through other comprehensive income	(21,961)	1,984	(23,860)	6,543
Share of other comprehensive income of associated company	(1,799,767)	468,256	(3,690,761)	(604,171)
Other comprehensive income for the period, net of tax	(1,821,602)	475,364	(3,717,495)	(588,504)
Total comprehensive income for the period	(1,727,150)	1,825,970	(2,544,540)	1,828,801
Total comprehensive income attributable to:				
Owners of the parent	(1,732,148)	1,819,720	(2,555,282)	1,818,249
Non-controlling interest	4,998	6,250	10,742	10,552
	(1,727,150)	1,825,970	(2,544,540)	1,828,801

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Financial Position
as at 30 June 2022

	Unaudited June 2022 \$'000	Audited December 2021 \$'000	Unaudited June 2021 \$'000
ASSETS			
Cash and Bank Balances	309,862	272,856	274,871
Investments			
Deposits	425,549	994,776	845,151
Securities			
Financial assets at fair value through other comprehensive	663,278	1,145,479	1,237,314
Financial assets at fair value through profit and loss	8,775,375	9,372,316	8,262,640
Financial assets at amortised cost	301,751	305,457	1,394,246
Securities purchased under agreements to resell	499,145	1,269,367	2,163,860
Investment properties	10,101,552	10,024,752	9,606,428
Investment in associated companies	34,821,887	37,995,085	35,504,175
	55,588,537	61,107,232	59,013,814
Other assets			
Taxation recoverable	85,218	86,863	85,830
Prepayments and miscellaneous assets	2,359,251	1,841,415	1,907,197
Property, plant and equipment	4,574,702	3,446,578	3,020,086
Properties for development and sale	1,179,620	967,119	-
Intangibles	50,744	52,471	48,752
	8,249,535	6,394,446	5,061,865
	64,147,934	67,774,534	64,350,550
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Capital and Reserves Attributable to the Company's Equity holders			
Share capital	2,141,985	2,141,985	2,141,985
Equity compensation reserve	136,347	124,734	105,438
Property revaluation reserve	5,515,454	5,438,654	5,286,785
Investment and other reserves	644,667	4,383,503	4,803,729
Retained earnings	40,123,465	40,009,447	36,674,436
Treasury stock	(129,361)	(135,900)	(330,475)
	48,432,557	51,962,423	48,681,898
Non-controlling interest	346,333	335,591	297,227
	48,778,890	52,298,014	48,979,125
Liabilities			
Bank overdraft	20,366	14,986	11,485
Taxation payable	2,658	46,079	47,508
Loan liabilities	13,592,552	13,594,422	13,620,854
Lease liabilities	25,132	28,424	31,433
Deferred tax liabilities	284,083	255,934	421,683
Retirement benefit liabilities	706,486	654,516	562,545
Other liabilities	737,767	882,159	675,917
Total liabilities	15,369,044	15,476,520	15,371,425
	64,147,934	67,774,534	64,350,550



Stephen B. Facey
Executive Chairman



Joanna A. Banks
Chief Executive Officer

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Changes in Equity
for the Six months ended 30 June 2022

30-Jun-22

\-----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
Balance at 1 January 2021	2,141,985	116,594	5,211,785	5,395,698	34,692,918	(372,609)	286,675	47,473,046
Comprehensive income								
Net profit	-	-	-	-	2,327,243	-	10,552	2,337,795
Other comprehensive income	-	-	-	(508,994)	-	-	-	(508,994)
Total comprehensive income for the period	-	-	-	(508,994)	2,327,243	-	10,552	1,828,801
Transactions with owners								
Employee share incentive scheme value of services provided	-	22,026	-	-	-	-	-	22,026
Employee share grants issued and options exercised	-	(33,182)	-	(2,174)	-	39,979	-	4,623
Dividends paid to equity holders of the company	-	-	-	-	(270,725)	-	-	(270,725)
Share purchase plan	-	-	-	670	-	2,461	-	3,131
Acquisition of treasury stock	-	-	-	-	-	(306)	-	(306)
Change in reserves of associated company	-	-	-	(81,471)	-	-	-	(81,471)
Transfer of unrealised property revaluation gains	-	-	75,000	-	(75,000)	-	-	-
Balance at 30 June 2021	2,141,985	105,438	5,286,785	4,803,729	36,674,436	(330,475)	297,227	48,979,125

30-Jun-22

\-----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
Balance at 1 January 2022	2,141,985	124,734	5,438,654	4,383,503	40,009,447	(135,900)	335,591	52,298,014
Comprehensive income								
Net profit	-	-	-	-	1,169,878	-	10,742	1,180,620
Other comprehensive income	-	-	-	(3,725,160)	-	-	-	(3,725,160)
Total comprehensive income for the period	-	-	-	(3,725,160)	1,169,878	-	10,742	(2,544,540)
Transactions with owners								
Employee share incentive scheme value of services provided	-	17,984	-	-	-	-	-	17,984
Employee share grants issued and options exercised	-	(6,371)	-	(13,568)	-	44,863	-	24,924
Dividends paid to equity holders of the company	-	-	-	-	(979,060)	-	-	(979,060)
Share purchase plan	-	-	-	(108)	-	33,101	-	32,993
Acquisition of treasury stock	-	-	-	-	-	(71,425)	-	(71,425)
Transfer of unrealised property revaluation gains	-	-	76,800	-	(76,800)	-	-	-
Balance at 30 June 2022	2,141,985	136,347	5,515,454	644,667	40,123,465	(129,361)	346,333	48,778,890

PANJAM INVESTMENT LIMITED
and its subsidiaries
Unaudited Consolidated Statement of Cash Flows
Six months ended 30 June 2022

	6-Months to June 2022 \$'000	6-Months to June 2021 \$'000
Net profit	1,180,620	2,337,795
Adjustments to reconcile net profit to cash flows provided by operating activities:		
Share of results of associated companies	(1,802,357)	(1,540,338)
Fair value gains on investment properties	(76,800)	(75,000)
Losses/(Gains) on foreign currency denominated investments	51,165	(57,792)
Gain on disposal of shares in associated company	-	(25,530)
Other	656,149	(327,885)
	8,777	311,250
Changes in operating assets and liabilities		
Other assets	(667,352)	(373,509)
Other liabilities	158,897	193,970
Net disposal of financial assets at fair value through profit or loss	795,179	160,826
	295,501	292,537
Interest received	63,232	143,838
Income tax paid	(71,860)	(49,228)
Net cash provided by operations	286,873	387,147
Cash flows from investing activities		
Acquisition of property, plant and equipment	(997,038)	(1,160,046)
Proceeds from disposal of property, plant and equipment	731	-
Expenditure on properties for development and sale	(212,501)	-
Proceeds from disposal of shares in associated company	-	30,663
Additional investment in associated company	(4,909)	-
Dividends from associated companies	1,288,619	737,887
Disposal of investment securities, net	63,284	2,468,223
Other investment activities	(1,757)	(17,297)
Net cash provided by investing activities	136,429	2,059,430
Cash flows from financing activities		
Loans repaid	(48,131)	(50,170)
Interest paid	(445,338)	(438,866)
Other financing activities	(4,506)	(3,546)
Acquisition of treasury stock	(71,425)	(306)
Disposal of treasury stock	57,917	7,753
Dividends paid to equity holders	(1,282,351)	(270,725)
Net cash used in financing activities	(1,793,834)	(755,860)
Net (decrease)/increase in cash and cash equivalents	(1,370,532)	1,690,717
Cash & cash equivalents at beginning of the period	2,503,301	1,580,197
Cash & cash equivalents at end of the period	1,132,769	3,270,914
Comprising of:		
Cash at bank and in hand	309,862	274,871
Short term deposits	342,458	837,182
Securities purchased under agreement to resell	500,815	2,170,346
Overdraft	(20,366)	(11,485)
	1,132,769	3,270,914

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

June 30, 2022

	Property Management & Rental \$'000	Investments \$'000	Other Services \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	1,071,484	(49,638)	31,438	-	1,053,284
Inter-segment	18,411	207,891	-	(226,302)	-
Total Revenue	1,089,895	158,253	31,438	(226,302)	1,053,284
Segment results	274,421	(287,728)	(62,638)	-	(75,945)
Interest expense	(201,422)	(463,064)	-	175,282	(489,204)
	72,999	(750,792)	(62,638)	175,282	(565,149)
Share of results of associated companies	-	1,802,357	-	-	1,802,357
Profit before taxation	72,999	1,051,565	(62,638)	175,282	1,237,208
Taxation	(25,714)	(30,948)	74	-	(56,588)
Net profit	47,285	1,020,617	(62,564)	175,282	1,180,620
Segment assets	17,232,589	17,493,585	1,191,456	(6,591,583)	29,326,047
Investment in associated companies	-	34,821,887	-	-	34,821,887
Total assets	17,232,589	52,315,472	1,191,456	(6,591,583)	64,147,934
Segment liabilities	7,470,301	13,305,971	1,184,355	(6,591,583)	15,369,044

June 30, 2021

	Property Management & Rental \$'000	Investments \$'000	Other Service \$'000	Eliminations \$'000	Total \$'000
REVENUE					
External	1,070,584	1,089,604	30,906	-	2,191,094
Inter-segment	13,226	116,276	-	(129,502)	-
Total Revenue	1,083,810	1,205,880	30,906	(129,502)	2,191,094
Segment results	390,985	942,812	7,061	-	1,340,858
Interest expense	(119,711)	(418,890)	-	92,242	(446,359)
	271,274	523,922	7,061	92,242	894,499
Gain on disposal of shares in associated company	-	25,530	-	-	25,530
Share of results of associated companies	-	1,540,338	-	-	1,540,338
Profit before taxation	271,274	2,089,790	7,061	92,242	2,460,367
Taxation	(4,100)	(118,525)	53	-	(122,572)
Net profit	267,174	1,971,265	7,114	92,242	2,337,795
Segment assets	14,259,054	17,239,860	544,445	(3,196,984)	28,846,375
Investment in associated companies	-	35,504,175	-	-	35,504,175
Total assets	14,259,054	52,744,035	544,445	(3,196,984)	64,350,550
Segment liabilities	4,737,514	13,461,672	369,223	(3,196,984)	15,371,425

Notes to the Unaudited Consolidated Interim Financial Statements

30 June 2022

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 2021 audited financial statements.