



**UNAUDITED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 31 MARCH 2017**

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED MARCH 2017**

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3 May 2017

### CHAIRMAN'S INTERIM REPORT TO THE SHAREHOLDERS

The Board of Directors of 138 Student Living Jamaica Limited (138 SL) is pleased to present our unaudited consolidated financial statements for the six months ended 31 March 2017.

#### Financial Results Highlights

	3 months to 31 March 2017 \$,000	3 months to 31 March 2016 \$,000	Q-O-Q CHANGE %	6 months ending 31 March 2017 \$,000	Restated 6 months ending 31 MAR 2016 \$,000	Y-O-Y CHANGE %
Revenue	147,381	76,950	92	262,489	124,148	111
Expenses	(60,559)	(43,259)	(40)	(115,237)	(76,369)	(51)
Finance costs	(82,022)	(43,271)	(90)	(138,956)	(73,950)	(88)
Operating profit/(loss) before taxation	4,800	(9,580)	150	8,296	(26,171)	132
Taxation	11,020	-	100	18,493	297	6127
Net profit/(loss) after taxation	15,820	(9,580)	265	26,789	(25,874)	204

At half year, the Group reflected net profits of \$27M, which represented an over 200% improvement in consolidated results when compared to the previous year.

Although our net results showed a significant improvement over the corresponding period last year, we have to take note of the fact that an additional 576 rooms (864 beds) were brought into operations on a phased basis during the year which accounted for the increased Revenue. However, as a result of being less than 100% occupied in the additional four blocks, our net profit was less than optimum.

With the introduction of the four additional blocks, we, as expected, experienced an increase in operational expenses such as staffing and utilities in addition to financing costs.

The operations of the Gerald Lalor flats, focusing on short term rentals, continue to show improvements. During the quarter, further inroads were made in the market segments in which we operate such as schools, sporting associations and churches, wherein a number of high schools resided with us for the ISSA/Grace Kennedy Boys and Girls Championships in March 2017. The initiatives in place will ensure continuation of this trend.

Overall, we are pleased with the Group's performance. The demand for on-campus housing, despite the inherent challenges in the current economic environment, coupled with the response to the distinctive product being offered by 138SL, augurs well for the future success of the operations.

John W Lee  
CHAIRMAN

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**SIX MONTHS ENDED 31 MARCH 2017**

	<u>Note</u>	3 months to 31 March 2017 J\$'000	Restated 3 months to 31 March 2016 J\$'000	6 months to 31 March 2017 J\$'000	Restated 6 months to 31 March 2016 J\$'000
<b>REVENUE</b>					
Income		140,912	66,086	248,961	104,622
Other operating income		6,469	10,864	13,528	19,526
		147,381	76,950	262,489	124,148
<b>EXPENSES</b>					
Administrative expenses		(60,559)	(43,259)	(115,237)	(76,369)
<b>PROFIT FROM OPERATIONS</b>		86,822	33,691	147,252	47,779
Finance costs		(82,022)	(43,271)	(138,956)	(73,950)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		4,800	(9,580)	8,296	(26,171)
Taxation		11,020	-	18,493	297
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		15,820	(9,580)	26,789	(25,874)
<b>Other comprehensive income</b>					
Change in fair value of financial asset		-	-	-	-
<b>Other comprehensive income for the period</b>		15,820	(9,580)	26,789	(25,874)
<b>Profit/(Loss) per stock unit</b>	<u>5</u>	\$0.04	(\$0.02)	\$0.06	(\$0.06)

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2017**

	<u>31 MARCH</u> <u>2017</u> <u>J\$'000</u>	<u>Audited</u> <u>30 SEPT</u> <u>2016</u> <u>J\$'000</u>	<u>Restated</u> <u>31 MARCH</u> <u>2016</u> <u>J\$'000</u>
<b>NON-CURRENT ASSETS:</b>			
Financial asset - service concession	4,393,146	4,390,000	2,120,637
Construction in progress	1,480,058	674,676	408,418
Deferred tax asset	69,495	51,002	1,232
Other receivables	1,190	636	-
	5,943,889	5,116,314	2,530,287
<b>CURRENT ASSETS:</b>			
Receivables	185,145	138,286	202,709
Taxation recoverable	10,142	8,351	4,093
Short term deposits	590,990	440,402	502,189
Cash and cash equivalents	15,565	37,977	39,359
	801,842	625,016	748,350
	6,745,731	5,741,330	3,278,637
<b>EQUITY AND LIABILITIES:</b>			
Share capital	721,153	721,153	721,153
Fair value reserve	1,331,217	1,331,217	-
Retained earnings/(Accumulated deficit)	54,223	27,434	(26,119)
	2,106,593	2,079,804	695,034
<b>NON-CURRENT LIABILITIES:</b>			
Long term loan	3,020,618	1,890,689	2,124,539
Redeemable preference shares	172,642	172,642	172,642
	3,193,260	2,063,331	2,297,181
<b>CURRENT LIABILITIES:</b>			
Payables	477,996	392,781	286,422
Short term borrowings	967,882	1,205,414	-
	1,445,878	1,598,195	286,422
	6,745,731	5,741,330	3,278,637

Approved and signed on behalf of the Board by:



John W Lee - Chairman



Sharon Donaldson - Director

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

	SHARE CAPITAL	FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL
	<u>J\$'000</u>	<u>J\$'000</u>	<u>J\$'000</u>	<u>J\$'000</u>
<b>TOTAL COMPREHENSIVE INCOME</b>				
Net Loss	-	-	(245)	(245)
<b>TRANSACTION WITH OWNERS</b>				
Net Issue of shares	721,153	-	-	721,153
Balance at 30 September 2015	721,153	-	(245)	720,908
Loss for the period	-	-	(30,135)	(30,135)
Balance at 31 March 2016 (as previously stated)	721,153	-	(30,380)	690,773
Prior year adjustment for the adoption of IFRIC 12	-	-	4,261	4,261
Balance at 31 March 2016 (restated)	721,153	-	(26,119)	695,034
Balance at 1 October 2016	721,153	1,331,217	27,434	2,079,804
Profit for the period	-	-	26,789	26,789
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	26,789	26,789
Balance at 31 March 2017	721,153	1,331,217	54,223	2,106,593

**138 STUDENT LIVING JAMAICA LIMITED**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

	31 MAR 2017 <u>J\$'000</u>	Audited 30 SEPT 2016 <u>J\$'000</u>	<u>Restated</u> 31 MAR 2016 <u>J\$'000</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit/(loss)	26,789	26,041	(25,874)
Items not affecting cash resources:			
Effects of foreign exchange gains	(821)	(4,339)	-
Deferred taxation	(18,493)	(50,067)	(297)
Interest income	(9,276)	(30,143)	(17,293)
Interest expense	138,956	152,421	73,950
	<u>137,155</u>	<u>93,913</u>	<u>30,486</u>
Changes in operating assets and liabilities:			
Other asset	(252)	(636)	-
Receivables	(58,037)	(88,980)	(147,230)
Taxation recoverable	(2,093)	(5,239)	(980)
Other payables	76,205	77,108	(51,412)
	<u>15,823</u>	<u>(17,747)</u>	<u>(199,622)</u>
Net cash provided by/(used in) operating activities	<u>152,978</u>	<u>76,166</u>	<u>(169,136)</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>			
Financial asset - service concession	(3,146)	(1,705,273)	(401,778)
Construction in progress	(757,095)	(27,824)	(128,554)
Short term deposits	(150,587)	72,530	7,679
Interest received	11,564	19,022	-
Interest paid	(169,343)	(100,631)	-
Net cash used in investing activities	<u>(1,068,608)</u>	<u>(1,742,176)</u>	<u>(522,653)</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>			
Short term loan	182,397	1,205,414	(401,247)
Long term loans	710,000	854,005	1,087,855
Loan repaid	-	(401,247)	-
Net cash provided by financing activities	<u>892,397</u>	<u>1,658,172</u>	<u>686,608</u>
Net increase/(decrease) in cash and cash equivalents	<u>(23,233)</u>	<u>(7,838)</u>	<u>(5,181)</u>
Exchange (loss)/gain on foreign cash balance	821	1,275	-
Cash and cash equivalents at start of the period	37,977	44,540	44,540
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>15,565</u>	<u>37,977</u>	<u>39,359</u>

**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

**1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) 138 Student Living Jamaica Limited (138 SL) is a limited liability company. The company was incorporated in Jamaica on 15 August 2014 and is domiciled in Jamaica. The registered office of the company is located at 7<sup>th</sup> Floor, Scotiabank Centre, Corner of Duke and Port Royal Streets, Kingston.
- (b) The company is established to construct and rent living facilities at the University of the West Indies under a 65 years concession agreement granted by the University of the West Indies.
- (c) The company, (138SL), is a public listed company and was listed on the Jamaica Stock Exchange on 18 December 2014.
- (d) The company has a 100% subsidiary, 138SL Restoration Limited, a limited liability company, incorporated in Jamaica on 30 April 2015 and domiciled in Jamaica and which has a 35 year concession agreement. The concession was granted by the University of the West Indies, Mona, for the restoration and reconstruction of certain traditional Halls.

**2. REPORTING CURRENCY:**

Items included in the financial statements of the company are measured using the primary economic environment in which the company operates (“the functional currency”). These financial statements are presented in Jamaican dollars which is considered the company’s functional and presentation currency.

**3. BASIS OF CONSOLIDATION:**

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiary, 138SL Restoration Limited.

**4. SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements are prepared in accordance International Financial Reporting Standards (IFRSs), their interpretations issued by the International Accounting Standards Board and have been prepared under the historical cost convention as modified by revaluation of financial asset - services concession rights. The financial statements also comply with the provisions of the Jamaican Companies Act.

The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with those used in the audited financial statements for the year ended 30 September 2016 and comply with the requirements of the International Financial Reporting Standards (IAS 34, Interim Financial Reporting). Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.



**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

5. Profit/(Loss) per stock unit

Profit/(Loss) per stock unit is calculated by dividing the net loss attributable to stockholders by the weighted average number of ordinary stock units in issue.

	3 months ending 31 Mar 2017 <u>J\$</u>	3 months ending 31 Dec 2016 <u>J\$</u>	6 months ending 31 Mar 2017 <u>J\$</u>	<b>Restated</b> 6 months ending 31 Mar 2016 <u>J\$</u>
Net profit/(loss) attributable to stockholders	15,820,000	(9,850,000)	26,789,000	(25,874,000)
Weighted average number of ordinary stock units	414,500,000	414,500,000	414,500,000	414,500,000
Profit/(Loss) per stock unit	0.04	(0.02)	0.06	(0.06)

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**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

**6. RESTATEMENT OF PRIOR YEAR BALANCES**

Restatement of prior year balances relate to adjustments for the reclassification of assets from Investment property and property plant and equipment to Financial Asset - Service Concession under IFRIC 12.

Effects on the consolidated statement of financial position as at 31 March 2016.

	As previously reported J\$'000	Effect of restatement J\$'000	As restated J\$'000
<b>NON-CURRENT ASSETS:</b>			
Investment property	2,007,351	(2,007,351)	-
Property, plant and equipment	109,025	(109,025)	-
Financial asset - service concession	-	2,120,637	2,120,637
Construction in progress	408,418	-	408,418
Deferred tax asset	1,232	-	1,232
	<u>2,526,026</u>	<u>4,261</u>	<u>2,530,287</u>
<b>CURRENT ASSETS:</b>			
Receivables	202,709	-	202,709
Taxation recoverable	4,093	-	4,093
Short term deposits	502,189	-	502,189
Cash and cash equivalents	39,359	-	39,359
	<u>748,350</u>	<u>-</u>	<u>748,350</u>
	<u>3,274,376</u>	<u>4,261</u>	<u>3,278,637</u>
<b>EQUITY AND LIABILITIES:</b>			
Share capital	721,153	-	721,153
Accumulated deficit	(30,380)	4,261	(26,119)
	<u>690,773</u>	<u>4,261</u>	<u>695,034</u>
<b>NON-CURRENT LIABILITIES:</b>			
Long term loan	2,124,539	-	2,124,539
Redeemable preference shares	172,642	-	172,642
	<u>2,297,181</u>	<u>-</u>	<u>2,297,181</u>
<b>CURRENT LIABILITIES:</b>			
Payables	286,422	-	286,422
Short term borrowings	-	-	-
	<u>286,422</u>	<u>-</u>	<u>286,422</u>
	<u>3,274,376</u>	<u>4,261</u>	<u>3,278,637</u>

**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

6. **RESTATEMENT OF PRIOR YEAR BALANCES (continued)**

Effect on the consolidated statement of profit or loss and comprehensive income at 31 March 2016.

	As previously reported <u>J\$'000</u>	Effect of restatement <u>J\$'000</u>	As restated <u>31 Dec</u> <u>2015</u> <u>J\$'000</u>
<b>REVENUE</b>			
Income	104,622	-	104,622
Other operating income	19,526	-	19,526
	124,148	-	124,148
<b>EXPENSES</b>			
Administrative expenses	(80,630)	4,261	(76,369)
<b>PROFIT FROM OPERATIONS</b>	43,518	4,261	47,779
Finance costs	(73,950)	-	(73,950)
<b>LOSS BEFORE TAXATION</b>	(30,432)	4,261	(26,171)
Taxation	297	-	297
<b>NET LOSS FOR THE PERIOD</b>	(30,135)	4,261	(25,874)
Other comprehensive income			
Change in fair value of financial asset	-	-	-
<b>Other comprehensive income for the period</b>	(30,135)	4,261	(25,874)
<b>Loss per stock unit</b>	(\$0.07)		(\$0.06)

**138 STUDENT LIVING JAMAICA LIMITED**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2017**

**6. RESTATEMENT OF PRIOR YEAR BALANCES (continued)**

**Effect on the company's statement of cash flows at 31 March 2016**

	As previously reported J\$'000	Effect of restatement J\$'000	As Restated J\$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net (loss)/profit	(30,135)	4,261	(25,874)
Items not affecting cash resources:			
Deferred taxation	(297)	-	(297)
Interest income	(17,293)	-	(17,293)
Interest expense	73,950	-	73,950
Depreciation	4,261	(4,261)	-
	<u>30,486</u>	<u>-</u>	<u>30,486</u>
Changes in operating assets and liabilities:			
Receivables	(147,230)	-	(147,230)
Taxation recoverable	(980)	-	(980)
Other payables	(51,412)	-	(51,412)
	<u>(199,622)</u>	<u>-</u>	<u>(199,622)</u>
Net cash used in operating activities	<u>(169,136)</u>	<u>-</u>	<u>(169,136)</u>
<b>CASHFLOW FROM INVESTING ACTIVITIES:</b>			
Additions to property, plant and equipment, net	(42,069)	42,069	-
Transfers from property, plant and equipment	25,307	(25,307)	-
Financial asset - Service concession		(401,778)	(401,778)
Construction in progress	(128,554)	-	128,554
Investment property	(385,016)	385,016	-
Short term deposits	7,679	-	7,679
Net cash used in investing activities	<u>(522,653)</u>	<u>-</u>	<u>(522,653)</u>
<b>CASHFLOW FROM FINANCING ACTIVITIES:</b>			
Short term loan	(401,247)	-	(401,247)
Long term loans	1,087,855	-	1,087,855
Net cash provided by financing activities	<u>686,608</u>	<u>-</u>	<u>686,608</u>
Net (decrease)/increase in cash and cash equivalents	<u>(5,181)</u>	<u>-</u>	<u>(5,181)</u>
Cash and cash equivalents at start of the period	44,540	-	44,540
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>39,359</u>	<u>-</u>	<u>39,359</u>

**138 STUDENT LIVING JAMAICA LIMITED**  
**TOP TEN (10) LARGEST SHAREHOLDERS**

SHAREHOLDER	HOLDINGS AS AT 31 MARCH 2017	% SHAREHOLDING
K LIMITED	136,704,832	32.98%
SAGICOR	167,545,258	40.42%
JCSD Trustee Services Ltd - Sigma Optima	59,733,334	
Sagicor Pooled Equity Fund	91,578,591	
Sagicor Pooled Mortgage & Real Estate Fund	16,233,333	
BARITA INVESTMENTS LIMITED	25,277,800	6.10%
Barita Investments Limited	14,477,800	
First Caribbean International Securities - A/C Barita Real Estate Portfolio	10,800,000	
WISYNCO GROUP LIMITED PENSION FUND	10,000,000	2.41%
STIEBEL, DOUGLAS O./CHRISTINE STIEBEL	7,778,352	1.77%
BROWN, BARRINGTON PHILLIP	7,334,592	1.77%
BEACH, HELINE	5,000,000	1.21%
JMMB PENSION FUND	3,773,734	0.91%
ANDERSON, NOVELETTE	3,333,334	0.80%
<b>TOTAL</b>	<b>355,947,902</b>	<b>88.48%</b>

**138 STUDENT LIVING JAMAICA LIMITED**  
**SHAREHOLDING OF DIRECTORS AND CONNECTED PERSONS**

For purposes of compliance with Rule 407 of the Jamaica Stock Exchange Rules, details of stockholdings of Directors and Senior Management and their connected persons as at **31 MARCH 2017** are set out hereunder:

<b>DIRECTORS</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PERSONS</b>	<b>SHAREHOLDING</b>
JOHN W. LEE	NIL	K LIMITED MARRYNETTE LEE	136,704,832 NIL
MARRYNETTE LEE	NIL	K LIMITED JOHN W LEE	136,704,832 NIL
DOUGLAS STIEBEL	NIL	DOUGLAS/CHRISTINE STIEBEL CHRISTINE STIEBEL	7,778,352 NIL
ANGELA LEE LOY	NIL	IAN ANDREW LEE AEGIS BUSINESS SOLUTIONS LTD EVE ANDERSON RECRUITMENT LTD	NIL NIL NIL
PETER PEARSON	NIL	PETER/YVONNE PEARSON	400,000
DEBBIE-ANN GORDON	NIL	ERIC CRAWFORD	NIL
SHARON DONALDSON	100,000	JUNIOR LEVINE	NIL

**SHAREHOLDING OF SENIOR MANAGEMENT AND CONNECTED PERSONS**

<b>SENIOR MANAGEMENT</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PERSONS</b>	<b>SHAREHOLDING</b>
ROSE HAMILTON	NIL	SEZVIN HAMILTON DEC'D	NIL
MICHELLE MORRISON	NIL	DAVE MORRISON	NIL