

2020

TRANSJAMAICAN HIGHWAY LTD

Unaudited Interim Financial Statements

Fourth Quarter - December 31, 2020



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion contains an analysis of our results of operations and financial position for the twelve-month period ended December 31, 2020 and should be read in conjunction with the Audited Financial Statements for the year ended December 31, 2019, together with the notes thereto, which have been prepared in accordance with IFRS as adopted by the International Accounting Standards Board.

Statement of Comprehensive Income

Revenue

Our revenue consists mainly of Toll Collections. For the quarter ended December 31, 2020 the Company had revenue of U.S.\$12.7 million, reflecting a decrease of U.S.\$1.3 million (-9%), compared to U.S.\$14 million for the same period in 2019. This decrease resulted mainly from the decline in traffic we have been experiencing as a result of the various measures implemented to help combat the spread of the Coronavirus pandemic. Revenue for the twelve-month period ended December 31, 2020 was U.S.\$45.4 million, compared to U.S.\$53.3 million for the same period in 2019, an overall decline of 14.8%.

Other gains and losses

Other gains and losses are comprised primarily of the gains produced by financial market operations and resulting financial income on investment instruments, amortization of the Shareholder Grant and the change in value of equity investments. Under the Concession Agreement, the Company also has the right to collect revenues generated from commercial exploitation of the areas surrounding the Toll Road, including gas stations and related ancillary services, electricity and telecommunication cables and fiber optics. For the quarter ended December 31, 2020, the Company had other gains of U.S.\$0.7 million, reflecting a decrease of U.S.\$0.4 million, compared to U.S.\$1.1 million for the same period in 2019. This decrease was primarily due to the impact of the amortization of the discontinued Shareholder Grant which was offset by foreign exchange losses resulting from the continued devaluation of the Jamaican Dollar against its U.S Dollar counterpart. Other gains for the twelve-month period ended December 31, 2020, were U.S.\$0.7 million, reflecting a decrease of U.S.\$3.2 million, compared to U.S.\$3.9 million for the same period in 2019 and reflects the full impact of the discontinued Grant (U.S.\$3.5 million booked for the 12 months ended December 2019, nil for the same period in 2020).

Operating expenses

Operating expenses consist primarily of operation and maintenance costs of the Toll Road, including the Operator's (Jamaican Infrastructure Operator Ltd) monthly fixed and variable fees and amortization of intangible assets. For the quarter ended December 31, 2020, the Company incurred operating expenses of U.S.\$4.1 million, reflecting a decrease of U.S.\$6.4 million, compared to U.S.\$10.5 million for the same period in 2019. This decrease was primarily due to lower yearend adjustments to the amortization of the Intangibles (based on the actual and forecasted traffics) and fees associated to Purchase and Sale of the company's shares in December 2019. For the twelve-month period ended December 31, 2020, operating expenses were U.S.\$31.1 million compared to U.S.\$36 million for the same period in 2019 and were impacted by the same aforementioned factors and was offset by increases in the Operator's Fixed Fee.

Administrative expenses

Administrative expenses are primarily comprised of staff costs, depreciation of plant and equipment and other routine office expenses. For the quarter ended December 31, 2020, the Company incurred administrative expenses of U.S.\$0.4 million, same amount as the quarter ended December 31, 2019. For the twelve-month period ended December 31, 2020, administrative expenses were U.S.\$1.3 million, reflecting an increase of U.S.\$0.01 million, compared to administrative expenses of U.S.\$1.29 million for the same period in 2019.

Finance costs

Finance costs are comprised mainly of interest on the long-term loans. For the quarter ended December 31, 2020, finance costs of U.S.\$3.8 million was incurred, reflecting a decrease of U.S.\$15.6 million, compared with finance costs of U.S.\$19.4 million for the same period in 2019. This was as a result of Breakage cost incurred in December 2019, associated with the repayment of loans from the Multilateral Banks, in addition to the difference in our loan portfolio (Interest on Secured Notes vs Multilateral Banks + loss on SWAP derivative) for 2020. For the twelve-month period ended December 31, 2020, we had finance costs of

U.S.\$17.1 million, reflecting a decrease of U.S.\$15.9 million, compared with finance costs of U.S.\$33 million for the same period in 2019 and were impacted by the same aforementioned factors.

Profit (loss) before tax

For the quarter ended December 31, 2020 we had profit before tax of U.S.\$5.2 million, reflecting an increase of U.S.\$20.5 million when compared to loss before tax of U.S.\$15.3 million for the same period in 2019. This was primarily impacted by this year's adjustment for the amortization of the Intangibles and the breakage cost paid in 2019. Loss for the twelve-month period ended December 31, 2020, was U.S.\$3.5 million and reflected a decrease of U.S.\$9.6 million, compared to loss before tax of U.S.\$13.1 million for the same period in 2019 and was impacted by the aforementioned factors and in addition to the decline in Revenue associated with the COVID-19 Pandemic.

Net profit being total comprehensive income for the period.

For the twelve-month period ended December 31, 2020, we had net loss of U.S.\$2.6 million, reflecting a decrease of U.S.\$10.9 million, compared to net profit of U.S.\$8.3 million for the same period in 2019. This net loss was also impacted by an adjustment to the deferred tax credit of U.S.\$4 million made in the 4th quarter of 2020.

Statement of Financial Position

Total Assets

Total Assets include Intangible assets, deferred tax and cash. As at December 31, 2020, total assets stood at U.S.\$320.7 million, reflecting an increase of U.S.\$28.5 million, compared to total assets of U.S.\$292.2 million as at December 31, 2019. This 9% increase resulted primarily from an increase in restricted cash and was also offset by the amortization of Intangibles.

Equity

As at December 31, 2020, share capital was U.S.\$27 million, reflecting a decrease of U.S.\$27 million, compared to share capital of U.S.\$54 million as at December 31, 2019. This was due to the redemption of the existing Preference Share and the issuing of 2.7 billion '8% Cumulative Redeemable Preference Shares'. Retained Earnings were U.S.\$29.3 million, an increase of U.S.\$18 million, compared to U.S.\$11.3 million as at December 31, 2019 and was mainly due to the write back of the NROCC "Shareholder Grant", dividend payments of U.S.\$41.6 million which occurred in January and December 2020.

Liabilities

As at December 31, 2020, liabilities consist mainly of long-term debts, provisions and other trade related payables. Total liabilities stood at U.S.\$264.4 million, reflecting an increase of U.S.\$37.4 million, compared to total liabilities of U.S.\$227 million as at December 31, 2019. This was primarily due to debt restructuring which includes the write back of the Shareholder's Grant, conversion of the '8% Cumulative Redeemable Preference Shares', and the Secured Notes issued by the Company from which the proceeds were used to repay the short-term loans held at December 31, 2019.

COVID-19 Impact

Despite a health and economic context still strongly impacted by the COVID-19 pandemic, traffic on Highway 2000 East-West consolidated in the 4th quarter of 2020: the decrease in the number of toll transactions when compared to the same period of 2019, was limited to 10.2% and similar to that of the third quarter (-10.1%).

This result was mainly due to the much improved levels of traffic observed in December 2020 (-3.1% compared to December 2019), while October and November (respectively -16.3% and -11.8%) were further affected by the continued closure of schools and the additional measures put in place after the General Elections (September 2020) which included tightening of the curfew hours and reintroduction of the "work from home" order issued by the Government for non-essential workers.

We recall that the measures implemented to fight against the pandemic earlier in the year had resulted in a drop in traffic of 34.5% for the second quarter of 2020 when compared with the same period in 2019.

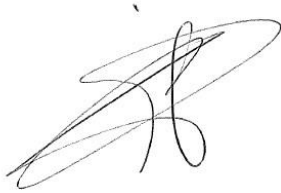
However, similar to what occurs each year, the traffic peak was reached during the Christmas period (90,000 transactions on December 24, 2020).

For the full year 2020, a total of 20.6 million toll transactions were recorded, down 14.8% compared to 2019 (24.2 million).

Despite these unfavorable conditions, it should be noted that all of the Company's financial obligations were met throughout the year and that a first payment of dividends since being listed on the Jamaican Stock Exchange was made on December 15, 2020 (U.S.\$6.6 million).

The annual heavy maintenance schedule was carried out almost completely as planned, thus ensuring an optimal level of safety and service for our users.

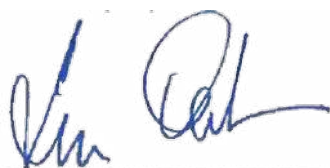
The health measures that will be taken in the coming weeks which includes the vaccination campaign, will naturally be decisive in the country's ability to return to normal activities and therefore increase the possibility for our highway to recover its usual level of traffic. This would allow TJH to devote itself fully to its next challenges.



Thierry Parizot
Managing Director

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
TRANSJAMAICAN HIGHWAY LIMITED
AS AT DECEMBER 31, 2020
(Expressed in United States dollars)

	Notes	Unaudited December 31, 2020 \$'000	Unaudited December 31, 2019 \$'000	Audited December 31, 2019 \$'000
ASSETS				
Non-current assets				
Property and equipment		602	734	734
Right of use asset		92	184	184
Intangible assets		238,057	249,308	249,308
Deferred tax asset		22,307	21,443	21,443
Restricted cash		51,408	10,913	10,913
Total non-current assets		312,466	282,582	282,582
Current assets				
Owed by related parties		8	-	-
Other receivables		1,183	528	528
Cash and bank balances		7,073	9,099	9,099
Total current assets		8,264	9,627	9,627
Total assets		320,730	292,209	292,209
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	3	27,000	54,000	54,000
Retained Earnings		29,291	11,251	11,251
Total shareholders' equity		56,291	65,251	65,251
Non-current liabilities				
Derivative financial instrument		-	-	-
Lease liability		101	96	96
Shareholder grant	5	-	59,194	59,194
Borrowings	4	213,227	-	-
Cumulative Redeemable Preference Shares	3	27,544	-	-
Provisions		12,933	11,320	11,320
Total non-current liabilities		253,805	70,610	70,610
Current liabilities				
Lease liability		-	91	91
Shareholder grant	5	-	3,066	3,066
Borrowings	4	6,498	148,301	148,301
Provisions		748	1,277	1,277
Contract liabilities		794	919	919
Trade and other payables		2,594	2,694	2,694
Total current liabilities		10,634	156,348	156,348
Total equity and liabilities		320,730	292,209	292,209



Director – Ivan Anderson



Director – John Bell

The unaudited Financial Statements were approved and authorized for issue by the Board of Directors on February 4, 2021 and are signed on its behalf.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
TRANSJAMAICAN HIGHWAY LIMITED
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

		<i>Unaudited</i> Quarter ended December 31, 2020 \$'000	<i>Unaudited</i> Quarter ended December 31, 2019 \$'000	<i>Unaudited</i> 12 months ended December 31, 2020 \$'000	<i>Unaudited</i> 12 months ended December 31, 2019 \$'000	<i>Audited</i> 12 months ended December 31, 2019 \$'000
Revenue		12,750	14,021	45,382	53,285	53,285
Other gains and losses		726	1,125	658	3,859	3,859
Operating expenses		(4,085)	(10,537)	(31,078)	(36,008)	(36,008)
Administrative Expenses		(418)	(448)	(1,303)	(1,292)	(1,292)
Finance costs		(3,800)	(19,440)	(17,143)	(32,987)	(32,987)
Profit (loss) before tax		5,173	(15,279)	(3,484)	(13,143)	(13,143)
Taxation		(3,964)	21,443	864	21,443	21,443
NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,209	6,164	(2,620)	8,300	8,300
Earnings per share	6	0.0001¢	0.0005¢	(0.0002)¢	0.0007¢	0.0007¢

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
TRANSJAMAICAN HIGHWAY LIMITED
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

	Notes	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Unaudited twelve months ended December 31, 2019				
Balance at January 1, 2019		54,000	2,951	56,951
Net profit being total comprehensive income for the period		-	8,300	8,300
Balance at December 31, 2019		54,000	11,251	65,251
Unaudited twelve months ended December 31, 2020				
Balance at January 1, 2020		54,000	11,251	65,251
Net profit being total comprehensive income for the period		-	(2,620)	(2,620)
Shareholder grant write-back	5	-	62,260	62,260
Preference share redemption	3	(27,000)	-	(27,000)
Dividend paid	7	-	(41,600)	(41,600)
Balance at December 31, 2020		27,000	29,291	56,291

INTERIM CONDENSED STATEMENT OF CASH FLOWS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

	Unaudited 12 months ended December 31, 2020	Unaudited 12 months ended December 31, 2019	Audited 12 months ended December 31, 2019
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit for the period	(2,620)	8,300	8,300
Adjustments for:			
Depreciation of property and equipment	135	186	186
Depreciation - Right of use asset	92	92	92
Gain on disposal of property and equipment	1	(5)	(5)
Unrealized foreign exchange losses	68	733	733
Amortization of intangible assets	11,252	16,867	16,867
Interest income	(268)	(773)	(773)
Income tax (credit) charge	(864)	(21,443)	(21,443)
Finance cost recognized in profit or loss	16,961	32,987	32,987
Amortization of shareholder grant	-	(3,585)	(3,585)
Increase in provisions	1,212	1,277	1,277
Operating cash flows before movements in working capital	25,969	34,636	34,636
Decrease (Increase) in other receivables	(655)	(98)	(98)
Decrease in owed by related parties	(8)	445	445
Provisions utilized during the year	(128)	(2,138)	(2,138)
(Decrease) Increase in trade and other payables	(101)	1,966	1,966
Decrease in contract liabilities	(125)	(84)	(84)
Increase in owed to related parties	-	(1,552)	(1,552)
Cash generated from operations	24,952	33,175	33,175
Lease liability payments – interest	(8)	(6)	(6)
Interest paid	(11,907)	(19,586)	(19,586)
Loan prepayment/breakage costs paid	-	(19,220)	(19,220)
Tax paid	-	(658)	(658)
Net cash provided by (used in) operating activities	13,037	(6,295)	(6,295)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	268	773	773
Proceeds from disposal of property and equipment	(1)	5	5
Payments for property and equipment	(3)	(6)	(6)
Decrease in restricted cash	(40,495)	28,607	28,607
Net cash (used in) provided by investing activities	(40,231)	29,379	29,379

INTERIM CONDENSED STATEMENT OF CASH FLOWS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

	Unaudited 12 months ended December 31, 2020	Unaudited 12 months ended December 31, 2019	Audited 12 months ended December 31, 2019
	\$'000	\$'000	\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability payments - principal	(87)	(89)	(89)
Long-term loans repaid	(150,000)	(164,241)	(164,241)
Proceeds from borrowings	216,923	148,051	148,051
Dividends paid	(41,600)	-	-
Net cash provided by (used in) financing activities	<u>25,236</u>	<u>(16,279)</u>	<u>(16,279)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,958)	6,805	6,805
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,099	3,027	3,027
Effect of foreign exchange rate changes	<u>(68)</u>	<u>(733)</u>	<u>(733)</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>7,073</u></u>	<u><u>9,099</u></u>	<u><u>9,099</u></u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

TRANSJAMAICAN HIGHWAY LIMITED

TWELVE MONTHS ENDED DECEMBER 31, 2020

(Expressed in United States dollars)

1 Identification and Principal Activities

Transjamaican Highway Ltd (the Company) is a public company and was listed on the Jamaica Stock Exchange on March 24, 2020.

Prior to being listed, National Road Operating & Constructing Company (“NROCC”) acquired 100% of the Company’s ordinary shares from the former shareholders pursuant to a purchase and sale agreement, among NROCC as buyer, Bouygues Travaux Publics, VINCI Concessions, Proparco and IFC as sellers, and the Company, dated as of December 6, 2019 (the “Purchase and Sale Agreement”). The registered office of the Company is located at 2 Goodwood Terrace, Kingston 10.

The Company holds a 35-year concession for the design, construction, operation and maintenance of the “Highway 2000 East-West”, a toll road of approximately 49.9 km connecting the capital of Jamaica, Kingston with (i) the city of May Pen, with a connection to the city of Spanish Town, through highway T1 (also known as the Kingston – May Pen corridor or the “T1 Corridor”) and (ii) the city of Portmore, through highway T2 (also known as the “Portmore Causeway, the “T2 Corridor”, and together with the T1 Corridor, the “Toll Road”) pursuant to a concession agreement, dated November 21, 2001, between the Company, as concessionaire and the National Road Operating and Constructing Company Limited (“NROCC”), as grantor, as amended and restated from time to time (the “Concession Agreement”).

The Toll Road is one of two toll road concessions in Jamaica and it is the only high-speed roadway connecting the greater Kingston metropolitan area with other highly populated suburban towns west of Kingston (including, the parishes of Saint Catherine and Clarendon). The first section of the Toll Road opened in 2003, the second was completed between 2004 and 2006, and the final section opened in 2012. The French construction company, Bouygues Travaux Publics, Jamaican Branch (the “EPC Contractor”) constructed the Toll Road for a cost of approximately \$387.0 million. No major construction works have been required since 2012 and no additional construction works, except for routine and major maintenance, are required under the terms of the Concession Agreement until three years preceding the termination of the Concession Agreement, when the concession handback works are estimated to commence.

The Toll Road has four active toll plazas located in May Pen, Vineyards and Spanish Town on the T1 Corridor, and in Portmore on the T2 Corridor. Our toll rates are subject to an annual cap defined in the Concession Agreement. Toll rates charged at each Toll Plaza vary by vehicle class and are set in Jamaican dollars.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

2 Basis of Preparation and the Company's Accounting Policies

(a) Basis of preparation

The interim condensed financial statements for the twelve months ended December 31, 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2019.

The interim condensed financial statements have been prepared on the historical cost basis which is generally based on fair value of the consideration given in exchange for assets. These interim condensed financial statements are expressed in United States of America dollars, which is the Company's functional currency.

(b) Accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2019.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Based on the information presented to and reviewed by the CODM, the operations of the Company are considered as one operating segment.

3 Share Capital

	Unaudited December 31, 2020 No. of Shares '000	Unaudited December 31, 2019 No. of Shares '000	Audited December 31, 2019 No. of Shares '000
Authorized shares			
- Ordinary shares - no par value,	Unlimited	27,000	27,000
- Preference share	-	*	*
	<u>Unlimited</u>	<u>27,000</u>	<u>27,000</u>
Issued shares:			
- Ordinary shares	12,501,000	27,000	27,000
- Preference share	-	*	*
	<u>12,501,000</u>	<u>27,000</u>	<u>27,000</u>

* denoted less than 1,000; represents 1 preference share

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

3 Share Capital (Continued)

Stated Capital:

	Unaudited December 31, 2020 \$'000	Unaudited December 31, 2019 \$'000	Audited December 31, 2019 \$'000
Issued and fully paid	<u>27,000</u>	<u>27,000</u>	<u>54,000</u>
Issued and fully paid capital comprises:			
- Ordinary shares	27,000	27,000	27,000
- Preference share redemption	<u>-</u>	<u>27,000</u>	<u>27,000</u>
Issued and fully paid	<u>27,000</u>	<u>54,000</u>	<u>54,000</u>

On January 22, 2020, an extraordinary shareholders' meeting passed a resolution to restructure the authorized share capital pursuant to section 65(1)(d) of the Companies Act, 2004, in anticipation of NROCC completing an Initial Public Offering on the main market of the Jamaica Stock Exchange.

Pursuant to this resolution:

- i) the Company's share capital was restructured by dividing each of the 27.0 million existing ordinary shares to create 12.5 billion ordinary shares, and
- ii) redeem the Original Preference Share and issue 2.7 billion '8.0% Preference Shares' (denominated and paid in Jamaican dollars) that will mature in 8 years, provided that the 8.0% Preference Shares shall be subordinated to the Notes in all respects. Interest payable on the Preference Shares at December 31, 2020 amounted to \$0.544 million (2019: \$Nil).

During February 2020, 10,000,000,000 Ordinary Shares at US\$0.01 or J\$1.41 per ordinary share were offered by NROCC to the market through an Initial Public Offering which closed during March 2020.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

4 Borrowings

	Unaudited December 31, 2020 \$'000	Unaudited December 31, 2019 \$'000	Audited December 31, 2019 \$'000
Secured – at amortized cost			
National Commercial Bank Jamaica Limited (Note 4(a))	-	131,673	131,673
NROCC (Note 4(a))	-	16,378	16,378
Senior Secured Notes (Note 4(b))	225,000	-	-
Other loans – ECA financing (Note 4(a))	-	-	-
Accrued interest	2,803	250	250
Unamortized borrowing cost	(8,078)	-	-
Total liabilities	219,725	148,301	148,301
Classified as:			
Current	6,498	148,301	148,301
Non-current	213,227	-	-
	219,725	148,301	148,301

(a) Debt Bridge Facility & Promissory Note

On December 23, 2019, the Company borrowed (i) the Debt Bridge Facility (US\$133.6 million) from the National Commercial Bank Ltd (NCB) and (ii) the NROCC Promissory Note (US\$16.4 million). The proceeds of the Debt Bridge Facility and the NROCC Promissory Note were used to repay the Company's outstanding ECA Financing. Both facilities were repaid by the Senior Secured Notes issued in February 2020 (see Note 4(b)) below.

(b) Senior Secured Notes

On February 18, 2020, the Company issued \$US225 million Senior Secured Notes. These Notes were held in escrow until March 10, 2020 following the success of an Offer for Sale to sell 10 billion of the Company's ordinary shares by NROCC, the Company's then sole shareholder.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

4 Borrowings (Continued)

The Notes pay interest on a quarterly basis at a rate of 5.75% and mature in 2036. The Notes are secured by liens created over certain Collateral Documents including the Company's rights under the Concession Agreement which have been assigned in favor of the Noteholders. A portion of the proceeds of the Notes were applied to the following:

- to repay in full the Debt Bridge Facility in an aggregate amount of approximately US\$133.6 million;
- to repay in full the NROCC Promissory Note in an aggregate amount of approximately US\$16.4 million;
- to fund in the Debt Service Reserve Account, Major Maintenance Reserve Account and the O&M Reserve Account, which currently amounts to US\$12.2 million, US\$5.4 million and US\$5.1 million respectively, our reserve account balance also includes US\$28.7 million which is held locally in the USD Distribution account;
- to pay US\$35.0 million as a dividend to NROCC;
- to pay fees and expenses incurred in connection with the offering of the Notes; and
- general corporate purposes.

5 Shareholder Grants

On January 20, 2020, the Board of Directors passed a resolution to effect an immediate write-off of the amortizing grant to retained earnings as a part of the restructuring of the statement of financial position.

6 Earnings per Share

The calculation of earnings per stock unit of (0.0002)¢ (12 months December 2019: 0.0007¢) is based on the loss after taxation of (2.620) million (12 months December 2019: \$8.300 million) and the number of stock units in issue during the period of 12,501,000,000 units. Retrospective treatment has been applied to the prior periods.

7 Dividends

(a) Dividend Payment

On January 20, 2020, the Company declared a dividend payment of US\$35.0 million to its then ordinary shareholder. The dividend per share was calculated as \$1.30 per share.

At a Board held on September 30, 2020, an interim dividend of US\$6.6 million was declared and paid on December 15, 2020. The dividend per share was calculated as JM\$0.0748 per share.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED
TWELVE MONTHS ENDED DECEMBER 31, 2020
(Expressed in United States dollars)

8 Taxation

(a) The tax charge for the year represents:

	Unaudited December 31, 2020 \$'000	Unaudited December 31, 2019 \$'000	Audited December 31, 2019 \$'000
Deferred tax credit	(864)	-	(21,443)
	<u>(864)</u>	<u>-</u>	<u>(21,443)</u>

(b) The following are the main deferred tax assets and liabilities recognised by the Company and movements thereon during the current and prior reporting periods:

(i) Deferred tax assets

	Accrued Vacation \$'000	Interest Payable \$'000	Provision for Heavy Repairs \$'000	Lease Liability \$'000	Tax Losses \$'000	Total \$'000
Balance, January 1, 2019	2	525	1,685	-	4,850	7,062
Credited/ (Charged) to income for the year	-	(462)	(215)	1	21,176	20,500
Balance, December 31, 2019	2	63	1,470	1	26,026	27,562
Credited/ (Charged) to income for the period	(0)	774	271	1	329	1,375
Balance, December 31, 2020	<u>2</u>	<u>837</u>	<u>1,741</u>	<u>2</u>	<u>26,355</u>	<u>28,937</u>

(ii) Deferred tax liabilities

	Accelerated Tax depreciation \$'000	Interest Receivable \$'000	Total \$'000
Balance, January 1, 2019	(7,038)	(24)	(7,062)
Credited/Charged to income for the year	919	24	943
Balance, December 31, 2019	(6,119)	-	(6,119)
Credited/ (Charged) to income for the period	(486)	(25)	(511)
Balance, December 31, 2020	<u>(6,605)</u>	<u>(25)</u>	<u>(6,630)</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

TRANSJAMAICAN HIGHWAY LIMITED

TWELVE MONTHS ENDED DECEMBER 31, 2020

(Expressed in United States dollars)

8 Taxation (Continued)

- (b) Subject to agreement of the Commissioner General, Tax Administration Jamaica, at the reporting date the Company had tax losses of approximately \$105 million (2019: 104.10 million) available for set-off against future taxable profits. Prior year losses that may be deducted in any tax year are capped at 50% of the aggregate income for that year after taking into consideration the appropriate tax deductions and exemptions. The income tax rate applicable for the Company is 25%.

SCHEDULE OF TOP 10 SHAREHOLDERS, DIRECTORS, MANAGERS AND CONNECTED PARTIES

TRANSJAMAICAN HIGHWAY LIMITED				
Top Ten Shareholders, Directors and Senior Managers Shareholdings				
as at December 31, 2020				
Shareholder	Shareholding	Connected Parties	Total Shareholding	Percentage
National Road Operating & Constructing Company Ltd	2,501,000,000	-	2,501,000,000	20.0064
NCB Capital Markets (Cayman) Ltd	1,000,167,010	-	1,000,167,010	8.0007
Jamaica Money Markets Brokers Ltd	763,642,219	-	763,642,219	6.1086
Musson Investments Ltd	614,313,091	-	614,313,091	4.9141
NCB Capital Markets (Barbados) Ltd	520,916,761	-	520,916,761	4.167
ATL Group pension Fund Trustee Nominee Ltd	354,609,000	-	354,609,000	2.8366
SJIML A/C 3119	295,744,000	-	295,744,000	2.3658
Guardian Life Pooled Pension Fund	283,687,000	-	283,687,000	2.2693
NCB Insurance Co. Ltd A/C WT161	177,305,000	-	177,305,000	1.4183
NCB Insurance Co. Ltd A/C WT157	177,305,000	-	177,305,000	1.4183
Total	6,688,689,081		6,688,689,081	53.5051
Board Member	Shareholding	Connected Parties	Total Shareholding	Percentage
Ivan Anderson	21,276,000	28,000.00	21,304,000	0.1704
Alok Jain	12,990,000		12,990,000	0.1039
John "Mitchie" Bell	708,836		708,836	0.0057
Total	34,974,836	28,000	35,002,836	0.2800
Senior Manager	Shareholding	Connected Parties	Total Shareholding	Percentage
Susan Garriques	5,042,000	376,000	5,418,000	0.0433
Total	5,042,000	376,000	5,418,000	0.0433
GRAND TOTAL	6,728,705,917	404,000	6,729,109,917	53.8284