



Q4

**Unaudited
Financial Statement
Dec 31, 2022**

transjamaicanhighways.com



tjhighway@h2k-tjh.com



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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 year ended December 31, 2022 including the newly acquired Subsidiary Jamaican Infrastructure Operators Limited (JIO) acquired as of December 20, 2022 and should be read in conjunction with the Audited Financial Statements for the year ended December 31, 2021, 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

The Group's revenue consists mainly of Toll Collections. For the quarter ended December 31, 2022, the Company had revenue of US\$18 million, reflecting an 18% increase of US\$2.7 million, compared to revenue of US\$15.3 million for the same period in 2021. This was attributable to the continued improvement in traffic following the lifting of the measures implemented to combat the spread of the COVID-19, in addition to the annual increase in Toll Tariff which took effect in July 2022. Revenue for the twelve-month period ended December 31, 2022, was US\$65 million, compared to US\$52.8 million for the same period in 2021, an increase of 23%.

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 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, 2022, the Group had other losses of US\$0.9 million, reflecting a decrease of US\$0.7 million when compared to other gains of US\$1.6 million for the same period in 2021. This was primarily due to lower foreign exchange gains emanating from the revaluation of the 8.0% (JMD) Cumulative Redeemable Preference Shares and a decrease in year-end amounts written off from the Toll reconciliation process. This was also offset by slight increases in income from secondary income and interest earned on invested funds during the quarter. Other gains for the twelve-month period ended December 31, 2022, were US\$1 million, reflecting a decrease of US\$2.1 million, compared to US\$3.1 million for the same period in 2021 and were mainly due to factors mentioned above.

Settlement Loss on Acquisition

For the quarter ended December 31, 2022, the Group recognized a onetime settlement loss of US\$13.9 million on the acquisition of the Subsidiary. This amount is considered as settlement on preexisting relationships between the Company and Subsidiary.

Operating expenses

For the quarter ended December 31, 2022, the Group incurred operating expenses of US\$10.8 million, reflecting an increase of US\$1.7 million, compared to US\$9.1 million for the same quarter in 2021. This increase was primarily due to legal and professional fees related to the acquisition of the subsidiary in addition to small increases in insurance and marketing for the quarter. This was cushioned by slightly lower maintenance and Operator's fees for the quarter. For the twelve-month period ended December 31, 2022, operating expenses were US\$39.9 million compared to US\$34.1 million for the same period in 2021. This was impacted by the above mentioned factors, higher amortization charges for the year and increases in Operator's cost.

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, 2022, the Group incurred administrative expenses of US\$0.7 million, reflecting an increase of US\$0.3 million, compared to US\$0.4 million for the same quarter in 2021. For the twelve-month period ended December 31, 2022, administrative expenses were US\$1.8 million, reflecting an increase of US\$0.6 million, compared to administrative expenses of US\$1.2 million for the same period in 2021. In addition to some post acquisition cost for the Subsidiary, this was primarily due to increase in staff cost in line with annual salary increase and an overall increase in administrative expenses following the lifting of the COVID-19 measures in March of this year.

Finance costs

Finance costs are comprised mainly of interest on the long-term loans. For the quarter ended December 31, 2022, finance costs were US\$3.6 million, compared to US\$3.8 million for the same quarter in 2021. For the twelve-month period ended December 31, 2022, we had finance costs of US\$14.8 million, reflecting a decrease of US\$0.5 million, compared with finance costs of US\$15.3 million for the same period in 2021. This is in keeping with lower interest payments for the secured notes since principal is being repaid on a quarterly basis.

Profit before tax

For the quarter ended December 31, 2022, we had loss before tax of US\$10.1 million, reflecting a decrease of US\$13.7 million when compared to profit before tax of US\$3.6 million for the same quarter in 2021. This decrease in profitability mainly resulted from the settlement loss on acquisition of the Subsidiary in addition to increased operating and administrative expenses. This was also offset by increased revenue and slightly lower finance cost. Loss before tax for the twelve-month period ended December 31, 2022, was US\$4.3 million and reflects a decrease of US\$9.6 million, compared to profit before tax of US\$5.3 million for the same period in 2021.

Net profit being total comprehensive income for the period

For the twelve-month period ended December 31, 2022, we had net loss of US\$7.2 million, reflecting a decrease of US\$11.2 million, when compared to profit of US\$4 million for the same period in 2021, after recognizing corporate tax of US\$1.4 million and deferred tax charge of US\$1.5 million. Deferred tax charge of US\$1.35 million was recognized for financial year 2021.

Statement of Financial Position**Total assets**

Total Assets include Intangible assets, deferred tax and cash. As at December 31, 2022, total assets stood at US\$288.1 million, down from total assets as at December 31, 2021 (US\$309.2 million). This was primarily attributable to a further amortization of the Intangible asset, a reduction of the deferred tax asset and a decrease in restricted cash.

Equity

As at December 31, 2022, share capital remained at US\$27 million. Retained Earnings however, decreased to US\$13 million, down from US\$27.1 million as at December 31, 2021. This was primarily attributable to interim dividend of US\$7 million, paid in October and earnings realized for the twelve-month period.

Liabilities

As at December 31, 2022, liabilities consist mainly of long-term debts, provisions and other trade related payables. Total liabilities stood at US\$248.2 million, reflecting a decrease of US\$6.9 million, compared to total liabilities of US\$255.1 million as at December 31, 2021. This was primarily due to principal repayment made on the secured notes, a reduction in the provision for heavy repairs and provision for corporate tax payable.

OUTLOOK

After more than 2 years of navigating the effects of the COVID-19 pandemic and abiding by the measures implemented under the Disaster Risk Management Act (DRMA), the impact of Covid-19 is now behind us. Our traffic has since fully recovered and was approximately 7% above our 2019 pre-covid levels and 13% above the 2021 traffic.

As communicated last December, the transaction to acquire the majority shares in our Operator Jamaica Infrastructure Operators was successfully completed. This acquisition has resulted in a onetime settlement loss of US\$13.9 million. We however stand to gain from future cost savings as this transaction is expected to significantly reduce our Operating Expenses by more than 50% (approximately US\$12 million per annum) and increase our profitability in subsequent years.


We also continue to pursue our interest in the Phase 1C leg of the project (from May Pen Williamsfield). We notified NROCC in June 2021 that we would be exercising our right of first refusal for the operation of this project which is currently under construction. If successful, this section of roadway would add a further 28 Km to our current operations. NROCC has now advised that they expect to commence discussions on this matter during the first semester of this year.



Ivan Anderson
Managing Director.

INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
AS AT DECEMBER 31, 2022
(Expressed in United States dollars)

		Unaudited December 31, 2022 \$'000	Audited December 31, 2021 \$'000
ASSETS	Notes		
Non-current assets			
Property and equipment		1,034	674
Right of use asset		196	-
Intangible assets		212,091	225,767
Deferred tax assets	3	19,189	20,706
Restricted cash		49,344	54,621
Total non-current assets		281,854	301,768
Current assets			
Inventories		162	
Other receivables		675	750
Cash and bank balances		5,421	6,720
Total current assets		6,258	7,470
Total assets		288,112	309,238
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	4	27,000	27,000
Retained Earnings		12,960	27,131
Total shareholders' equity		39,960	54,131
Non-current liabilities			
Lease liability		103	
Cumulative Redeemable Pref. Shares	5	24,449	24,219
Borrowings	6	199,921	207,030
Provisions		7,186	9,524
Total non-current liabilities		231,659	240,773
Current liabilities			
Lease liability		98	-
Cumulative Redeemable Pref. Shares	5	493	488
Borrowings	6	9,848	9,054
Provisions		1,859	869
Corporate Tax Payable		1,720	-
Contract liabilities		829	779
Trade and other payables		1,646	3,144
Total current liabilities		16,493	14,334
Total equity and liabilities		288,112	309,238

Director: 
Steven Gooden

Director: 
Alok Jain

The unaudited Financial Statements were approved and authorized for issue by the Board of Directors on February 9, 2023 and are signed on its behalf.

INTERIM CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
		Quarter ended December 31, 2022	Quarter ended December 30, 2021	12 months ended December 31, 2022	12 months ended December 31, 2021
	Notes	\$'000	\$'000	\$'000	\$'000
Revenue		17,991	15,292	65,006	52,755
Other gains and losses		890	1,558	1,047	3,140
Settlement Loss on Acquisition	7	(13,883)	-	(13,883)	-
Operating expenses	8	(10,775)	(9,064)	(39,909)	(34,057)
Administrative expenses		(728)	(438)	(1,749)	(1,213)
Finance costs		<u>(3,621)</u>	<u>(3,778)</u>	<u>(14,798)</u>	<u>(15,284)</u>
Net (loss) profit before tax		(10,125)	3,570	(4,286)	5,341
Taxation	9	<u>(1,185)</u>	<u>(1,350)</u>	<u>(2,885)</u>	<u>(1,350)</u>
NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(11,311)</u>	<u>2,220</u>	<u>(7,171)</u>	<u>3,991</u>
Earnings/(Loss) per share	10	(0.0009)¢	0.0002¢	(0.0006)¢	0.0003¢

INTERIM CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

	Notes	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Unaudited Twelve Months Ended December 31, 2021				
Balance at January 1, 2021		27,000	30,040	57,040
Dividend Paid	11		(6,900)	(6,900)
Net profit being total comprehensive income for the period		-	3,991	3,991
Balance at December 31, 2021		27,000	27,131	54,131
Unaudited Twelve Months Ended December 31, 2022				
Balance at January 1, 2022		27,000	27,131	54,131
Dividend Paid	11		(7,000)	(7,000)
Net profit being total comprehensive income for the period		-	(7,171)	(7,171)
Balance at December 31, 2022		27,000	12,960	39,960

INTERIM CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

	Unaudited 12 months ended December 31, 2022 \$'000	Audited 12 months ended December 31, 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	(7,171)	3,991
Adjustments for:		
Depreciation of property and equipment	123	119
Depreciation - Right of use asset	35	92
Gain on disposal of property and equipment	0	(39)
Unrealized foreign exchange losses	268	(1,272)
Amortization of intangible assets	13,676	12,290
Interest income	(708)	(630)
Deferred tax (credit) charge	2,885	1,350
Finance cost recognized in profit or loss	14,798	15,284
Increase in provisions	868	747
Operating cash flows before movements in working capital	24,774	31,932
Decrease (Increase) in other receivables	75	433
Decrease in owed by related parties	-	8
Increase in inventories	(162)	-
Provisions utilized during the year	(2,216)	(4,036)
(Decrease) Increase in trade and other payables	(1,967)	550
Decrease in contract liabilities	50	(15)
Cash generated from operations	20,554	28,872
Income tax refund	377	-
Lease liability payments – interest	-	(3)
Interest paid	(14,477)	(14,879)
Net cash provided by (used in) operating activities	6,454	13,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property and equipment	1	39
Interest received	708	630
Payments for property and equipment	(70)	(191)
Decrease in restricted cash	5,277	(3,213)
Net cash (used in) provided by investing activities	5,916	(2,735)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liability payments - principal	-	(101)
Long-term loans repaid	(6,631)	(4,078)
Dividends paid	(7,000)	(6,900)
Net cash provided by (used in) financing activities	(13,631)	(11,079)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,261)	176
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,720	7,073
Effect of foreign exchange rate changes	(38)	(529)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,421	6,720

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

1 Identification and Principal Activities

Transjamaican Highway Limited (the Company) is a limited liability company incorporated and domiciled in Jamaica with registered office at 2 Goodwood Terrace, Kingston 10. The Company is listed on the Jamaica Stock Exchange since March 24, 2020 with NROCC owning 20% of its shares and the remaining 80% being traded on the Jamaica Stock Exchange. The Company also has Senior Secured Debt Notes which are listed at the Singapore Exchange Securities Trading Limited.

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.

The Company’s subsidiary company is as follows:

<i>Subsidiary</i>	<i>Place of incorporation, operation and domicile</i>	<i>Proportion of ownership interest and voting rights</i>	<i>Principal Activity</i>
<i>Jamaican Infrastructure Operators Limited</i>	Jamaica	51%	Performance of all functions and responsibilities of the Operator of a tolled roadway

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

The Company and its subsidiary are here in referred to as the Group. The Company contracted with Bouygues Travaux Publics (Jamaica Branch), (the “Contractor”), to construct the highway and Jamaican Infrastructure Operator Limited, (the “Operator”) to maintain and operate the toll road.

Pursuant to a transaction agreement dated as of November 23, 2022 among the Company, Jamaican Infrastructure Operator Limited (the “Operator”), Bouygues Travaux Publics (the “Contractor”), and Vinci Concessions S.A. and further to the Senior Secured Debt Note holders Consent Solicitation which was successfully completed on December 16, 2022, the Company on December 20, 2022 acquired Call Options to acquire the interests of Vinci Concessions S.A. and Bouygues Travaux Publics in the Operator. The Company has immediately exercised the Call Option to acquire Vinci Concessions S.A.s’ 51% of the outstanding equity interests in the Operator.

The Call Option to acquire the remaining 49% equity interest in the Operator held by the Contractor is expected to be exercised following the earlier of:

- (i) required amendments to the Concession Agreement, which will not become effective unless and until the Company has received approval from NROCC on behalf of the Government of Jamaica to make such amendments, and
- (ii) the Put Option granted to the Contractor on the 49% equity interest in the operation of the Operator exercisable by December 9, 2024 (the final date required by the Concession Agreement for the Contractor to retain at least 49% equity interest in the operation for a nominal exercise price.

2 Basis of Preparation and the Company’s Accounting Policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. Control is achieved when the Group is exposed, 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.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full-on consolidation.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

(b) Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

(c) Basis of preparation

The Group's interim consolidated condensed financial statements for the twelve months ended December 31, 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group's interim consolidated 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, 2021.

The Group's interim consolidated 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 consolidated condensed financial statements are expressed in United States of America dollars, which is the Company's functional currency.

(d) Accounting policies

The accounting policies adopted in the preparation of the Group's interim consolidated condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2021.

Segment reporting

An operating segment is a component of the Group 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 Group are considered as one operating segment.

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

3 Deferred Tax Asset

Deferred tax is calculated on all temporary differences under the liability method using a tax rate of 25% (2021: 25%), the rate at which these assets/liabilities are likely to be realized.

(a) The following is the analysis of deferred tax balances for financial reporting purposes:

	Unaudited December 31, 2022 \$'000	Audited December 31, 2021 \$'000
Deferred tax assets	26,585	28,283
Deferred tax liabilities	<u>(7,396)</u>	<u>(7,577)</u>
Net	<u>19,189</u>	<u>20,706</u>

(b) The movement for the reporting period in the Company's net deferred tax position was as follows:

	Unaudited December 31, 2022 \$'000	Audited December 31, 2021 \$'000
Opening balance	20,706	22,056
Charge to income for the year	<u>(1,517)</u>	<u>(1,350)</u>
Closing balance	<u>19,189</u>	<u>20,706</u>

4 Share Capital

	Unaudited December 31, 2022 No. of Shares '000	Audited December 31, 2021 No. of Shares '000
Authorized shares		
- Ordinary shares - no par value,	Unlimited	Unlimited
- Preference share	<u>-</u>	<u>-</u>
	<u>Unlimited</u>	<u>Unlimited</u>
Issued shares:		
- Ordinary shares	12,501,000	12,501,000
- Preference share	<u>-</u>	<u>-</u>
	<u>12,501,000</u>	<u>12,501,000</u>

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

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

4 Share Capital (Continued)

Stated Capital:

	Unaudited December 31, 2022 \$'000	Audited December 31, 2021 \$'000
Issued and fully paid	<u>27,000</u>	<u>27,000</u>
Issued and fully paid capital comprises:		
- Ordinary shares	27,000	27,000
- Preference share redemption	<u>-</u>	<u>-</u>
Issued and fully paid	<u><u>27,000</u></u>	<u><u>27,000</u></u>

5 Cumulative Redeemable Preference Shares

	No. of Shares '000	No. of Shares '000
Balance at end of period	2,700,000	2,700,000
	Unaudited December 31, 2022 No. of Shares '000	Audited December 31, 2021 No. of Shares '000
Cumulative Redeemable preference shares	24,449	24,219
Interest accrued	493	488
	24,942	24,707
Classified as:		
Current	493	488
Non-current	24,449	24,219
	24,942	24,707

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

5 Cumulative Redeemable Preference Shares (Continued)

The Cumulative Redeemable Preference Shares (denominated and paid in Jamaican dollars, JMD 3.8 billion) issued in January 2020 carry an interest rate of 8% and mature in 8 years from issue. These preference shares are subordinate to the Debt Notes in all respects, including without limitation, as to any right of payment (other than dividends paid). Interest payable on the Preference Shares at December 31, 2022 amounted to US\$0.493 million, (12 months December 2021: US\$0.488 million).

6 Borrowings

	Unaudited December 31, 2022 \$'000	Audited December 31, 2021 \$'000
Secured – at amortized cost		
Senior Secured Notes	220,923	225,000
Accrued interest	2,738	2,858
Principal repayment	(6,632)	(4,077)
Unamortized borrowing cost	(7,260)	(7,697)
	<u>209,769</u>	<u>216,084</u>
Total liabilities		
	<u>209,769</u>	<u>216,084</u>
Classified as:		
Current	9,848	9,054
Non-current	199,921	207,030
	<u>209,769</u>	<u>216,084</u>

(a) Senior Secured Notes

The Notes issued in February 2020 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.

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

7 Settlement on Acquisition of Subsidiary

The investment in subsidiary is as follows:

Purchase Price	16,100
Settlement loss charged to income	(13,883)
Negative goodwill credited to income	220
Net assets acquired	<u>2,437</u>

This represents 100% recognition of the shareholding of the Operator with 49% of the shareholding being under a call option issued by the Company set to expire on December 9, 2024 for a consideration of US\$1. No non-controlling interest has been recognized by the Company as it is deemed to have acquired control of the Operator at the date of the transactions based on the following:

- All economic benefits of the Operator were transferred to the Company arising from the significant amendment to the fee structure in the O&M agreement;
- The Company does not have a contractual obligation to make a distribution and as such this does not represent substantive non-controlling interest or financial liability requiring recognition;
- The amount paid at the date of acquisition represents 99.99% of the total compensation which is substance represents an outright purchase despite exercise of the option in 2024. Further it is most certain that the option will be exercised.

8 Operating Expenses

	Unaudited 12 months Ended December 31, 2022 \$'000	Audited 12 Months Ended December 31, 2021 \$'000
Insurance	1,483	1,385
Marketing and advertising	333	70
Utilities	16	14
Legal and professional fees	2,575	421
Repairs and maintenance	1,688	1,579
Operator fixed fees	17,729	16,418
Operator variable fees	1,959	1,597
Bank charges	408	279
Amortization of intangible assets	13,676	12,290
Security expenses	12	-
T Tag & Swipe Cards	18	-
Other operating expenses	12	4
	<u>39,909</u>	<u>34,057</u>

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
TWELVE MONTHS ENDED DECEMBER 31, 2022
(Expressed in United States dollars)

9 Taxation

The Company was taxed for income tax purposes at a nil rate up to November 20, 2013 after which it is taxed at rates applicable to unregulated entities being 25% (2021: 25%).

(a) The tax charge for the period represents:

	Unaudited 12 months Ended December 31, 2022 \$'000	Audited 12 Months Ended December 31, 2021 \$'000
Deferred tax (charge)/credit	(1,343)	(1,350)
Corporate tax	(1,542)	-
	<u>(2,885)</u>	<u>(1,350)</u>

Subject to agreement of the Commissioner General, Tax Administration Jamaica, at the reporting date the Company had tax losses of approximately \$100.6 million (2021: 106.03 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.

10 Earnings per Share

The calculation of earnings per stock unit of (0.0006)¢ (12 months December 2021 0.0003¢) is based on the net loss of US\$7,171 million, (12 months December 2021 profit of US\$3,991 million) and the number of stock units in issue during the period of 12,501,000,000 units.

11 Dividends

The Board of Directors at a meeting held on September 30, 2022, proposed an interim dividend of \$7.00 million (\$0.56 per 1,000 share) which was paid on October 25, 2022 (2021: on November 19, 2021, proposed an interim dividend of \$6.90 million (\$0.55 per 1,000 share) which was paid on December 20, 2021).

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

Ordinary Shareholders:

TRANSJAMAICAN HIGHWAY LIMITED Top Ten Shareholders, Directors and Senior Managers Shareholdings as at December 31, 2022				
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	982,310,602	-	982,310,602	7.8579
Musson Investments Ltd	767,590,437	-	767,590,437	6.1402
Jamaica Money Markets Brokers Ltd	763,642,219	-	763,642,219	6.1086
NCB Capital Markets (Barbados) Ltd	520,916,761	-	520,916,761	4.1670
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 WT109	177,305,000	-	177,305,000	1.4183
NCB Insurance Co. Ltd A/C WT161	177,305,000	-	177,305,000	1.4183
Total	6,824,110,019		6,824,110,019	54.5884
Director	Shareholding	Connected Parties	Total Shareholding	Percentage
Alok Jain	-	12,990,000	12,990,000	0.10391
Senior Manager	Shareholding	Connected Parties	Total Shareholding	Percentage
Ivan Anderson	21,276,000	28,000	21,304,000	0.17042
Susan Garriques	5,042,000	376,000	5,418,000	0.043344
Total	26,318,000	404,000	26,722,000	0.213764
Board Appointed Sub-Committee Member	Shareholding	Connected Parties	Total Shareholding	Percentage
John "Mitchie" Bell	1,800,000		1,800,000	0.01440
GRAND TOTAL	6,852,228,019	13,394,000	6,865,622,019	54.92
Total Issued Capital:	12,501,000,000			
Disclosure of Connection to Top 10 Shareholder:				
Director	Shareholding	Connected Parties	Total Shareholding	Percentage
Patrick Hylton (Directorship - NCB Capital Markets (Cayman) Ltd)	-	982,310,602	982,310,602	7.8579
Steven Gooden (Directorship - NCB Capital Markets (Cayman & Barbados) Ltd)	-	1,503,227,363	1,503,227,363	12.0249
Stephen Edwards (Directorship - National Road Operating & Constructing Company Ltd)	-	2,501,000,000	2,501,000,000	20.0064
Ventley Brown (Directorship - National Road Operating & Constructing Company Ltd)	-	2,501,000,000	2,501,000,000	20.0064

Preference Shareholders:

TRANSJAMAICAN HIGHWAY LIMITED Top Ten Preference Shareholders as at December 31, 2022				
Preference Shareholder	Shareholding	Connected Parties	Total Shareholding	Percentage
The Corridor Holdings Ltd	678,136,000	-	678,136,000	25.1161
Sagicor Life Jamaica Ltd	283,172,050	-	283,172,050	10.4879
Sagicor Pooled Fixed Income Fund	176,982,531	-	176,982,531	6.5549
MF&G Asset Management Ltd - NCBCM Unit Trust Scheme	159,775,850	-	159,775,850	5.9176
Guardian Life Pooled Pension Fund	140,169,939	-	140,169,939	5.1915
Guardian General Insurance Jamaica Ltd	140,169,939	-	140,169,939	5.1915
NCB Insurance Agency and Fund Managers Ltd WT109	106,188,577	-	106,188,577	3.9329
NCB Insurance Agency and Fund Managers Ltd WT160	106,188,577	-	106,188,577	3.9329
Guardian Life Ltd - Surplus Fund	93,446,626	-	93,446,626	3.461
MF&G Asset Management Ltd - Jamaica Investment Fund	92,894,879	-	92,894,879	3.4406
Total	1,977,124,968		1,977,124,968	73.2269
GRAND TOTAL	1,977,124,968		1,977,124,968	73.2269
Total Issued Capital:	2,700,000,000			