

**JAMAICA PRODUCERS
GROUP LIMITED**

Amalgamation of the Material Businesses of
Jamaica Producers Group Limited and
PanJam Investment Limited

**AMALGAMATION
BOOKLET &
EXPLANATORY
STATEMENT**

NOVEMBER 30, 2022

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TO THE SHAREHOLDERS OF JAMAICA PRODUCERS GROUP LIMITED

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Jamaica Producers Group Limited (“the Company”) will be held at ROK Hotel Kingston, 2-4 King Street, Kingston on December 22, 2022 at 10:00 am to consider the proposed amalgamation pursuant to the Amalgamation Agreement between the Company and PanJam Investment Limited dated November 18, 2022 (the “Amalgamation”).

This EGM is for the purpose of considering and, if thought fit, passing by way of an Ordinary Resolution, which shall only be brought into effect if the proposed Amalgamation (and all attendant resolutions) are duly approved by the ordinary shareholders of the Company and PanJam Investment Limited (“PanJam”), the following resolutions:

“**THAT** the Company be authorised to give effect to the Amalgamation and in accordance therewith:

- (a) the Company transfer 100 percent of the issued and outstanding ordinary shares of JP Global Holdings Limited to PanJam; and
- (b) 561,565,133 ordinary shares (or such other number as shall equate to 34.5% of the issued share capital of the PanJam as at the date of issue) credited as fully paid up, each ranking *pari passu* in all respects with the existing ordinary shares in the capital of the PanJam, be subscribed for by the Company in exchange for the transfer to PanJam of 100 percent of the issued and outstanding ordinary shares in JP Global Holdings Limited.”

BY ORDER OF THE BOARD



SIMONE M. PEARSON
SECRETARY
KINGSTON, JAMAICA
November 30, 2022

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. Such proxy must be lodged at the Company’s Registrar not less than forty-eight hours before the meeting. A proxy need not be a member. A suitable form of proxy is enclosed. Please complete and submit to: The Registrar, KPMG Regulatory & Compliance Services

Dear Shareholders,

The board of Jamaica Producers Group Limited (“JP” or the “Group”) approved the execution and entry into force of the Amalgamation Agreement between JP and PanJam Investment Limited (“PanJam”) dated November 18, 2022 (the “Amalgamation Agreement” or the “Agreement”).

This Agreement would allow for the combined ownership of JP’s key operating businesses with the businesses of PanJam under a single legal entity. As part of the proposed transaction, JP will transfer its operating businesses to JP Global Holdings Limited (“JPGH”) (a newly incorporated wholly owned intermediate holding company), by way of a scheme of reconstruction. All of JP’s shares in JPGH will then be transferred to PanJam in exchange for the issue to JP of new ordinary shares, credited as fully paid-up representing a 34.5% interest in the issued share capital of PanJam. In accordance with the Agreement, PanJam will also change its name to Pan Jamaica Group (“PJG”) and make some accommodations to allow for the representation of nominees of JP (in its capacity as shareholder) on the board of PJG.

Importantly, the Amalgamation Agreement, stipulates that the completion of the amalgamation contemplated thereunder (the “Amalgamation”) is subject to the approval of the shareholders of JP and PanJam. On behalf of the board of JP, I now seek your support for the proposed Amalgamation.

JP has built or acquired a range of global businesses with interests in Food & Drink and Logistics & Infrastructure. These businesses were selected and developed with the benefit of the capital and expertise emanating from the fruit and shipping enterprises that were launched by the founding shareholders of JP at its inception in 1929. Today, these businesses include A.L. Hoogesteger Fresh Specialist B.V. (“Hoogesteger”), the market leading fresh juice manufacturer in the Netherlands supplying markets in Northern Europe and our joint venture interest in CoBeverage Lab S.L., a fresh juice manufacturer supplying southern Europe. JP also operates the Tortuga International bakery business, JP Snacks Caribbean, JP Farms and a joint venture interest in Grupo Alaska (a producer and distributor of water and ice in the Dominican Republic). Hoogesteger, JP’s fresh juice business is the largest contributor to the consolidated revenues of the Group.

JP Group’s logistics interests include Kingston Wharves Limited (“KW”), Geest Line Limited, JP Shipping Services Limited and Miami Freight & Shipping Limited. Together with Eppley Limited, JP has recently launched the Capital Infrastructure Group Limited to develop select Caribbean infrastructure assets. KW holds the largest share of assets in the Group.

Although JP has long emphasised its foundation in fruit and in shipping, this has itself been underpinned by a deep and abiding knowledge of, commitment to, and appetite for investing in Jamaica. We take great pride in the fact that although our business is transnational, our shareholder base is almost entirely Jamaican. Our agri-business over the years has been consistently identified with Jamaica; our JP Farms subsidiary operates on the largest private land holding in St. Mary and is the largest private employer in the parish. In logistics, our Kingston Wharves subsidiary is the leading private landowner on the Kingston waterfront and in addition to 80 acres of port operations has over 500,000 square feet of developed commercial property with a development plan in place for an additional 200,000 square feet.

This same commitment to Jamaica led JP to partner with PanJam in the first instance 10 years ago to participate in the highly successful privatisation of what was then Jamaica's largest and most iconic brand of Blue Mountain Coffee. This experience left us with the view that PanJam shared our interest in national development but also shared our commitment to strategic investing and shareholder returns. Today, PanJam's portfolio of businesses and investments is different from ours but is complementary. Their areas of focus include financial services, tourism and attractions, and call centers. As such, with the proposed Amalgamation we are able to spread the fixed costs of governance and oversight across a wider range of businesses and at the same time benefit from new networks and sectors and geographic diversification.

Upon completion of the Amalgamation, Pan Jamaica Group will be a conglomerate with well-developed market leading investments in agriculture, financial services, hospitality, logistics, real estate, shipping, specialty food and drink, and tourist attractions located in the Caribbean, Central and North America, and Europe.

In creating its recommendation to approve the proposed Amalgamation, your board of directors took into consideration:

- a) the information contained in booklet describing the Amalgamation and made available for viewing at our offices and on-line on our website (www.jpjamaica.com) and on the website of the Jamaica Stock Exchange (www.jamstockex.com);
- b) the fairness opinions and valuations provided by Ernst & Young Services Limited in respect of the Amalgamation;
- c) the strengths, skills and experience of JP's and PanJam's boards of directors and management teams;
- d) the financial performance to date of JP and PanJam, and their prospects for growth as a combined group;
- e) the markets in which the companies, their subsidiaries and associated companies operate; and
- f) legal advice from Hart Muirhead and Fatta, Attorneys-at-Law.

On this basis, the JP board has unanimously formed the view that the proposed Amalgamation is in the best interest of JP's shareholders.

We encourage you to carefully read all of the documents provided, attend the meeting (in person or by proxy) and vote in favour of the proposed Amalgamation.

We hope that you, our shareholders, participate in and achieve the targeted returns from the next phase of JP's growth and the growth of Pan Jamaica Group Limited.

Yours sincerely,



Charles H. Johnston
Chairman

“Amalgamation” means the proposed combination of PanJam and the material businesses of JP pursuant to the Amalgamation Agreement.

“Amalgamation Agreement” means the agreement entered into between PanJam and JP dated November 18, 2022 in relation to the proposed Amalgamation.

“Completion Date” means March 31, 2023 being the date on which the Amalgamation shall take effect or such other date as JP and PanJam agree in writing.

“Fairness Opinion” means the opinion of Ernst & Young Services Limited dated November 17, 2022 in respect of the Amalgamation.

“JP” means Jamaica Producers Group Limited, a company incorporated under the laws of Jamaica.

“JP Business” means the material assets and liabilities of JP described at page 13 to be transferred by JP to JP Global.

“JP Global” means JP Global Holdings Limited, a wholly owned subsidiary of JP incorporated under the laws of Jamaica.

“JP Global Shares” means 561,565,133 issued and outstanding ordinary shares forming the share capital of JP Global or such other number that is equal to the PanJam Exchange Shares.

“JP Global Valuation” means the summary valuation report issued by Ernst & Young Services Limited dated November 17, 2022 providing the fair market value of the JP Business that will be held by JP Global on the Completion Date.

“JSE” means the Jamaica Stock Exchange.

“PanJam” means PanJam Investment Limited, a company incorporated under the laws of Jamaica.

“PanJam Exchange Shares” means 561,565,133 ordinary shares (or such other number that is equal to 34.5% of the issued shares of PanJam), in the capital of PanJam to be issued to JP, on a fully diluted basis, in exchange for JP Global Shares, ranking *pari passu* in all respects with the ordinary shares in the capital of PanJam in existence immediately prior to the issue of the PanJam Exchange Shares.

“PanJam Valuation” means the summary valuation report issued by Ernst & Young Services Limited dated November 17, 2022 providing the fair market value of PanJam.

“PJG”, “Group” or “Pan Jamaica Group” shall mean Pan Jamaica Group Limited or such other name as PanJam and JP agree as shall be acceptable to the Registrar of Companies of Jamaica, being the new name of PanJam after the Completion Date.

“Scheme of Reconstruction” means a scheme of reconstruction whereby the JP Business will be transferred to JP Global.

“Valuation Reports” means the JP Global Valuation and the PanJam Valuation.

Words denoting the singular shall include plural and vice versa. References to any gender shall include all other genders.

References to any statute or statutory provisions shall be construed as reference to that statute or statutory provision as amended, re-enacted or modified in its operation by any other statute or statutory provision (whether before or after the date of this Booklet), and shall include any provisions of which they are re-enactments (whether with or without modification) and any subordinate legislation made under the relevant statute.

Background and Overview Of Jamaica Producers Group Limited

Jamaica Producers Group Limited was founded on April 1, 1929, as a banana growers' cooperative to support the commercialisation of Jamaican bananas for the benefit of its members. This spawned a multinational enterprise, centred around investments in Specialty Food & Drink and Logistics & Infrastructure and a Corporate Services segment which includes JP's head office operations responsible for corporate leadership and management, finance and treasury functions.

JP has been engaged in international business since its inception. The business of JP initially focused on shipping Jamaican fruit to the UK, with JP owning and operating refrigerated vessels that plied between the Caribbean and the UK. As the UK retail trade in fresh fruit became formalised and concentrated among large scale supermarket retailers, JP invested in modern cold storage, ripening and distribution facilities for fresh fruit in the UK, large scale industrial farms in Jamaica, global procurement and trading platforms for fresh fruit for European markets and most recently, food processing facilities to improve the convenience, packaging and shelf life of fresh fruit. The food processing businesses now form the core of JP's portfolio of food and drink subsidiaries and associated companies which include fresh fruit juice production in the Netherlands and Spain, snack production in the Dominican Republic for the local and export markets along with bottled water and ice for the Dominican Republic market and rum and spirit-based baked goods for the local, international and travel retail market. JP's traditional farming business (involving the sale of fresh fruit – principally bananas and pineapples in Jamaica and Caribbean markets) now accounts for less than 5 percent of the total revenues of JP.

JP's shipping business has also been transformed over the years and is now a diversified portfolio of subsidiaries and associated companies. The largest business within this logistics group is Kingston Wharves Limited (KW). KW operates a market leading multi-purpose and multi-user port terminal in Kingston, Jamaica. The terminal handles a wide range of containerised, bulk, break bulk, liquid bulk and automotive cargo for the local and transshipment markets and is complemented by a portfolio of near dock warehouses, cold storage and less than container load logistics operations. JP also operates freight forwarding and consolidation businesses in the UK and the USA and a joint venture shipping line, Geest Line, that moves refrigerated cargo between Colombia and the Dominican Republic and Europe and general cargo between Europe and the Caribbean.

Today, JP's portfolio of businesses encompasses investments in a diverse range of geographies, markets and business lines and is organised into two business segments based on its business activities, namely:

- a. JP Food & Drink- JP's businesses engaged in agriculture, processing and distribution of food and drink.
- b. JP Logistics & Infrastructure- JP's businesses engaged in shipping and logistics, transportation, port operations and other infrastructure investments.

JP is incorporated in Jamaica with its registered office at 4 Fourth Avenue, Newport West, Kingston 13 and is publicly traded on the JSE with over 10,000 shareholders. JP is now unambiguously, a highly commercial enterprise that has achieved considerable growth and has been able to drive shareholder returns from both acquisitions and organic growth. The business emphasises strong corporate governance, prudent financial management and reporting and active operational oversight of its businesses.

In contemplation of the proposed Amalgamation which requires the transfer of JP's key operating assets to PanJam and gives rise to the "Pan Jamaica Group", JP established a new wholly owned subsidiary company named JP Global Holdings Limited ("JP Global"). JP Global was incorporated under the laws of Jamaica on November 2, 2022. In accordance with the Amalgamation Agreement, JP intends to ultimately transfer the JP Global Shares to PanJam in exchange for JP receiving the PanJam Exchange Shares.

JP's top 10 shareholders as at October 1, 2022 are set out in Appendix 1.

The celebration of Jamaica's independence in 1962 was a turning point for our nation, its economy, its culture and, most importantly, its people. Opportunities would arise along a path filled with unknown risks and rewards. Amongst the challenges, a group of investors saw a future of unbridled possibilities for Jamaica.

In 1964, the Facey Family formed Jamaica Property Company Limited ("Jamaica Property"), which would focus on real estate development in Kingston. Shortly thereafter, the Honourable Clinton Hart incorporated Pan-Jamaican Investment Trust Limited ("PJIT"), a company with a dual purpose: investing in a wide range of Jamaican businesses, while providing ordinary Jamaicans with the ability to participate in those investments. In line with this mandate, PJIT applied to be listed on the Kingston (Jamaica) Stock Exchange and, in 1965, raised £200,000 through a public offering.

A year later, Jamaica Property became a wholly owned subsidiary of PJIT in a transaction that represented the amalgamation of two companies driven to grow Jamaica, whether through direct investment in local businesses or the development of the properties on which they operate. The Honourable Maurice Facey, a self-described serial entrepreneur, became PJIT's Managing Director and eventually its Chairman, guiding the company through decades of macroeconomic and political uncertainty, but never wavering from his goal of contributing to Jamaica's long-term success.

In the 1980s, PanJam acquired Jamaica Floral Exports Limited and Sans Souci Hotel and Resort and attained the controlling interest in Scott's Preserves Limited. These investments exposed PJIT (which was eventually renamed to PanJam) to export markets and tourism. Years later, PanJam began to explore the finance industry with the establishment of First Life Insurance Company and the acquisition of a 20% stake in Pan Caribbean Merchant Bank. Through a series of strategic restructurings, these two transactions lay the foundation for one of PanJam's largest holdings today a 30.2% stake in Sagicor Group Jamaica Limited.

PanJam emerged as a business leader, pioneering the development of high-rise commercial and residential properties, and investing in iconic Jamaican companies. PanJam began with the construction of the Air Jamaica Building in Downtown Kingston, the Imperial Life Building on Knutsford Boulevard and the Abbey Court Apartments on Hope Road. PanJam diversified its portfolio by investing in the manufacturing and trading industry with the acquisition of Wherry Wharf. PanJam then made its mark as a serious private equity player by purchasing Hardware & Lumber Limited in Jamaica's first public hostile takeover.

More recently, PanJam has continued to invest in Jamaica through partnerships with Chukka Caribbean Adventure Limited, Mavis Bank Coffee Factory Limited, Term Finance (Jamaica) Limited and New Castle Company Limited (the owner of the Walkerswood, Busha Browne and Jamaica Joe brands). PanJam reaffirmed its commitment to the development of Kingston by introducing the international hotel brand Courtyard by Marriott and acquiring the Oceana Hotel on the Kingston Waterfront, which is now the ROK Hotel & Residences.

PanJam also looked for opportunities beyond our shores, investing in an Aloft Hotel in Miami, Florida, a shopping centre in Fort Lauderdale, Florida, and other real estate projects in Canada. The Company took a stake in Outsourcing Management Limited (itel), the region's largest home-grown customer experience company, and a stake in the provider of flexible office space throughout the Caribbean, Williams Offices Caribbean Limited (Regus).

PanJam is an investment holding company. This means that it will, from time to time, divest its interests in its associates, as it did with its shares in Hardware & Lumber Limited in 2015 and of Mavis Bank Coffee Factory Limited in 2016. But through all the changes to its portfolio, PanJam remains committed to its founders' vision. PanJam actively pursues a diverse set of investments that will grow the real Jamaican economy, while ensuring that it creates long-term value for its stakeholders.

Today, PanJam is invested in commercial banking, investment banking, consumer product distribution, hospitality, insurance, micro finance, real estate and tourist attractions. PanJam's investments and its footprint extends from Jamaica to Barbados, Canada, Guyana, Honduras, St. Lucia, Trinidad and the United States.

Our top 10 shareholders as at September 30, 2022 are set out in Appendix 1.

Overview

The Amalgamation Agreement contemplates two sets of transactions that ultimately give effect to the combination of the major operating businesses of JP with the businesses of PanJam under a single legal entity.

The first set of transactions involves transferring the JP Business to JP Global pursuant to a Scheme of Reconstruction. The Transfer Tax Act allows for Jamaican assets to be transferred in consideration for the transfer of liabilities and stipulates that such a transfer is exempt from transfer tax. International assets and listed securities will be transferred from JP to JP Global in exchange for shares in JP Global such that, upon completion of these transfers, JP Global will have 561,565,133 issued and outstanding ordinary shares.

The second set of transactions involves the transfer of the JP Global Shares by JP to PanJam. JP will transfer the JP Global Shares to PanJam in exchange for the issue and allotment to JP of the PanJam Exchange Shares. This transfer will be conducted in accordance with the Amalgamation Agreement and the transfer is not expected to attract transfer tax.

Transfer of the JP Business

The JP Business to be transferred to JP Global will consist of (a) a series of international businesses (the “JP International Businesses”) that include the range of businesses held under JP International Group Limited (a Cayman Islands company) as well as shares in Capital Infrastructure Group Limited (a Barbados company), Capital Infrastructure Managers Limited (a Barbados company) and Grupo Frontera Limited (a St. Lucia company); (b) JSE listed shares in Kingston Wharves Limited (the “KW Shares”); and (c) a regional business consisting of assets and liabilities that will be transferred to JP Global for no additional consideration pursuant to the Scheme of Reconstruction described above (the “JP Regional Business”).

The JP International Businesses

The JP International Businesses will include 100% of the issued and outstanding shares of JP International Group Limited, a Cayman Islands company. JP International Group in turn includes the following:

- i. **100% of A.L. Hoogesteger Fresh Specialist B.V.** A.L. Hoogesteger Fresh Specialist B.V. (“Hoogesteger”) is a market leader in ultra-fresh juices in northern Europe and serves as a co-packer of juice for major supermarket and food service entities in countries such as the Netherlands, Belgium, Scandinavia, Switzerland and Germany. The business operates from its operational base outside Amsterdam, the Netherlands.

- ii. **50% of Co Beverage Lab S.L.** Hoogesteger's sister company, Co Beverage Lab S.L. is a 50% associate of JP supplying fresh juices in Spain, France, Italy and the UK from its operational base in Barcelona, Spain.
- iii. **100% of JP Shipping Services Limited.** JP Shipping Services Limited and its wholly owned subsidiary Miami Freight & Shipping Company are leading suppliers of full-service, Caribbean-focused logistics between the Caribbean and the UK and USA. With warehouse operations in London, UK and Miami, USA the business serves a wide range of customers with tailored less than container load and full container load logistics services. The customer base ranges from private individuals shipping personal effects to international corporations shipping commercial cargo.
- iv. **50% of Geest Line Limited.** Geest Line has operated shipping services linking the Caribbean and Europe for over 60 years. Today, from its operational base in Portsmouth, UK, Geest Line operates 5 vessels on a weekly service linking the UK, Netherlands, Eastern Caribbean, Colombia and the Dominican Republic. It transports bananas, plantains and other tropical produce from the Caribbean to Europe and brings general freight in return on the Westbound voyage, serving major customers in both Europe and the Caribbean. Geest Line is a 50% joint venture with a leading owner and charterer of refrigerated carriers.
- v. **62% of Tortuga International Holdings Limited.** Tortuga International Holdings Limited ("Tortuga") is the brand owner, marketer and manufacturer of the Caribbean's leading food souvenir product, the Tortuga Rum Cake, alongside other Tortuga branded and spirit-based food products. Tortuga's products are sold throughout the Caribbean and North America travel retail and grocery markets and are supplied from its principal manufacturing site in Kingston, Jamaica, and a distribution hub in Miami, USA.

The JP International Businesses also include JP's 50% interest in Grupo Frontera Limited ("Grupo Frontera"). Grupo Frontera is a joint venture holding company incorporated in St Lucia and established by JP to hold our investment in Grupo Alaska S.A ("Grupo Alaska"), a company incorporated in the Dominican Republic that operates an ice and water manufacturing and distribution business in that country. Grupo Alaska operates two manufacturing and distribution bases, one in the capital, Santo Domingo and one in the tourism resort area of Bavaro.

JP's infrastructure development initiatives also form part of the JP International Businesses. These include JP's 12% of the common shares and 50% of the Class B Management Preference shares of **Capital Infrastructure Group Limited**, a Barbados Company and JP's 50% of the common shares of **Capital Infrastructure Managers Limited**, a Barbados Company. Capital Infrastructure Group Limited ("CIG") was established by JP and its partners to invest in infrastructure projects across the Caribbean. Capital Infrastructure Managers Limited is jointly owned by JP and a leading Caribbean investment fund manager to provide infrastructure investment management services to CIG.

The KW Shares

The KW Shares represent JP's interest in Kingston Wharves Limited ("KW"). KW is a leading multi-purpose port and logistics operation in the Caribbean. KW's operations, based in Newport West, Kingston, are separated into two divisions. KW's Terminal Operations Division operates a 1,655 metre continuous quay that provides nine deep-water berths for roll-on/roll-off, lift-on/lift-off, general break bulk, containerised cargo and bulk cargo vessels. KW's Logistics Services Division operates a range of warehousing and third-party logistics services, cold storage and marine security operations. KW, which is 42% owned by JP, operates as a subsidiary of JP and its shares are listed on the JSE.

The JP Regional Business

The JP Regional Business includes JP Tropical Group Limited, farm properties in St. Thomas constituting over 600 acres of land, and the site of the Titchfield Wharf in Port Antonio. The transfer of these assets will be accompanied by the transfer of liabilities in the form of secured third party debt and debt evidenced by a promissory note. JP Tropical Group Limited in turn holds shares in the following subsidiary companies:

- i. **70% of JP Snacks Caribbean Limited ("JPSC").** JPSC is a leading Caribbean producer, marketer and seller of ready-to-eat tropical snack products and ready-to-cook frozen tropical products under the "St. Mary's" and "Carles" brands as well as a private label co-packer for other third-party brands and retailers in English and Spanish language markets across the Caribbean and internationally. JPSC's manufacturing operation, employing over 300 people, is based in Cana Chapeton, Dominican Republic.
- ii. **100% of JP Tropical Foods Limited ("JPTF").** JPTF, trading as JP Farms, manages a 400-acre farm on leased land in the parish of St. Mary focused on the cultivation of bananas, pineapples and coconuts. It also operates a commercial and cold storage centre in Kingston. From these operations it supplies fruit primarily to Jamaican customers but also internationally to customers in the USA, Canada and wider Caribbean region.

The real properties to be transferred as part of the JP Regional Business are (a) all that parcel of land at Winchester, St Thomas, registered at Volume 1464 Folio 656 of the Register Book of Titles; (b) all that parcel of land at Winchester, St Thomas registered at Volume 1464 Folio 657 of the Register Book of Titles; and (c) all that parcel of land at Titchfield Wharf, Port Antonio, registered at Volume 1510 Folio 632 of the Register Book of Titles.

JP will also transfer to JP Global, trademarks related to the specialty food businesses and registered in Jamaica, the United States of America, the United Kingdom and Trinidad and Tobago.

In accordance with the Amalgamation Agreement, JP will also transfer to JP Global any and all other liabilities of JP (save for certain retained liabilities) including lease liabilities and obligations in respect of 4 Fourth Avenue, Kingston, Jamaica, employee liabilities (including employee benefit liabilities and contingent obligations in respect of severance), taxes, indebtedness, claims, deferred consideration and

accounts payable in each case incurred prior to the Completion Date. An unaudited pro forma consolidated balance sheet for JP Global as at October 1, 2022 is set out in Appendix 2.

While the majority of the assets and liabilities of JP will be transferred to JP Global in accordance with the Amalgamation Agreement, JP will retain an agreed amount of cash and marketable securities that it has deemed prudent to fund its declared dividends, ongoing operations and retained liabilities in an amount not to exceed \$1.45 billion. JP will also retain ownership of certain real property interests that have long been associated with JP (including three properties in Jamaica and one property in the United Kingdom), as well as ownership of Agualta Vale Limited, a company registered under the laws of Jamaica with its principal asset being land in St. Mary, Jamaica. The retained assets and liabilities of JP have not been included in the JP Global Valuation for the purposes of the Amalgamation.

The proposed Amalgamation is the combination of the material businesses of JP and PanJam.

Subject to approval of the shareholders of JP and PanJam and the satisfaction of all applicable regulatory and statutory requirements, the proposed Amalgamation will be effected by way of an exchange of shares, specifically:

- a) PanJam will acquire all issued share capital of JP Global, a newly formed wholly owned subsidiary of JP, which at the time of the acquisition will hold the JP Business; and
- b) PanJam will issue and allot the PanJam Exchange Shares to JP, as the sole shareholder of JP Global, as consideration for the acquisition of the JP Global Shares.

The steps required to effect this Amalgamation are set out below:

1. **Exemption from Transfer Tax**
Obtaining confirmation from Tax Administration Jamaica that the proposed Amalgamation is exempt from Transfer Tax.
2. **Increase in Share Capital of PanJam**
Increasing the share capital of PanJam by the creation of an unlimited number of new ordinary shares, from which the PanJam Exchange Shares will be allotted as a part of the Amalgamation.
3. **Opinion under section 38 of the Companies Act**
Procuring a fairness opinion that confirms the consideration for the issue and allotment of the PanJam Exchange Shares is worth at least the value of the JP Global Shares to be transferred to PanJam. The Fairness Opinion has already been obtained.
4. **Transfer of JP Global Shares in Exchange for the Issue and Allotment of the PanJam Exchange Shares**
Transferring the JP Global Shares to PanJam free from all liens, charges and encumbrances and together with all rights attached thereto as at the Completion Date in exchange for the issue and allotment by PanJam to JP of the PanJam Exchange Shares.
5. **Change of Name & Amendments to PanJam's Articles**
Changing the name of PanJam to "Pan Jamaica Group Limited", subject to the approval of the Registrar of Companies; and (b) amending the Articles of Incorporation of PanJam to grant persons who qualify as having a Significant Shareholding the right to appoint three (3) directors to the Board of Directors and to remove and replace the directors so appointed without the approval of the directors or shareholders of the Company. All amendments will take effect as of the Completion Date. At the Completion Date there will be two Significant Shareholdings entitled to appoint three (3) directors to the Board, JP and members of the Facey Family who are shareholders of PanJam.

JP’s Corporate Existence

The shares of JP will remain listed on the Main Market of the JSE. JP’s principal asset will be its 34.5% shareholding in PanJam. JP will also continue to have a board that will include directors who are independent of PanJam and/or do not have an executive role at PanJam as well as directors who may have an executive role with PanJam. The board of JP will be responsible for its ongoing oversight and governance and for the engagement and direction of a limited group of officers who will have responsibility for the ongoing management of its affairs.

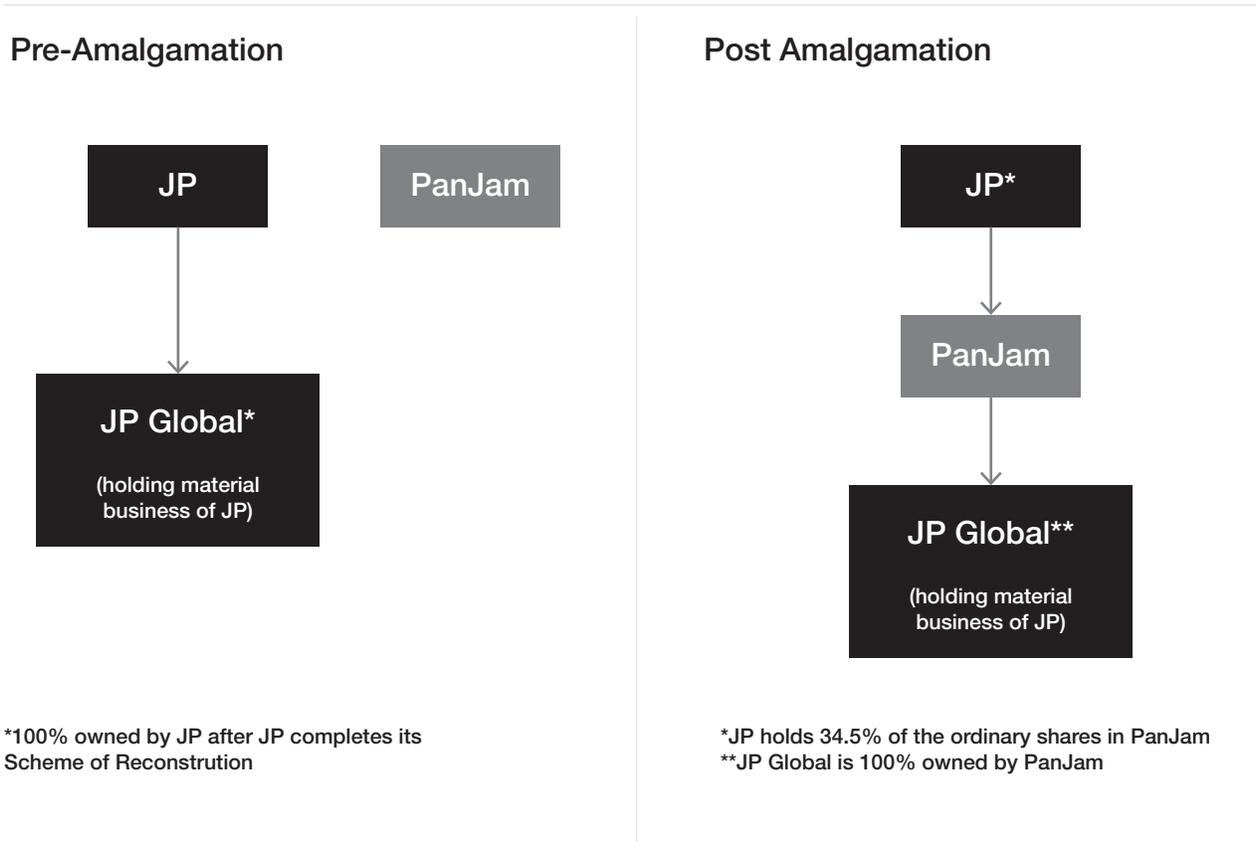
Completion of the Amalgamation

The proposed Amalgamation is scheduled to take effect as of the Completion Date.

Lapse of the Amalgamation

In the event that the proposed Amalgamation does not become effective by the Completion Date, it shall lapse and be of no effect.

The effect of the proposed Amalgamation after the issue of the PanJam Exchange Shares is illustrated below:



OBJECTIVES AND RATIONALE FOR THE AMALGAMATION

JP and PanJam both operate as investment holding companies. In this respect, their business models and corporate culture are broadly compatible. The core activities of the two enterprises involve:

- (a) the identification, structuring, negotiating and financing of investments;
- (b) the oversight and governance of businesses in which they hold interests, including financial control and reporting, compliance and administration of business strategy;
- (c) the management of a portfolio of cash and marketable securities to facilitate timely execution of new opportunities, to drive shareholder returns and to create a natural hedge for various types of financial risks to the portfolio of businesses; and
- (d) the realisation of value from the sale of assets, when conditions dictate that this represents the best interest of shareholders.

Underpinning this compatibility in core activities is a commitment to long-term investing, prudential risk management, transparency, and corporate governance. This is evidenced by the longevity of the JSE listed enterprises and the stability, tenure and track records of the board and management of each of these business groups. Moreover, although both enterprises have strong transnational partnerships and interests, PanJam and JP are headquartered and domiciled in Jamaica. The respective boards of JP and PanJam, in considering the prospects for combining the operating businesses under a single legal entity, took into account congruity in culture and values as an important foundation for their future success.

Upon completion of the proposed Amalgamation, the combined business will emphasize a business strategy that directly and expressly harvests certain opportunities that would not be immediately available to either enterprise operating on its own.

The key elements of this strategy support and demonstrate the rationale for the proposed transaction and are set out below:

Leverage the Economies of Scale in Central Costs. There are fixed costs associated with the core activities of both enterprises. The combined scale of the Pan Jamaica Group will position it among the leaders in the Caribbean region in terms of its capacity to attract and retain best in class financial, operational, transactional and corporate governance expertise necessary to execute and oversee investments while spreading the cost of this talent as well as the facilities and systems to support it across a large portfolio of businesses. The combined enterprise will not emphasise material changes to staffing levels in the short term but will rationalise facilities and systems. More importantly, it will immediately seek to leverage the combined skills and capabilities of the two groups to drive further growth through acquisitions and business development. This, in turn, will drive productivity and shareholder returns.

Benefit from Sector Diversification. The combined portfolio of enterprises and interests that will form part of the Pan Jamaica Group will straddle four main overlapping business activities:

- (a) **Financial Services.** The portfolio of financial services interests will include associated companies in life insurance, health insurance, pension management, investment management, general insurance, foreign exchange trading, money services, investment banking, commercial banking and micro-finance. This network of enterprises, which has Sagicor Group Jamaica Limited at its core, has a valuable reach across Jamaican financial markets.
- (b) **Global Services.** The portfolio of associated company and subsidiary interests of the Pan Jamaica Group will include logistics, port terminal operations and shipping as well as business process outsourcing and hospitality, including hotels and tourist attractions. Each of these service enterprises has a strong Caribbean operating nexus but directly serves a global clientele and must leverage some regional comparative advantage to operate to globally competitive standards. This presents the network of businesses that will form part of the Pan Jamaica Group with significant prospects for growth and expansion.
- (c) **Specialty Food.** The portfolio of subsidiary and associated company interests in specialty food and drink will be both vertically integrated and multinational. Its largest share of revenues will come from the manufacturing of fresh juices in Europe with market leading well invested wholly owned operations in the Netherlands serving Northern Europe as well as growing joint venture operations in Spain serving Southern Europe. The portfolio also includes a range of branded Caribbean food and drink businesses that serve the leading Caribbean markets as well as travel retail, diaspora and export markets and includes manufacturing and agri-business.
- (d) **Property and Infrastructure.** The combined property and infrastructure portfolio will include iconic commercial, hospitality and corporate real estate as well as development land and a range of unique assets that support port-centred logistics and local infrastructure. This portfolio will include over 1,000,000 square feet of operational real estate and can leverage the combined Pan Jamaica Group's deep knowledge of the Jamaican market along with its demonstrable track record and ongoing interest in transformational and sustainable long-term development of the local urban landscape.

The diverse portfolio of interests described above each, in their own right, present constructive platforms for long term growth for the Pan Jamaica Group. At the same time, they offer the Group a powerful network of global relationships, opportunities, insights and market presence that can only come from the holding of a portfolio of investments that cuts across a broad range of industry sectors.

Benefit from Geographic Diversification. Upon completion of the proposed Amalgamation, the combined Pan Jamaica Group will have operating control of significant and diverse physical assets, human resources and customer and supplier relationships in Europe, North America and the English and Spanish speaking Caribbean. This geographic diversity will give the Pan Jamaica Group market presence in a wide range of

markets for each of its products, services and investments. At the same time, it presents a natural hedge to address macroeconomic and currency risks that may affect any particular market at a point in time.

Benefit from the Combined Balance Sheet and Liquidity. The combined balance sheet of the Pan Jamaica Group will allow it access to over \$110 billion of total assets, \$66 billion of net assets and \$11 billion of cash and marketable securities¹. This combined balance sheet strength together with its array of shared expertise, will allow it to take on larger opportunities with more developed revenues, business lines and overall prospects. This may in turn improve access to capital and broaden the range of capital markets in which the Pan Jamaica Group can operate to fund opportunities and create more flexibility in delivering and maintaining returns to shareholders.

FAIRNESS OPINIONS & VALUATIONS

The Valuation Reports with respect to PanJam and JP Global (i.e. the JP Business that is to be transferred to JP Global by or before the Completion Date), have been carried out by Ernst & Young Services Limited. This was done in order to determine the fair market value of PanJam and the JP Business.

The Valuation Reports contain a conclusion as to the range of values of shares, assets or an interest in a business that is based on a comprehensive review and analysis of the business, its industry and all other relevant factors, adequately corroborated and generally set out in a detailed valuation report. Copies of the Valuation Reports will be available for inspection.

Ernst & Young Services Limited has also provided a Fairness Opinion on the Amalgamation to the Board of Directors of both PanJam and JP, which are set out in Appendix 3.

DETAILS OF THE AMALGAMATION

1. Meetings

JP and PanJam entered into the Amalgamation Agreement, a copy of which will be made available for inspection by all shareholders. Pursuant to the Amalgamation Agreement, the parties agreed to take the necessary steps to bring the Amalgamation into effect, by seeking the necessary approval of the shareholders of both PanJam and JP at their respective general meetings.

JP is to hold and convene an extraordinary general meeting of the holders of its ordinary shares on **December 22, 2022**, at 10 a.m. at ROK Hotel Kingston, 2-4 King Street, Kingston, for the purpose of considering and, if thought fit approving, by ordinary resolution, the Amalgamation. All ordinary shareholders of JP are entitled to attend and vote in person or by proxy. The proposed resolution is set out in the Notice on page 3.

¹ Based on the aggregated unaudited balance sheets of PanJam Investment Limited and JP Global Holdings Limited as at 30 September 2022.

PanJam is to hold and convene an extraordinary general meeting of the holders of its ordinary shares on **December 22, 2022**, at 11 a.m. at the Courtyard by Marriott, 1 Park Close, Kingston 5, for the purpose of considering and, if thought fit approving, by special resolution, the Amalgamation and pursuant thereto:

- (i) amending its Articles of Incorporation (a) to change the name of the company, (b) to change the maximum number of directors, and (c) to permit Significant Shareholdings² to appoint three (3) directors to the Board of Directors and to remove and replace the directors so appointed without the approval of the directors or shareholders of the company;
- (ii) increasing its authorised share capital; and
- (iii) issuing and allotting the PanJam Exchange Shares to JP in exchange for the JP Global Shares.

Resolutions (i) – (iii) must be approved if the Amalgamation is to take effect. All ordinary shareholders of PanJam are entitled to attend and vote in person or by proxy.

In the event that you are unable to attend, you are asked to complete proxy forms (in which you can direct the proxy how you wish him/her to vote) as soon as possible. Proxies for each of the extraordinary general meetings of PanJam and JP will only be valid if duly stamped and deposited at the registered office of the relevant company as the case may be not less than 48 hours before the time appointed for holding the relevant meeting.

The Amalgamation is conditional upon (i) approval as a special resolution by a majority in number representing three-fourths of the ordinary shareholders, present and voting either in person or by proxy at the extraordinary general meeting of PanJam; and (ii) approval as an ordinary resolution by the majority in number of the of the ordinary shareholders, present and voting either in person or by proxy at the extraordinary general meeting of JP.

Assuming the resolutions are passed, the Amalgamation will become binding on all the shareholders of JP and PanJam, whether or not they attended the extraordinary general meetings applicable to them.

2. **Tax Administration Jamaica Agreeing to Exemption of Transfer Tax**

Provided the Amalgamation is duly approved by the ordinary shareholders of both PanJam and JP, PanJam and JP will write to the Commissioner General of Tax Administration Jamaica for confirmation that the exchange of shares contemplated by the Amalgamation will fall within the First Schedule of the Transfer Tax Act and as such be exempt from transfer tax. PanJam and JP have agreed that as a condition to the Amalgamation, Tax Administration Jamaica shall first advise that the transfer of the JP Global Shares in exchange for the allotment and issue to JP of the PanJam Exchange Shares is exempt from transfer tax.

² A definition of “Significant Shareholding” can be found in the Notice on page 3. See also page 28.

3. Exchange of Shares

In exchange for the issue and allotment by PanJam to JP of the PanJam Exchange Shares, JP will transfer to PanJam the JP Global Shares.

4. Jamaica Stock Exchange Application to List New Shares

Provided the Amalgamation is duly approved by the ordinary shareholders of both PanJam and JP, PanJam will make an application to the JSE for the PanJam Exchange Shares to be listed on the same terms and conditions as those applicable to the existing PanJam ordinary shares at the time of listing.

5. Position After Amalgamation

As a result of the Amalgamation, JP would become a shareholder of PanJam and PanJam would become the sole shareholder of JP Global. Both PanJam and JP would remain listed entities. JP will become the largest shareholder in PanJam holding 34.5% of the issued ordinary shares.

6. Fair Trading Commission

The Fair Trading Commission (“FTC”) has indicated that it may conduct an examination of the effect of the proposed Amalgamation on the market. The Directors of PanJam and JP do not consider that the Amalgamation Agreement or the proposed Amalgamation contravenes the Fair Competition Act and have so advised the FTC.

7. The Securities Act and Financial Services Commission

No take-over offer will be required to be made consequent on the Amalgamation becoming effective.

8. Bank of Jamaica

As a consequence of PanJam’s shareholding in Sagikor Bank Jamaica Limited, the Bank of Jamaica will be notified of the prospective change to the majority shareholder of PanJam prior to the Amalgamation becoming effective.

Upon completion of the proposed Amalgamation, PJG will be a multinational group with a diverse portfolio of investments.

PJG’s portfolio of enterprises and interests can be summarised in four main overlapping business activities. An overview of each component of the portfolio is set out below:

Pan Jamaica Group



Financial Services

Sagicor Group Jamaica Limited would be the largest investment by assets for PJG, with operations in Jamaica, Cayman Islands and Costa Rica. Sagicor is the leading life and health insurer and pension fund manager in Jamaica. It also has operations in investment banking and operates the largest local unit trust. It owns the fourth largest Jamaican commercial bank by assets. It recently ventured into general insurance and remittances with the acquisitions of Advantage General Insurance Company Limited and Alliance Financial Services Limited, respectively. Sagicor is listed on the Main Market of the JSE. PanJam owns a 30.2% stake of Sagicor.

Term Finance (Jamaica) Limited is incorporated in Jamaica and offers ethical micro-finance options to individuals in Jamaica and is a 20% associate of PanJam.

Pan Jamaica Group Limited, in addition to its holding company activities, would also manage a proprietary portfolio of equities and fixed income assets.

Global Services

Kingston Wharves Limited (“KW”) is one of the leading multi-purpose port and logistics operations in the Caribbean. KW’s operations, based in Newport West, Kingston, are separated into two divisions. KW’s Terminal Operations Division operates a 1,655metre continuous quay that provides nine deep-water berths for roll-on/roll-off, lift-on/lift-off, general break bulk, containerised cargo and bulk cargo vessels. KW’s Logistics Services Division operates a range of warehousing and third and fourth-party logistics services, cold storage and marine security operations. KW is 42% owned by JP and its shares are listed on the JSE.

JP Shipping Services Limited and its subsidiary Miami Freight & Shipping Company are leading suppliers of full-service Caribbean-focused logistics between the Caribbean and the UK and USA. With warehouse operations in London, UK and Miami, USA the business serves a wide range of customers with tailored less than container load and full container load logistics services. The customer base ranges from private individuals shipping personal effects to international corporations shipping commercial cargo.

Geest Line Limited has operated shipping services linking the Caribbean and Europe for over 60 years. Today, from its operational base in Portsmouth, UK, Geest Line operates 5 vessels on a weekly service linking the UK, Netherlands, Eastern Caribbean, Colombia and the Dominican Republic. It transports bananas, plantains and other tropical produce from the Caribbean to Europe and brings general freight in return on the Westbound voyage serving major customers in both the Europe and the Caribbean.

ROK Operating Limited is the operator of the newest premium hotel in Kingston, ROK Hotel, Tapestry Collection by Hilton. Opening its doors on 19 July, 2022, the 168 room hotel with conference rooms is located in Downtown Kingston. As well as operating the hotel, PanJam is the 100% owner of the property.

Caribe Hospitality of Jamaica Limited is the owner and operator of the Courtyard Marriott, a 129-room modern business hotel in the heart of Kingston, Jamaica. PanJam owns a 35% stake of Caribe Hospitality.

Outsourcing Management Limited better known as “itel”, is the region’s largest home-grown customer experience company with operations in Jamaica, Belize, Colombia, Guyana, Honduras, St. Lucia and the United States. PanJam presently owns a 15% stake of itel.

Chukka Caribbean Adventures Limited is one of the Caribbean’s premier tourist attraction operators with operations in Jamaica, the Turks and Caicos, Belize, the Dominican Republic and Barbados. Its main activities include the provision of aqua-based tours, zipline, guided tours, kayaking, jeep safaris, dune buggy, horseback riding, river tubing and canopy tours. The entity also operates gift shops as well as food and beverage facilities at its operating properties. PanJam presently owns an 18% stake of Chukka.

Williams Offices (Caribbean) Limited is incorporated in Barbados and is the owner of the regional franchise for Regus, the global network of office space, coworking, virtual office locations and meeting rooms. Williams Offices has locations in Jamaica, Barbados, Trinidad and Guyana. PanJam owns a 25% stake of Williams Offices.

Specialty Food

A.L. Hoogesteger Fresh Specialist B.V. and Co Beverage Lab S.L.: A.L. Hoogesteger Fresh Specialist B.V. (“Hoogesteger”) business is a market leader in ultra-fresh juices in northern Europe and serves as a co-packer of juice for major supermarket and food service entities in countries such as the Netherlands, Belgium, Scandinavia, Switzerland and Germany. The business operates from its operational base outside Amsterdam, the Netherlands. Hoogesteger’s sister company, Co Beverage Lab S.L. is a 50% owned associate of JP supplying fresh juices in Spain, France, Italy and the UK from its operational base in Barcelona, Spain.

Tortuga International Holdings Limited (“Tortuga”) is the brand owner, marketer and manufacturer of the Caribbean’s leading food souvenir product, the Tortuga Rum Cake, alongside other Tortuga branded food and drink lines. Tortuga’s products are sold throughout the Caribbean and North America travel retail and grocery markets and are supplied from its principal manufacturing site in Kingston, Jamaica, and a distribution hub in Miami, USA. Tortuga is presently 62% owned by JP.

JP Snacks Caribbean Limited is a leading Caribbean producer, marketer and seller of ready-to-eat tropical snack products and ready-to-cook frozen tropical products under the “St. Mary’s” and “Carles” brands as well as a private label co-packer for other third-party brands and retailers in English and Spanish language markets across the Caribbean and internationally. JPSC’s manufacturing operation, employing over 300 people, is based in Cana Chapeton, Dominican Republic. JPSC is 70% owned by JP.

JP Tropical Foods Limited trading as JP Farms, manages a 400- acre farm in the parish of St. Mary focused on the cultivation of bananas, pineapples and coconuts. It also operates a commercial and cold storage centre in Kingston. From these operations it supplies fruit primarily to customers in Jamaica but also internationally to customers in the USA, Canada and wider Caribbean region.

Grupo Frontera Limited is a 50% joint venture holding company, in partnership with a leading regional investment company, that was established to hold a 100% investment in Grupo Alaska S.A (“Grupo Alaska”), a company incorporated in the Dominican Republic that operates an ice and water manufacturing and distribution business in that country. Grupo Alaska operates two manufacturing and distribution bases, one in the capital, Santo Domingo and one in the tourism resort area of Bavaro.

New Castle Company Limited (“New Castle”) is best known for its Walkerswood, Busha Browne and Jamaica Joe range of sauces which are sold throughout the Caribbean and North America from its manufacturing base in Jamaica. Additionally New Castle provides hotel amenities, household chemicals

Property and Infrastructure

PanJam's **Jamaica Property Company Limited** is one of the foremost commercial property owners in Jamaica, which over its long history has developed the premium commercial real estate portfolio in Kingston. Jamaica Property owns, operates and manages some of the most identifiable buildings including:

- (1) In New Kingston:
 - (i) The PanJam, 3M and IBM Buildings
 - (ii) The Tourism Centre
 - (iii) The CIBC First Caribbean Building (a 60 % percent ownership interest)

- (2) In Downtown Kingston:
 - (i) The Scotiabank Centre (49% of the property)
 - (ii) The ROK Complex

- (3) In North St. Andrew:
 - (i) Manor Park Plazas
 - (ii) 8 Olivier Road

- (4) A portfolio of high-potential development land in Kingston and Montego Bay.

PJ-AL Corp is presently PanJam's US based subsidiary that has minority ownership stakes in US based property including the Aloft Hotel at Miami Airport and the Wilton Manors Shopping Plaza, both in Florida.

Capital Infrastructure Group Limited ("CIG") is an infrastructure fund that was set up by JP in a partnership with a leading Caribbean investment fund manager and a leading securities dealer to invest in infrastructure projects across the Caribbean. JP Global will have a 12% ordinary share stake alongside 50% of the preference shares through **Capital Infrastructure Managers Limited** ("CIM"). CIM will be jointly owned by JP Global and a leading Caribbean investment fund manager to provide infrastructure investment management services to CIG.

In addition to its portfolio of businesses, PJG is also expected to be recognised for its commitment to strong corporate governance. This will, in part, be reflected in the strength and diversity of the proposed PJG board as well as its fiduciary commitment to shareholder representation and initiatives to maximise shareholder value. In line with this expectation and requirement, the Amalgamation Agreement contemplates the right of persons with significant shareholdings of at least 21% of the shares of PJG, to participate directly in appointment and removal of three directors to the board of PJG. This is a condition of the completion of the Amalgamation and the support of shareholders of JP and PanJam for this arrangement, which will be reflected in PanJam's Amended Articles of Incorporation, is important for the success of the Pan Jamaica Group.

PJG will be an investment holding company with a long-term view and patient capital. The Group will look for market sizes that meet our criteria of sufficient market share with acceptable margins and returns, and where we can win.

PJG intends to expand its portfolio of strategic growth businesses in the Caribbean, Europe and North America through an acquisition strategy that will meet our strict investment criteria. PJG will consider new markets and products, bolt-on investments to existing interests, and adjacent businesses to our current portfolio.

Each of PJG's portfolio companies pursue one of two objectives to win: (i) offer value that is distinctively greater than its competitors at a cost that is approximately that of its competitors or (ii) offer value that is as good as the competitors but delivered at a distinctively lower cost.

With its increased financial strength and flexibility, PJG will be able pursue a more aggressive growth strategy to create more value to its shareholders. PJG's Board of Directors is, therefore, expected to maintain the current dividend policy of PanJam but each declaration will be subject to review based on prevailing market conditions as well as capital requirements for ongoing investment.

PJG expects to maintain an executive management team that includes senior members with direct operating experience from across the combined enterprises that will form part of the Group upon completion of the Amalgamation. The Amalgamation will not be expected to occasion any change in the management or staffing levels in any of the JP Businesses that form part of the Group. Changes within the senior executive offices of the Group will be designed to retain all of the senior executive operating experience developed within both JP and PanJam while enabling excellent prospects for long term managed growth and ultimately structured succession planning. Changes at the board level are designed to bring to Pan Jamaica Group the benefit of persons with deep longstanding and broad-based business experience that have also served at the board of JP. Charles Johnston, Jeffrey Hall and Alan Buckland will join the Pan Jamaica Group board and both Jeffrey Hall and Alan Buckland will be given executive responsibilities within PJG.

As part of the strategy of Pan Jamaica Group, as at the Completion Date, Stephen Facey will serve as the Non-executive Chairman, Jeffrey Hall will serve as Executive Vice Chairman of the Board as well as serve as the Chief Executive Officer ("CEO"). Joanna Banks shall serve as President of Pan Jamaica Group. At a date to be determined during the period January 1, 2024 and January 2, 2025, Jeffrey Hall will be appointed as Executive Chairman and cease to serve as CEO and Joanna Banks will be appointed as CEO.

The present directors of PanJam will remain as directors if the Amalgamation becomes effective. It is anticipated that JP will nominate Charles Johnston, Jeffrey Hall and Alan Buckland to the Board. The biographies for all the present and prospective directors are set out below:

Existing PanJam Directors:

Stephen B. Facey, CD, BA, M. Arch.

Mr. Stephen B. Facey has over 40 years of experience in architecture, real estate development and management, and private equity investing. An architect by training, Mr. Facey holds a BA in Architecture from Rice University and a Master of Architecture from the University of Pennsylvania. He is Chairman of Jamaica Property Company Limited, Kingston Restoration Company Limited, the New Kingston Civic Association and the C.B. Facey Foundation, which is the charitable arm of PanJam. Mr. Facey is also the Chairman of the Caribbean Policy Research Institute and the New Castle Group of Companies. He is a Director of Sagikor Financial Company Limited, Sagikor Group Jamaica Limited and the National Gallery of Jamaica.

Joanna A. Banks, BSc., MBA, CFA

Ms. Joanna A. Banks joined PanJam's Board of Directors in 2021. She joined the Company in 2016 and held the roles of Vice President and Senior Vice President of New Business Development and Strategy before her appointment to Chief Executive Officer in 2021. Prior to joining the PanJam team, Ms. Banks worked at Exxon Mobil Corporation and Pan Caribbean Financial Services Limited (now Sagikor Investments Jamaica Limited) in roles focused on corporate finance, investor relations, pension fund management and strategy. She earned a Bachelor of Science in Systems Engineering from the University of Pennsylvania and a Master of Business Administration from the University of Chicago Booth School of Business. She is also a holder of the Chartered Financial Analyst designation. Ms. Banks is a Director of Sagikor Life Jamaica Limited, Sagikor Investments Jamaica Limited, Jamaica Property Company Limited, Agostini's Limited, Outsourcing Management Limited and Term Finance (Jamaica) Limited. She also serves as a Trustee of the C. B. Facey Foundation.

Christopher N. Barnes, BS Mech. Eng., MBA

Mr. Christopher Barnes joined PanJam's Board of Directors 2012. He is currently the Chief Strategy Officer of the RJRGLEANER Communications Group. A mechanical engineer with a graduate degree in finance and international business from Boston University and McGill University respectively. Mr. Barnes also serves on the Boards of JN Life Insurance Company Limited, Radio Jamaica and various other subsidiaries of the RJRGLEANER group. He is the Chairman of the Media Association of Jamaica and a Past President of the Inter-American Press Association, a Florida-based non-profit organization dedicated to the promotion and defence of freedom of the press in the Western Hemisphere.

Paul A. B. Facey, BSc., MBA

Mr. Paul A. B. Facey joined PanJam's Board of Directors in 2006. He brings his substantial experience from PanJam's trading, manufacturing and financial operations developed over the past 20 years. Mr. Facey is a director of Sagicor Group Jamaica Limited and a Trustee of the C.B. Facey Foundation.

Paul R. Hanworth, BA, MA, FCA, CPA

Mr. Paul Hanworth has been a Director of PanJam since 2013. Prior to his retirement in 2021, he held the positions of Deputy Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. He is also a Director of Sagicor Group Jamaica Limited, for which he is Chairman of the Risk Committee and a member of the Audit Committee. Mr. Hanworth is a Director of British Caribbean Insurance Company Limited, Rainforest Seafoods Limited, and a number of PanJam's subsidiaries and associated companies. Mr. Hanworth had previously worked with KPMG and Diageo plc in various countries. He holds a Master's degree in Classics from Cambridge University and is a Fellow of the Institute of Chartered Accountants in England and Wales and is a member of the American Institute of Certified Public Accountants.

Kathleen A. J. Moss, BSc., MBA, CBV

Mrs. Kathleen A. J. Moss is a Management Consultant and Chartered Business Valuator with Sierra Associates, an independent advisory and business valuation firm that she established in 1993. She was appointed to PanJam's Board of Directors in 2010 and chairs the Audit and Corporate Governance Committees. Mrs. Moss also serves on the Boards of Assurance Brokers Jamaica Limited, JP, the Jamaica National Group Limited, JN Bank Limited, JN General Insurance Company Limited and Kingston Wharves Limited. She is the Chairman of the Board of JN Bank Limited and chairs the Audit Committee of Jamaica Producers Group Limited and Kingston Wharves Limited. She is also a Trustee of the Violence Prevention Alliance. Mrs. Moss is a member of the Canadian Institute of Chartered Business Valuators and a graduate of both the University of the West Indies and McGill University.

Ian S. C. Parsard, MBA, ACCA

Mr. Ian Parsard is the Vice President of Finance for the Jamaica Broilers Group Limited. With over 20 years of expertise in finance and information technology, Mr. Parsard continues to exercise his business acumen as a member of Jamaica Broilers' Executive Team in the development and execution of the company's strategic plans and was instrumental in its successful foray into the ethanol industry in 2007. He was appointed to the PanJam Board of Directors in 2011, and also serves as a Director on the Boards of Jamaica Broilers Group Limited and the Mustard Seed Agricultural Program. He is a Past President of the JBG Cooperative Credit Union, a past Jamaica Scholar (1985) and a Chartered Accountant. Mr. Parsard holds an MBA from the University of Pennsylvania's Wharton School of Business, graduating with highest honours as the Palmer Scholar.

T. Matthew W. Pragnell, BA

Mr. T. Matthew Pragnell joined PanJam's Board of Directors in 2009. He is formerly the Chief Executive Officer of the CGM Gallagher Group. Mr. Pragnell originally trained as a Non-Marine Broker and Name at Lloyd's of London and also has experience in mergers and acquisitions. He is Chairman of RMS Insurance Brokers and one of the founding Directors of Panacea Insurance, PanJam's captive insurance vehicle domiciled in St. Lucia. He is a Past President of the Jamaica Insurance Brokers Association and was active in the adoption of the Insurance Act in 2001. Mr. Pragnell chairs PanJam's Human Resources & Compensation Committee and sits on other Board committees. He also has Non-Executive Director experience in banking and public relations.

Angella Rainford, BA, MPhil, MBA

Ms. Angella M. Rainford joined PanJam's Board of Directors in 2010. She is the founder of Soleco Energy and Rekamniar Frontier Ventures. Soleco Energy Limited provides distributed power solutions for large commercial and industrial clients, and Rekamniar co-developed one of the largest solar plants in the Caribbean and the largest in Jamaica. Prior to this, Ms. Rainford worked at Goldman Sachs Group, Inc. in London and New York and began her career as a Business Analyst at McKinsey & Company.

She is a Director of GK Foods (UK) Limited and JN Money Services Limited and served as a Director of GK Capital Management Limited. She has also served as an advisor to Helios Investment Partners, a private equity fund focused on investments in Africa. Ms. Rainford holds an MBA from Harvard Business School and an MPhil in Development Studies from the University of Cambridge. She also graduated with a BA in Government from Harvard College.

The directors to be nominated to the Board of PJG:**Alan Buckland, BA, FCA**

Mr. Buckland has served as the Group Finance Director of JP since 2010, and he was appointed to the Board of Directors of JP in 2018. He sits on the board of Geest Line Limited, as well as on the Boards of various subsidiary companies of JP. Mr. Buckland is a Fellow of the Institute of Chartered Accountants of England and Wales and is a graduate of the University of Exeter.

Jeffrey Hall, CD, BA, MPP, JD

Mr. Hall was appointed Group Managing Director of JP in 2007 after joining the Board in 2004 and JP in 2002. He serves on JP's Audit, Executive and Corporate Governance Committees. Mr. Hall is Chairman of Kingston Wharves Limited, Blue Power Group Limited, and Lumber Depot Limited. He is a director of Geest Line Limited, Scotia Jamaica Life Insurance Co. Limited, SAJE Logistics Infrastructure Limited and Epley Caribbean Property Fund Limited. Mr. Hall has served as Chairman of the Boards of Scotia Group Jamaica Limited, the Bank of Nova Scotia Jamaica Limited, Scotia Investments Jamaica Limited, and has served as a director on the Boards of the Jamaica Stock Exchange and the Bank of Jamaica. He received his Bachelor of Arts degree in Economics from Washington University, his Master of Arts degree in Public Policy from Harvard University and his Juris Doctorate from Harvard Law School. In 2022, Mr Hall was awarded the Officer of Distinction in the rank of Commander by the Government of Jamaica.

Charles Johnston, CD, BSc (Econ.), DSc (Hon.)

Mr. Johnston is the Executive Chairman of Jamaica Fruit Shipping Company Limited and its subsidiaries. He joined the Board of JP in 1975 and became Chairman in 1986. He chairs JP's Executive and the Compensation & Human Resources Committees and serves on the Audit and Corporate Governance Committees, as well as on the Boards of JP's subsidiary and associated companies. Mr. Johnston is the Chairman of Geest Line Limited, Seaboard Freight & Shipping Jamaica Limited, Miami Freight & Shipping Company and Jamaican Patties Limited. He is a director of Kingston Wharves Limited, Jamaica Public Service Company Limited, SAJE Logistics Infrastructure Limited, German Jamaica Ship Repair Limited, and

Kingston Logistics Centre Limited. He is the Immediate Past President of the Shipping Association of Jamaica. In 2006, he was conferred with the Order of Distinction in rank of Commander by the Government of Jamaica. In 2008 he was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica. In 2017 he was awarded a Jamaica Observer Lifetime Achievement Award and in 2018 he was conferred a Doctor of Science degree in International Shipping *honoris causa* from the Caribbean Maritime University. Mr. Johnston is a graduate of the Wharton School of Finance & Commerce at the University of Pennsylvania.

The directors of Pan Jamaica Group will collectively bring years of corporate directorship experience to the stewardship of the company. The collective board strength, experience in investments and focus on transparency, strong governance and diversification will serve the best interests of the combined enterprise and ultimately maximise value for all shareholders of Pan Jamaica Group, as well as the shareholding that will, upon completion of the Amalgamation, be associated with JP.

We expect Pan Jamaica Group to take advantage of the diverse network of businesses that will fall within its control or in which it will hold an interest. These interests may have originated with PanJam or JP, but within Pan Jamaica Group will be organised and managed to ensure the long term sustained success of the company.

The following are among the documents available for inspection by ordinary shareholders of JP at Hart Muirhead Fatta, Attorneys-at-Law, Victoria Mutual Building, 2nd Floor, 53 Knutsford Boulevard, Kingston 5, on any business day from the date of this Explanatory Statement up to and including the date of the extraordinary general meeting of JP (the inspection period), during normal office hours:

- i. The Articles of Incorporation of JP.
- ii. Amalgamation Agreement dated November 18, 2022 between PanJam and JP.
- iii. PanJam's Audited Financial Statements for the years ended December 31, 2019 to December 31, 2021.
- iv. JP's Audited Financial Statements for the years ended December 31, 2019 to December 31, 2021.
- v. PanJam's Unaudited Financial Statements for the period ended September 30, 2022.
- vi. JP's Unaudited Financial Statements for the period ended October 1, 2022.
- vii. The Summary Valuation Report of PanJam.
- viii. The Summary Valuation Report of JP Global (assuming it holds the JP Business).
- ix. Letter of Consent from Ernst & Young Services Limited in relation to the Summary Valuation Reports and the Fairness Opinion.

Dated this 30th day of November 2022

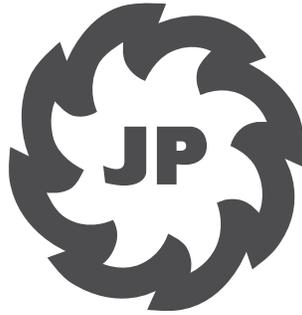
Top 10 Largest Shareholders of PanJam as at September 30, 2022

Boswell Investments Limited	344,361,400
Sagicor Pooled Equity Fund	118,703,610
National Insurance Fund	61,081,670
Scotia Jamaica Investment Mgmt. A/C 3119	41,208,930
Facey, Stephen and Wendy	34,820,975
Guardian Life Limited	23,233,800
ATL Group Pension Fund Trustees Nom Ltd	21,403,013
Cecil Boswell Facey Foundation	17,506,510
NCB Insurance Company Ltd WT109	17,037,655
JCSD Trustee Services Ltd - Sigma Equity	15,334,154

Top 10 Largest Shareholders of JP as at October 1, 2022

McGowan Properties Limited	112,178,507
Sagicor Pooled Equity Fund	108,873,329
Lennox Portland Ltd. et al	105,157,263
Shareholder Services Trust J.P.	86,307,705
Shareholder Services Trust J.B.P.A.	86,155,490
Trustees - Jamaica Producers Group Limited ESOP	69,733,801
National Insurance Fund	54,166,633
David and Kathleen Moss	37,610,468
Jeffrey McGowan Hall	30,199,687
JMMB Pension Fund	13,416,244

Financial Information



JAMAICA PRODUCERS GROUP LIMITED

Financial Information

Group Five Year Highlights

(J\$000's unless otherwise stated)

	2017	2018	2019	2020	2021
Balance Sheet					
Total Assets	32,668,537	35,058,947	38,603,888	40,958,000	45,064,167
Net Current Assets (Working Capital)	3,552,242	4,062,426	5,792,649	8,824,593	10,579,435
Cash and Cash Equivalents	885,254	836,176	1,407,847	1,127,084	1,282,048
Total Borrowings	(4,776,732)	(4,522,981)	(4,393,209)	(3,611,190)	(3,774,617)
JP Stockholders' Equity	11,260,833	12,110,072	13,836,454	16,132,100	17,953,457
Profit and Loss					
Gross revenues	16,156,712	19,611,169	21,464,068	20,998,982	25,020,595
Profit/(loss) attributable to parent company stockholders	661,884	815,621	1,204,338	2,167,593	1,844,791
Distributions Declared	112,214	134,657	168,322	224,429	280,536
Earnings/(loss) per ordinary stock unit					
Based on stock units in issue	58.98¢	72.68¢	107.32¢	193.17¢	164.40¢
After exclusion of stock held by ESOP	63.61¢	78.09¢	115.22¢	207.11¢	176.12¢
Financial Ratios					
Return on Sales	4.1%	4.2%	5.6%	10.3%	7.4%
Return on Equity	5.9%	6.7%	8.7%	13.4%	10.3%
Return on Total Assets	2.0%	2.3%	3.1%	5.3%	4.1%
Debt:Equity Ratio	42.4%	37.3%	31.8%	22.4%	11.0%
Current Ratio	1.81:1	1.83:1	2.12:1	2.78:1	2.82:1
Dividend Cover	5.90	6.06	7.15	9.66	6.58

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	9M 2022 \$'000
CURRENT ASSETS						
Cash and cash equivalents	885,254	836,176	1,407,847	1,127,084	1,282,048	1,237,193
Short-term investments	-	19,632	239,240	1,091,990	416,110	706,428
Securities purchased under resale agreements	3,805,031	4,467,950	5,380,567	7,645,526	10,319,916	9,312,288
Accounts receivable	2,450,355	2,245,045	2,949,230	2,894,684	3,147,428	3,592,822
Other financial assets	-	470,000	-	-	-	-
Taxation recoverable	23,944	30,638	23,696	38,133	63,701	157,198
Inventories	765,220	890,199	978,925	979,484	1,173,633	1,370,502
Total current assets	7,929,804	8,959,640	10,979,505	13,776,901	16,402,836	16,376,431
CURRENT LIABILITIES						
Accounts payable	3,432,056	3,965,549	3,903,231	3,919,950	4,547,419	4,272,674
Taxation	173,250	151,423	191,714	135,508	283,775	84,532
Loans and borrowings	772,256	780,242	899,690	712,762	833,250	807,933
Lease liabilities	-	-	192,221	184,088	158,957	130,917
Total current liabilities	4,377,562	4,897,214	5,186,856	4,952,308	5,823,401	5,296,056
WORKING CAPITAL	3,552,242	4,062,426	5,792,649	8,824,593	10,579,435	11,080,375
NON-CURRENT ASSETS						
Biological assets	119,785	81,140	68,318	55,880	101,779	133,204
Interest in associates and joint ventures	625,664	803,747	733,754	-	969,891	1,435,243
Investments	97,813	88,311	108,079	591,325	511,058	463,307
Intangible assets	1,635,472	1,513,082	1,486,347	1,466,364	1,425,692	1,431,347
Deferred tax asset	2,245	3,730	7,929	14,011	9,056	3,470
Property, plant and equipment	21,083,079	21,624,039	21,839,445	22,306,664	22,809,785	23,375,724
Investment property	-	-	568,619	560,701	552,783	546,843
Employee benefit asset	1,174,675	1,985,258	2,071,885	1,549,850	1,698,874	424,716
Right of use of assets	-	-	740,007	636,304	582,413	1,698,874
Total non-current assets	24,738,733	26,099,307	27,624,383	27,181,099	28,661,331	29,512,728
Total assets less current liabilities	28,290,975	30,161,733	33,417,032	36,005,692	39,240,766	40,593,103
EQUITY						
Share capital	112,214	112,214	112,214	112,214	112,214	112,214
Reserves	11,148,619	11,997,858	13,724,240	16,019,886	17,841,243	18,643,196
Attributable to equity holders of the parent	11,260,833	12,110,072	13,836,454	16,132,100	17,953,457	18,755,410
NON-CONTROLLING INTEREST	11,484,023	12,675,000	13,760,645	14,799,759	16,219,005	17,252,586
Total equity	22,744,856	24,785,072	27,597,099	30,931,859	34,172,462	36,007,996
NON-CURRENT LIABILITIES						
Deferred tax liability	1,183,851	1,307,140	1,410,804	1,313,920	1,293,498	1,364,689
Loans and borrowings	4,004,476	3,742,739	3,493,519	2,898,428	2,941,367	2,530,758
Employee benefit obligations	357,792	326,782	370,149	384,517	396,749	292,911
Lease liabilities	-	-	545,461	476,968	436,690	396,749
Total non-current liabilities	5,546,119	5,376,661	5,819,933	5,073,833	5,068,304	4,585,107
Total equity and non-current liabilities	28,290,975	30,161,733	33,417,032	36,005,692	39,240,766	40,593,103

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	9M 2022 \$'000
Gross operating revenue	16,156,712	19,611,169	21,464,068	20,998,982	25,020,595	21,565,725
Cost of operating revenue	(11,013,714)	(13,622,784)	(14,222,306)	(15,488,280)	(17,962,918)	(15,469,083)
Gross profit	5,142,998	5,988,385	7,241,762	5,510,702	7,057,677	6,096,642
Other income and expenses, net	74,324	142,481	322,392	382,821	872,301	195,717
Selling, administration and other operating expenses	(2,931,669)	(3,448,973)	(3,849,878)	(3,260,093)	(3,453,300)	(3,545,424)
Profit from operations	2,285,653	2,681,893	3,714,276	2,633,430	4,476,678	2,746,935
Gain on disposal of interest in associate	-	-	-	1,871,349	-	-
Share of profits in associates and joint ventures	3,784	120,306	26,821	4,084	256,309	571,724
Profit before finance cost and taxation	2,289,437	2,802,199	3,741,097	4,508,863	4,732,987	3,318,659
Finance cost	(308,805)	(366,823)	(307,153)	(293,400)	(257,371)	(166,055)
Profit before taxation	1,980,632	2,435,376	3,433,944	4,215,463	4,475,616	3,152,604
Taxation charge	(356,661)	(450,185)	(701,993)	(478,050)	(655,964)	(463,532)
Profit for the year	1,623,971	1,985,191	2,731,951	3,737,413	3,819,652	2,689,072
Attributable to:						
Parent company stockholders	661,884	815,621	1,204,338	2,167,593	1,844,791	1,454,622
Non-controlling interest	962,087	1,169,570	1,527,613	1,569,820	1,974,861	1,234,450
	1,623,971	1,985,191	2,731,951	3,737,413	3,819,652	2,689,072

Historical Consolidated Statement of Other Comprehensive Income

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	9M 2022 \$'000
Profit for the year	1,623,971	1,985,191	2,731,951	3,737,413	3,819,652	2,689,072
Other comprehensive income:						
<i>Items that will not be reclassified to profit or loss:</i>						
Remeasurement of defined benefit asset and obligations	131,848	837,177	(11,791)	(616,284)	114,921	-
Deferred tax effect on remeasurement of defined benefit asset and obligations	(14,713)	(94,768)	1,288	77,036	(14,365)	-
Change of fair value through other comprehensive income (FVOCI) investments	-	-	5,785	(65,506)	(88,554)	(4,180)
Realised gain on disposal of quoted investments	-	-	1,185	-	-	-
Share of other comprehensive income of associates and joint ventures	-	-	-	-	127,288	-
<i>Items that may be reclassified to profit or loss:</i>						
Exchange gains on translation of foreign operations	189,069	(142,696)	96,529	671,868	77,425	(702,770)
	306,204	599,713	92,996	67,114	216,715	(706,950)
Total comprehensive income for the year	1,930,175	2,584,904	2,824,947	3,804,527	4,036,367	1,982,122
Attributable to:						
Parent company stockholders	910,922	978,180	1,287,864	2,543,751	2,023,517	755,526
Non-controlling interest	1,019,253	1,606,724	1,537,083	1,260,776	2,012,850	1,226,596
	1,930,175	2,584,904	2,824,947	3,804,527	4,036,367	1,982,122



Financial Information

	2017	2018	2019	2020	2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Stockholders' equity (net worth)	30,527,061	33,733,671	42,743,201	47,186,371	51,962,423
Total assets	39,353,033	45,866,093	54,400,977	62,571,278	67,774,534
Net profit attributable to owners	4,131,352	5,333,750	8,308,325	3,504,520	7,202,801
Dividends paid	906,236	1,119,468	1,396,669	405,140	1,066,160
Retained earnings	21,195,513	25,183,909	31,911,597	34,692,918	40,009,447
FINANCIAL RATIOS					
Net worth per stock unit	\$29.03	\$31.94	\$40.36	\$44.47	\$48.83
Earnings per stock unit (basic)	\$3.93	\$5.06	\$7.85	\$3.31	\$6.78
Dividends paid per stock unit	\$0.85	\$1.05	\$1.31	\$0.38	\$1.00
Dividend payout ratio	21.6%	20.8%	16.7%	11.5%	14.7%
Weighted average number of stock units	1,051,474	1,053,423	1,058,086	1,060,107	1,062,113
Return on average equity	14.7%	16.6%	21.7%	7.8%	14.5%
Return on opening equity	16.1%	17.5%	24.6%	8.2%	15.3%
Change in stockholders equity	18.9%	10.5%	26.7%	10.4%	10.1%
Debt-to-equity ratio	24.5%	31.3%	22.0%	29.0%	26.2%
OTHER DATA					
Stock price at year end	\$44.75	\$71.99	\$100.50	\$67.99	\$64.85
Price-to-earnings ratio	11.4	14.2	12.8	20.5	9.6
Stock price change from previous year	60.1%	60.9%	39.6%	-32.3%	-4.6%
JSE market index at year end	288,382	379,791	509,916	395,615	396,156
Annual change in JSE Main Index	50.0%	31.7%	34.3%	-22.4%	0.1%
Closing exchange rate J\$:US\$	\$124.30	\$126.80	\$131.18	\$141.71	\$153.92
Annual inflation rate	5.2%	2.4%	6.2%	6.4%	7.3%

	2017	2018	2019	2020	2021	9M2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Investments	422,702	1,060,653	2,249,947	(523,250)	2,059,131	(362,308)
Property	1,787,009	2,071,904	2,229,318	2,138,113	2,098,671	1,562,694
Hotel	-	-	-	-	-	255,548
Other	203,288	131,643	146,759	439,603	140,595	101,101
	<u>2,412,999</u>	<u>3,264,200</u>	<u>4,626,024</u>	<u>2,054,466</u>	<u>4,298,397</u>	<u>1,557,035</u>
Operating expenses	(1,475,138)	(1,692,951)	(1,766,912)	(1,700,948)	(1,855,509)	(1,897,151)
Net impairment recovery/(losses) on financial assets	-	(17,944)	(36,006)	(38,438)	53,602	(11,150)
Operating Profit	<u>937,861</u>	<u>1,553,305</u>	<u>2,823,106</u>	<u>315,080</u>	<u>2,496,490</u>	<u>(351,266)</u>
Finance costs	(599,922)	(624,371)	(664,800)	(835,909)	(914,415)	(754,395)
Share of results of associated companies	3,932,880	4,696,259	4,953,100	3,866,414	5,455,180	3,081,135
Gains on disposal of shares in associated companies	-	47,305	1,623,136	-	193,892	-
Profit before Taxation	<u>4,270,819</u>	<u>5,672,498</u>	<u>8,734,542</u>	<u>3,345,585</u>	<u>7,231,147</u>	<u>1,975,474</u>
Taxation	(79,330)	(311,081)	(384,277)	188,725	20,570	(106,620)
NET PROFIT	<u>4,191,489</u>	<u>5,361,417</u>	<u>8,350,265</u>	<u>3,534,310</u>	<u>7,251,717</u>	<u>1,868,854</u>
Attributable to:						
Owners of the parent	4,131,352	5,333,750	8,308,325	3,504,520	7,202,801	1,851,665
Non-controlling interests	60,137	27,667	41,940	29,790	48,916	17,189
	<u>4,191,489</u>	<u>5,361,417</u>	<u>8,350,265</u>	<u>3,534,310</u>	<u>7,251,717</u>	<u>1,868,854</u>

Historical Consolidated Statement of Other Comprehensive Income

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	9M2022 \$'000
Net Profit for the year	4,191,489	5,361,417	8,350,265	3,534,310	7,251,717	1,868,854
Other Comprehensive Income, net of taxes						
<i>Items that will not be reclassified to profit or loss</i>						
Changes in the fair value of equity instruments at fair value through other comprehensive income	-	35,261	83,437	(81,905)	23,682	(29,237)
Re-measurement of post-employment benefit obligations, net of taxation	(6,778)	70,031	(33,266)	(39,794)	(26,933)	-
Share of other comprehensive income of associated company, net of taxation	935,203	472,808	244,437	(590,666)	(56,908)	1,527,417
	928,425	578,100	294,608	(712,365)	(60,159)	1,498,180
<i>Items that may be subsequently reclassified to profit or loss</i>						
Exchange differences on translating foreign operations	(3,104)	2,665	4,210	8,744	11,416	(2,494)
Changes in the fair value of debt instruments at fair value through other comprehensive income	-	(24,797)	25,900	7,137	(21,229)	(28,422)
Unrealised gains on available-for-sale financial assets, net of taxation	62,179	-	-	-	-	-
(Gains)/losses recycled to profit or loss on disposal and maturity of investment assets, net of taxation	138	1,197	(2,361)	-	-	-
Share of other comprehensive income of associated company, net of taxation	877,913	(1,575,462)	1,897,177	1,973,140	(1,272,949)	(5,361,022)
	937,126	(1,596,397)	1,924,926	1,989,021	(1,282,762)	(5,391,938)
TOTAL COMPREHENSIVE INCOME	6,057,040	4,343,120	10,569,799	4,810,966	5,908,796	(2,024,904)
Attributable to:						
Owners of the parent	5,996,903	4,315,453	10,527,859	4,781,176	5,859,880	(2,042,093)
Non-controlling interests	60,137	27,667	41,940	29,790	48,916	17,189
	6,057,040	4,343,120	10,569,799	4,810,966	5,908,796	(2,024,904)

Historical Consolidated Statement of Financial Position

	2017 \$'000	2018 \$'000	2019 \$'000	2020 \$'000	2021 \$'000	9M2022 \$'000
ASSETS						
Cash and Bank Balances	107,320	133,461	160,129	125,149	272,856	353,679
Investments						
Deposits	590,696	462,483	699,319	694,275	994,776	441,853
Investment securities:						
Financial assets at fair value through other comprehensive income	n/a	767,844	797,232	1,219,231	1,145,479	644,880
Financial assets at fair value through profit or loss	n/a	6,594,390	8,961,181	7,584,640	9,372,316	8,049,410
Financial assets at amortised cost	n/a	93,004	229,835	3,646,796	305,457	381,587
	3,176,113	7,455,238	9,988,248	12,450,667	10,823,252	9,075,877
Securities purchased under agreements to resell	1,023,635	906,414	852,326	868,712	1,269,367	417,290
Investment properties	7,839,676	8,358,674	9,026,597	9,531,152	10,024,752	10,139,484
Investment in associated companies	24,919,991	26,348,546	31,078,668	35,339,651	37,995,085	35,321,843
	37,550,111	43,531,355	51,645,158	58,884,457	61,107,232	55,396,347
Other assets						
Taxation recoverable	34,577	68,397	77,140	73,749	86,863	95,469
Prepayments and miscellaneous assets	1,214,894	1,671,365	1,794,477	1,557,217	1,841,415	3,212,188
Property, plant and equipment	398,523	428,433	675,356	1,880,236	3,446,578	5,026,811
Properties for development and sale	-	-	-	-	967,119	1,253,604
Intangibles	47,608	33,082	48,717	50,470	52,471	49,895
	1,695,602	2,201,277	2,595,690	3,561,672	6,394,446	9,637,967
	39,353,033	45,866,093	54,400,977	62,571,278	67,774,534	65,387,993
STOCKHOLDERS' EQUITY AND LIABILITIES						
Stockholders' Equity						
Capital and Reserves Attributable to Owners of the Parent						
Share capital	2,141,985	2,141,985	2,141,985	2,141,985	2,141,985	2,141,985
Equity compensation reserve	61,475	73,956	89,376	116,594	124,734	129,278
Property revaluation reserve	3,940,954	4,423,555	4,897,207	5,211,785	5,438,654	5,553,854
Investment and other reserves	3,535,634	2,216,173	4,029,178	5,395,698	4,383,503	471,848
Retained earnings	21,195,513	25,183,909	31,911,597	34,692,918	40,009,447	40,660,391
Treasury stock	(348,500)	(305,907)	(326,142)	(372,609)	(135,900)	(101,554)
	30,527,061	33,733,671	42,743,201	47,186,371	51,962,423	48,855,802
Non-Controlling Interests	272,899	300,445	342,385	286,675	335,591	352,780
	30,799,960	34,034,116	43,085,586	47,473,046	52,298,014	49,208,582
Liabilities						
Bank overdrafts	5,802	13,719	5,206	11,378	14,986	20,483
Taxation payable	8,512	40,145	88,286	81,447	46,077	45,621
Loan liabilities	7,474,718	10,559,530	9,343,742	13,663,531	13,594,422	14,017,503
Lease liabilities	11,537	8,106	40,504	34,979	28,424	25,739
Deferred tax liabilities	176,533	435,586	637,805	314,399	255,934	222,290
Retirement benefit liabilities	274,112	250,806	370,254	510,477	654,518	734,325
Other liabilities	601,859	524,085	829,594	482,021	882,159	1,113,449
	8,553,073	11,831,977	11,315,391	15,098,232	15,476,520	16,179,410
	39,353,033	45,866,093	54,400,977	62,571,278	67,774,534	65,387,993

JP Global Holdings Limited

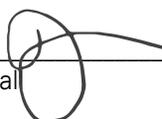
Unaudited Pro Forma Consolidated Balance Sheet

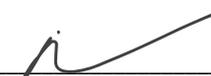
Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

	<u>Notes</u>	Unaudited \$'000
CURRENT ASSETS		
Cash and cash equivalents		1,236,876
Short-term investments		706,428
Securities purchased under resale agreements		7,826,288
Accounts receivable	3	3,536,947
Taxation recoverable		121,302
Inventories	4	<u>1,370,502</u>
Total current assets		<u>14,834,343</u>
CURRENT LIABILITIES		
Accounts payable	5	3,881,847
Taxation		83,084
Loans and borrowings	12	807,933
Lease liabilities		<u>130,917</u>
Total current liabilities		<u>4,903,781</u>
WORKING CAPITAL		<u>9,930,562</u>
NON-CURRENT ASSETS		
Biological assets	6	133,204
Interest in associates and joint ventures	7	1,435,243
Investments	8	463,307
Intangible assets	9	1,431,347
Deferred tax asset	13	3,470
Property, plant and equipment	10	23,323,038
Investment property	10	546,843
Employee benefit asset	11	1,698,874
Right of use of assets		<u>424,716</u>
Total non-current assets		<u>29,460,042</u>
Total assets less current liabilities		<u>39,390,604</u>
EQUITY		
Share capital	14	1
Reserves	15	<u>17,552,910</u>
Attributable to equity holders of the parent		17,552,911
NON-CONTROLLING INTEREST	16	<u>17,252,586</u>
Total equity		<u>34,805,497</u>
NON-CURRENT LIABILITIES		
Deferred tax liability	13	1,364,689
Loans and borrowings	12	2,530,758
Employee benefit obligations	11	396,749
Lease liabilities		<u>292,911</u>
		<u>4,585,107</u>
Total equity and non-current liabilities		<u>39,390,604</u>

The pro forma financial statements on pages 1 to 7 were approved by management on 30 November, 2022 and signed as follows


J Hall


A Buckland

Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

1. Identification

JP Global Holdings (“the company”, “JPGH”) is incorporated and domiciled in Jamaica. The company’s registered office is currently located at 4 Fourth Avenue, Newport West, Kingston 13, Jamaica. The company is a wholly owned subsidiary of Jamaica Producers Group Limited (“JP”), a company also incorporated and domiciled in Jamaica and listed on the Jamaica Stock Exchange.

The principal activity of the company is as a holding company for assets and liabilities that JP will transfer to PanJam Investments Limited (“PJ”) in return for newly issued shares representing 34.5% of PJ, as set out in the Amalgamation Agreement between JP and PJ signed on November 18, 2022.

The purpose of the Unaudited Pro Forma Consolidated Balance Sheet and accompanying notes is to provide information to users in assessing the assets and liabilities of JPGH that will be transferred under the Amalgamation Agreement. Such assets and liabilities are identified in the Amalgamation Agreement. Following the transfers, the company will be the holding company of the following subsidiaries, associates and joint ventures (inactive companies are excluded):

	<u>% equity held</u>	<u>Principal place of business</u>
<i>Subsidiary Companies</i>		
JP Tropical Group Limited	100	Jamaica
Agri Services Limited	100	Jamaica
St. Mary Banana Estates Limited	100	Jamaica
JP Tropical Foods Limited	100	Jamaica
JP Snacks Caribbean Limited	70	Cayman Islands
Antillean Foods, Inc.	100	Cayman Islands
Kingston Wharves Limited	42	Jamaica
Harbour Cold Stores Limited	100	Jamaica
Security Administrators Limited	67	Jamaica
Western Storage Limited	100	Jamaica
Western Terminals Limited	100	Jamaica
Newport Stevedoring Services Limited	100	Jamaica
KW Logistics Limited	100	Jamaica
KW Warehousing Services Limited	100	Jamaica
JP International Group Limited	100	Cayman Islands
Cooperatief JP Foods U.A.	100	The Netherlands
A.L. Hoogesteger Fresh Specialist B.V.	100	The Netherlands
JP Shipping Services Limited	100	England and Wales
Miami Freight and Shipping Company	100	U.S.A
Tortuga International Holdings Company Limited	62	St. Lucia
Tortuga (Barbados) Limited	100	Barbados
Tortuga Imports, Inc.	100	U.S.A.
Tortuga Caribbean Rum Cake Jamaica Limited	100	Jamaica
Tortuga Caribbean Limited	100	Jamaica
<i>Associate Companies and Joint Venture</i>		
Tortuga Cayman Limited	40	Cayman Islands
Geest Line Limited	50	United Kingdom
Co Beverage Lab S.L.	50	Spain
Grupo Frontera Limited	50	St. Lucia
Grupo Alaska S.A	100	Dominican Republic
Capital Investment Group	12	Barbados
Capital Investment Managers	50	Barbados

The company, its subsidiaries and associates are collectively referred to as “the group”.

Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

2. Statement of compliance and basis of preparation and use of these financial statements

- (a) Statement of established criteria underlying the accounting for the consolidated proforma financial statements:

The pro forma statement has been compiled by Jamaica Producers Group Limited ("JP") to illustrate the consolidated financial position of its proposed wholly owned subsidiary JP Global Holdings Limited ("JPGH") following the transfer of assets from JP to JPGH as a going concern as at October 1, 2022 and as if the transaction had taken place at that date. Such assets are identified under the Amalgamation Agreement signed between JP and PanJam Investments Limited ("PJ") on November 18, 2022 (the "Amalgamation Agreement"). In this pro forma statement the transfer was accounted for using the common control criteria of IFRS 3 'Business Combinations' which allow assets and liabilities to be transferred at net book value where the transfer is between two entities under common control.

The consolidated pro-forma financial statements were derived from the unaudited consolidated financial statements of JP as at October 1, 2022.

- (b) Basis of preparation:

The significant accounting policies applied to the compilation of the Unaudited Pro Forma Balance Sheet are identical to those applied in the audited financial statements of its parent company, JP, as at the year ended December 31, 2021.

For the avoidance of doubt, the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations, issued by the International Accounting Standards Board (IASB) and comply with the provisions of the Jamaican Companies Act

- (c) Functional and presentation currency:

The financial statements are presented Jamaican dollars, which is the company's functional currency on the company.

- (d) Basis of consolidation:

Subsidiaries are those entities controlled by the group. The group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee entity

Associates are those entities over which the group has significant influence, but not control, or joint control over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognized at cost, including transaction costs.

The financial statements of subsidiaries, associates and joint ventures are included in the consolidated pro forma financial statements as if the relevant level of control or influence commenced as at October 1, 2022.

The consolidated pro forma balance sheet comprises the pro forma financial position of the company, its subsidiaries and associates, prepared as at October 1, 2022.

Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

3. Accounts receivable

	\$'000
Trade receivables	2,987,844
Other receivables and prepayments	<u>684,659</u>
	3,672,503
Less: allowance for expected credit losses	<u>(135,556)</u>
	<u>3,536,947</u>

4. Inventories

Inventories include raw materials, packaging and finished goods used in the group's operations, as well as spare parts and fuel. Inventories are presented net of provisions.

5. Accounts payable

	\$'000
Trade payables	1,659,248
Accrued expenses and other payables	<u>2,222,599</u>
	<u>3,881,847</u>

6. Biological assets

Biological assets include the value of the group's banana and pineapple assets.

7. Interest in associate and joint ventures companies

The group's associated and joint venture companies, which are recognised using the equity method, are set out below:

	\$'000
Tortuga Cayman Limited	120,880
Geest Line Limited	931,314
Co Beverage Lab S.L.	116,501
Grupo Frontera Limited	<u>266,548</u>
	<u>1,435,243</u>

8. Investments

Investments represents quoted and unquoted equities held by the group.

Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

9. Intangible assets

Intangible assets includes the following:

	\$'000
Brands and trademarks	380,741
Customer relationships	155,250
Other identifiable intangibles	59,017
Goodwill	<u>836,339</u>
	<u>1,431,347</u>

10. Property, plant and equipment and investment property

Property, plant and equipment includes the following:

	\$'000
Freehold land and buildings	17,555,155
Leasehold land and buildings	169,592
Equipment, vehicles and furniture	4,307,573
Work-in-progress	<u>1,290,718</u>
	<u>23,323,038</u>

Investment property, valued at \$546,843,000 includes land and buildings relating to a warehouse in Kingston, Jamaica that is held specifically for the purpose of collecting rental income.

11. Employee benefit asset and obligation

The employee benefit asset represents a defined benefit scheme operated by Kingston Wharves Limited ("KW").

The employee benefit obligation represents certain other retirement benefits, provided by KW, giving rise to obligations.

The assets of the funded plans are held independently in separate trustee administered funds.

An annual valuation of these plans is performed by a qualified independent actuary in accordance with IAS19. The most recent valuation performed was as at December 31, 2021, and the balances included here represent the position on that date.

Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

12. Loans and borrowings

The key terms and conditions of significant outstanding loans are as follows:

	<u>Currency</u>	<u>Nominal interest rate</u>	<u>Year of maturity</u>	<u>Carrying value \$'000</u>
Secured bank loan (i)	JMD	5.35%	2027	1,105,000
Secured bank loan	GBP	2.92%	2030	25,341
Secured bank loan	JMD	7.50%	2027	126,334
Secured bank loan	JMD	10.39%	2024	71,704
Secured bank loan	JMD	10.46%	2023	39,286
Secured bank loan	JMD	5.00%	2023	129,000
Secured bank loan (ii)	JMD	5.00%	2023	666,000
Secured loan (iii)	JMD	5.00%	2028	642,857
Secured loan (iv)	JMD	5.50%	2025	72,222
Secured revolving loan facility	USD	5.50%	2022	107,310
Other unsecured loan	JMD	nil	n/a	1,490
Finance lease	EUR	3.50%	2022	7,253
Finance lease	EUR	2.27%	2025	55,436
Finance lease	EUR	2.35%	2025	77,299
Other related party (v)	USD	3.00%	2025	<u>186,083</u>
				3,247,605
Deferred consideration (vi)	GBP	nil	2025	<u>91,086</u>
Total				<u>3,338,691</u>

- (i) This loan, originally for \$1,300,000,000, incurs interest at the fixed rate of 5.35% and is secured by shares in Kingston Wharves Limited. It is repayable over seven years by 21 bi-annual instalments of \$65,000,000 with a final payment of \$455,000,000 in 2027.
- (ii) The total facility, originally \$1,800,000,000, was used to finance capital expenditure and had a two-year moratorium on principal payments during the draw-down period and was thereafter repayable in 20 instalments, ending in 2023, of \$63,000,000, with a final payment of \$540,000,000.
- (iii) Kingston Wharves Limited obtained this loan, originally for \$750,000,000, to finance the acquisition of infrastructure. The loan is repayable over seven years in quarterly instalments with an initial six-month moratorium on principal. The interest rate is fixed at 5%.
- (iv) This represents an unsecured loan of \$100,000,000 obtained by Kingston Wharves Limited to refinance debt and provide working capital support. The loan is repayable over five years and the interest rate is fixed at 5.5%.
- (v) The loan of \$187,970,000 is due to a company that holds 30% of the equity in JP Snacks Caribbean Limited, a subsidiary. The loan, which is denominated in US dollars, is repayable in 2025.
- (vi) Deferred consideration represents obligations that become due following the acquisition of Miami Freight & Shipping.

Unaudited Pro Forma Consolidated Balance Sheet

October 1, 2022

13. Deferred tax asset and liability

Deferred tax asset and liability occur in the group on the difference between the tax base and the accounting base value of underlying assets and liabilities. The net deferred tax position is a liability of \$1,361,219,000. As at the reporting date timing differences on the valuation of property plant and equipment accounted for approximately \$1,198,340,000 of the net deferred tax liability and timing differences on the recording of employee benefits accounting for approximately \$162,879,000.

14. Share capital

The company was incorporated with a stated initial capital of \$1,000.

15. Reserves

This represents the aggregate of:

- a) The net value of assets transferred to the company for no consideration other than the assumption of liabilities under a Scheme of Reconstruction that is precondition to the Amalgamation Agreement.
- b) The net value of assets acquired in excess of liabilities acquired that arises on the consolidation of subsidiaries whose investment was transferred at net book value under the common control criteria of IFRS 3 'Business Combinations'.

16. Non-controlling interests

Non-controlling interests represent the proportionate share of the identifiable net assets of the non-controlling interest in Kingston Wharves Limited, Tortuga International Holdings Limited and JP Snacks Caribbean Limited as at October 1, 2022.

17. Foreign exchange rates

Overseas assets and liabilities have been translated at the closing exchange rate at October 1, 2022, as follows: J\$144.32 to €1, J\$165.83 to £1 and J\$151.22 to US\$1.

Fairness Opinion

17 November 2022

Board of Directors
Jamaica Producers Group Limited
4 Fourth Avenue
Kingston 13

Fairness Opinion of the Exchange Ratio in relation to Proposed Amalgamation of PanJam Investment Limited and JP Global Holdings Limited

Dear Sirs:

Engagement Background

Ernst & Young Services Limited (“EYSL”) was jointly engaged by Jamaica Producers Group Limited (“JP”) and PanJam Investment Limited (“PIL” or “PanJam”) to provide valuation services including an opinion on the fairness of the Exchange Ratio (as defined in the Draft Amalgamation Agreement) relating to a proposed amalgamation of PanJam and JP Global Holdings Limited (“JPGH”) (“The Proposed Transaction”). JPGH is a subsidiary of JP that was incorporated on 02 November 2022 for the purpose of holding JP’s assets and liabilities that are to be amalgamated with PanJam in the Proposed Transaction.

Purpose of the fairness opinion

A fairness opinion is a professional statement on the result of a decision-making process, especially on the financial fairness of a transaction price or of a valuation. Determining a business value or the value of shares in an entity is therefore not the objective of a fairness opinion.

This fairness opinion has been prepared to provide information for consideration by the Board of Directors to determine the reasonableness of the share Exchange Ratio (the “Purpose”) but does not constitute a recommendation to any party as to any course of action they might take. Despite any conclusions reached herein, the circumstances of individual shareholders will determine what course of action they will take in responding to the Proposed Transaction.

Effective Date of the Fairness Opinion

The effective date of the fairness opinion is 17 November 2022, based on our valuation analysis conducted using financial information up to 30 June 2022 and the subsequent review of information available to us up to 17 November 2022.

Proposed Transaction

PanJam Investment Limited (“PanJam”) and Jamaica Producers Group Limited (“JP”) intend to amalgamate substantially all the assets and liabilities of JP with those of PanJam. The structuring for the Proposed Transaction is as follows:

- JP will conduct a scheme of reconstruction by which it will transfer substantially all the assets and liabilities of JP to JPGH (except those detailed in Schedule 4, Parts 1,2 and 3 of the Draft Amalgamation Agreement dated 16 November 2022). JP anticipates this to be completed within one (1) month of its extraordinary general meeting slated to be held on 22 December 2022.
- JP will transfer all of the issued ordinary shares of JPGH to PanJam
- In exchange for transfer of JPGH, PanJam will issue JP a certain number of ordinary shares as is required to meet the share Exchange Ratio on a fully diluted basis. PanJam will make an application to the Jamaica Stock Exchange (“JSE”) for the new ordinary shares of PanJam to be allotted and issued to JP pursuant to the Draft Scheme of Amalgamation to be listed on the same terms and conditions as those applicable to the existing PanJam ordinary shares at the time of listing.
- Exchange Ratio has been defined in the Draft Amalgamation Agreement as the ownership ratio (immediately after issue of the PanJam Exchange Ordinary Shares) of PanJam Shareholders to JP of 65.5% to 34.5% on a fully diluted basis.
- As a result of the Proposed Structure, JP would become the largest shareholder in PanJam holding 34.5% of the issued ordinary shares. PanJam would become the sole shareholder of JP Global Holdings Limited. Both PanJam and JP would remain listed entities.

EY Credentials and Independence

Ernst & Young Global

Ernst & Young (EY) is a global organization with over 300,000 people in 150 countries in 700 offices and more than 4,100 dedicated valuation professionals located across the world.

About Ernst & Young Caribbean (EYC) & Jamaica

Ernst & Young has been operating in Jamaica for over 30 years. The Ernst & Young offices in the Caribbean including our EY practice in Jamaica have been integrated into a single operating structure for over 15 years. Our Caribbean firm serves clients throughout the region:

Barbados, the British Virgin Islands, Curacao, Aruba, St. Maarten, Suriname, Jamaica, Trinidad & Tobago, Guyana, Haiti, Belize and the OECS countries of Anguilla, Antigua and Barbuda, Dominica, Montserrat, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

Independence of EYSL

EYSL has developed this fairness opinion on the basis of an independent review and analysis of the Transaction. The fairness conclusion reached is that of the valuation professionals within EYSL.

To the best of our knowledge:

- (i) EYSL or the team on this engagement does not hold, or beneficially own, any interest in JP or PanJam;
- (ii) EYSL has not provided audit services to JP or PanJam over the last two years;
- (iii) EYSL has previously provided valuation services to JP. Valuation work performed includes valuation of intangible assets for financial reporting purposes, among others.
- (iv) EYSL has previously provided valuation services to PanJam. Other valuation work performed includes estimating value of employee stock options as well as estimating required return on equity for PanJam.
- (v) In future, EYSL may provide professional services to JP, PanJam and/or affiliates in the ordinary course of business.

Our compensation is not contingent on the conclusions reached, an action or event resulting from the use of or relating to the Fairness Opinion or the outcome of the contemplated transaction or the opinion provided.

Scope of review

In connection with developing this fairness opinion, EYSL has had discussions with the management of JP and PanJam and relied upon information obtained from those discussions as well as from the results of applying both general financial review procedures and specific activities including:

- A. The review of:
- i. Draft Scheme of Amalgamation Booklet dated 8 November 2022
 - ii. Draft Amalgamation Agreement between PanJam and JP dated 16 November 2022
 - iii. Annual reports and audited financial statements of JP and PanJam for the years ended 31 December 2018-2021.
 - iv. Unaudited financial reports for the six and nine months ended 30 June 2022 ("Q2 2022") and 30 September 2022 ("Q3 2022"), respectively, for JP and PanJam
 - v. Audited/Unaudited historical financials for JP's subsidiaries/associates for the periods FY18 to FY21 and YTD 30 June 2022
 - vi. Budgeted FY22 Financial Statements for JP's subsidiaries/associates
 - vii. Audited/Unaudited historical financials for PanJam's subsidiaries/associates for the periods FY18 to FY21 and YTD 30 June 2022
 - viii. Budgeted Financial Information for select subsidiaries and associates of PanJam
 - ix. Consolidated Workbooks for both JP and PanJam for the period ended 30 June 2022
 - x. Other corporate, industry and financial market information, economic conditions and other analysis as EYSL considered necessary or appropriate in the circumstances.
- B. Undertaking a valuation analysis of JPGH and PanJam and evaluation of the Transaction for assessing fairness from a financial point of view to the shareholders of JP.

Approach to the evaluation of fairness

Use of Valuation Analysis to assess the share Exchange Ratio

Definition of Value

For the purpose of our valuation analysis, value is measured as “fair market value” (“FMV”). Fair Market Value is defined as *“the highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”*

FMV is an estimate of the price which could be obtained in the market at a given point in time under an assumed set of conditions. The price that might be obtained for the subject shares, if sold in an actual transaction, could be different from our value conclusion for a number of reasons, including the terms of sale, changes in value since the Valuation Date, the method of sale, and the characteristics and motivations of the transacting parties.

Overview of Methodology

Both JP and PanJam are large conglomerates comprising of several subsidiaries and associates that operate across various industries and geographies. As such, we considered the sum-of-the parts (SOTP) valuation approach as appropriate to estimate the value of both conglomerates.

The SOTP valuation approach involves separately assessing the value of each business segment or subsidiary and adding them to get the total value of the business. In applying the SOTP approach to both JP and PanJam we conducted the following steps for each conglomerate:

1. Determined the subsidiaries, associates and joint ventures to be separately valued. Separate discussions were held with the Management teams of JP and PanJam to get an understanding of each Group’s material subsidiaries
2. Determined the appropriate valuation method (of the three main approaches: income, market or asset) applied to each subsidiary/associates/joint ventures based on the specific factors for each subsidiary/company.
3. Estimated the value of each subsidiary/associates/joint ventures.
4. Sum the total of the values estimated for each subsidiary/ associates/joint ventures and make any necessary adjustments. These include:
 - Adjustments related to head office assets, liabilities, and net unrecovered expenses

- Adjustments for Excluded Assets, Excluded Liabilities and Excluded Companies as stipulated in the Draft Amalgamation Agreement dated 16 November 2022

In addition to the application of SOTP, we also analyzed share price movements of JP and PanJam given that they are both listed entities. The Share Prices of Kingston Wharves Limited (a subsidiary of JP) and Sagicor Group Jamaica Limited (an associate of PanJam) were also assessed as the valuation of these two entities can materially impact the valuation of JP/JPGH and PanJam, respectively.

When assessing the value of JPGH, we first estimated the value of JP and then adjusted for the excluded assets, liabilities and subsidiaries detailed in Schedule 4, Parts 1, 2 and 3 of the Draft Amalgamation Agreement dated 16 November 2022.

Valuation Analysis of JPGH

FMV for each of JP's subsidiaries/associates/joint ventures included in the Proposed Transaction have been estimated using one or more of the appropriate methods under income, market or asset valuation approaches. Details of how each approach was used is described as follows:

1. Income Approach

- The income approach is primarily used for entities where the value of an entity is primarily driven by its ability to generate cash flows/earnings. Having regard to JP's operations, the income approach was used as the primary valuation method. We considered two variations of the Income Approach: a) Capitalized Earnings/Cash Flow and b) Discounted Cash Flow Methodology
- The capitalized earnings/cash flow method assumes after-tax earnings/cash flows will be constant or will exhibit a uniform growth rate. As such, the capitalized earnings/cash flow method was applied to JP's subsidiaries/associates that are expected to have stable growth going forward.
- The Discounted Cash Flow (DCF) method involves estimating the future cash flows and discounting those earnings to present value using a rate suitable for the risks associated with realizing those benefits. The DCF method was used to estimate fair market value of subsidiaries/associates that are expected to see significant growth over the next 3 to 5 years (e.g due to a recovery from the COVID-19 pandemic)
- In assessing whether to use the capitalized earnings/capitalized cash flows or DCF approach, EYSL reviewed the budgets for each subsidiary/associate provided by JP, historical financial information as well as relevant market information (i.e. industry and economic conditions)

2. Market Approach

- In several instances, the market approach was selected as a secondary approach to support/test the results derived from the Income Approach
- The market approach measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued.
- We used the trading multiples method of the market approach. Under this method, multiples are calculated using prices which are drawn from the trading of shares in the market. The primary multiple used in our analysis was the Enterprise Value to EBITDA multiple (EV/EBITDA). In certain instances, we applied the Price-to-Book (P/BV) multiple. Given the limited availability of local comparable companies, we considered the multiples for international companies operating in the same industries as JP's subsidiaries/associates/
- We also considered the use of transaction multiples. However, considering the limited availability of information/disclosures related to the comparable transactions, we did not apply this method in our valuation analysis.

3. Asset Approach

- Within the JP Group, there are several entities that function as investment holding companies. For these entities, the adjusted net assets methodology was used.
- Under the adjusted net assets methodology, the assets and liabilities of the business are restated to their fair market values as at the valuation date. The fair market value of the liabilities are deducted from the fair market value of the assets to arrive at the adjusted net asset value.

Valuation Analysis of PanJam

We note that one of PanJam's most significant assets is its 30.2% shareholding in Sagikor Group Jamaica Limited ("SGJ"). As such, in addition to PanJam's other subsidiaries and associates, our valuation analysis also considered SGJ's subsidiaries and associates (i.e. Sagikor Life Jamaica Limited, Sagikor Bank Jamaica Limited, Sagikor Investments Jamaica Limited, Advantage General Insurance Company Limited etc).

FMV for each of PanJam and SGJ's subsidiaries and associates have been estimated using one or more of the appropriate methods under income, market or asset valuation approaches. Details of how each approach was used is described as follows:

1. Income Approach

- We considered three variations of the Income Approach: a) Capitalized Earnings/Cash Flows and b) Discounted Cash Flow Methodology

- The capitalized earnings/cash flows method was applied to SGJ's and PanJam's subsidiaries/associates that are expected to have stable growth going forward.
- The DCF method was used to estimate fair market value of subsidiaries/associates that are expected to see significant growth over the next 3 to 5 years (e.g due to a recovery from the COVID-19 pandemic)
- In assessing whether to use the Capitalized Earnings/Cash Flows or DCF approach, EYSL reviewed prospective financial information (where it was available) historical financial information as well as relevant market information (i.e. industry and economic conditions)

2. Market Approach

- In several instances, the market approach was selected as a secondary approach to support/test the results derived from the Income Approach
- We used the trading multiples method of the market approach. The multiples used in our analysis include Price to Earnings (P/E) and EV/EBITDA. Given the limited availability of local comparable companies, we considered the multiples for international/regional companies operating in the same industries as PanJam's subsidiaries/associates.
- We also considered the use of transaction multiples. However, considering the limited availability of information/disclosures available related to the comparable transactions, we did not apply this method in our valuation analysis.

3. Asset Approach

- Within PanJam and SGJ, there are several entities that function as investment holding companies. For these entities, the adjusted net assets methodology was used.
- This method was used to estimate fair market value for PanJam's real estate development subsidiaries/associates that were not yet generating rental revenues from their properties as at the Valuation Date
- We also applied the adjusted net assets method as a secondary approach to estimate FMV of real estate operating companies with significant investment property assets on their balance sheets

Fairness Conclusion

Using the range of fair market values arrived at from our valuation analysis for JPGH and PanJam, we calculated a range of share Exchange Ratios which we considered to be fair from a financial point of view. The proposed share Exchange Ratio of 65.5% to 34.5% agreed between PanJam and JP respectively (as stipulated in the Draft Amalgamation Agreement dated 16 November

2022) falls within our range of exchange ratios calculated above. As such, we conclude that the proposed share Exchange Ratio is fair from a financial point of view to the Shareholders of JP.

Assumptions and limitations

EYSL has relied upon the completeness, accuracy and fair presentation of all of the financial and other information obtained by it from public sources, and from PanJam and JP for purposes of developing this fairness opinion. This fairness opinion is conditional upon the completeness and accuracy of such information. Subject to the exercise of professional judgement and except as expressly described herein, we have not attempted to verify the completeness, accuracy or fair presentation of any of the information relied upon in developing this assessment of financial fairness. This fairness opinion is based upon securities markets, economic, business and financial conditions as of 17 November 2022.

The fairness opinion has been prepared for the specific Purpose identified above and is not to be used in any other context without the express written consent of EY. This fairness opinion is developed as of a specific date on the basis of identifiable information and EYSL has not undertaken to update it to any other date. Should information relevant to the fairness conclusions become available to EYSL subsequent to the date of this report, EYSL reserves the right, but will be under no obligation, to revise this report.

In completing the fairness opinion EYSL has made assumptions with respect to economic, industry, and future performance of PanJam and JP that are matters over which EYSL has no control.

Evaluations of transaction fairness are inherently and inescapably a matter of implicit or explicit perceptions of the potential future economic performance of the entity and the environment in which that performance will take place. Recognizing that those perceptions are developed under conditions where neither contractual nor other bases exist to ensure that actual operating results will conform to the assumptions employed for valuation purposes, this analysis necessarily works with contingent and uncertain information and there is a corresponding degree of uncertainty in the resultant estimates of value. In some measure this uncertainty is recognized in the process of assessing the valuation results as a range. It must accordingly be recognized that EYSL does not warrant that the projections and estimates employed in developing this fairness opinion represent commitments as to what the future performance of the entities will be. The fairness opinion is considered to be a reasonable evaluation on the basis of the information and assumptions upon which it is predicated and as of the time when it was developed. However, should significant deviations from these assumptions emerge in the future, the evaluation may cease to be representative.

EYSL believes that an evaluation of the fairness of a proposed Transaction from a financial point of view must be considered as a whole and that selecting portions of the analysis and report without considering the other factors and analyses may create a misleading view of the evaluation process.

EYSL has not been engaged to provide and has not provided an opinion: i) as to the fairness of the share Exchange Ratio for individual shareholders who may need advice from their own financial advisors in relation to their shareholdings in JP; ii) as to the fairness of the process underlying The Proposed Transaction; iii) on the tax structure or attributes relating to the Amalgamation; iv) on the investment or strategic merit of future operations.

EYSL was not required to assess the impact or the degree of risk associated with the occurrence of any events subsequent to the transaction.

The Fairness Opinion is not to be construed as a recommendation to any Director or Security Holder to support or reject the proposed offer. The Fairness Opinion does not provide assurance that the best offer price was obtained for assets included in the offer.

Based upon the foregoing and subject to the stated assumptions and limitations, it is our opinion that the proposed share Exchange Ratio of 65.5% to 34.5% on a fully diluted basis, agreed between PanJam and JP respectively is fair from a financial point of view to the shareholders of JP.

Yours truly,



Anura Jayatillake
Director



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