



# TRANSJAMAICAN HIGHWAY LTD.

GROUP CONSOLIDATED  
UNAUDITED INTERIM  
FINANCIAL STATEMENTS

For the Quarter Ended  
March 31, 2023

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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 quarter ended March 31, 2023 including the Subsidiary Jamaican Infrastructure Operators Limited (JIO) and should be read in conjunction with the Audited Financial Statements for the year ended December 31, 2022, together with the notes thereto, which have been prepared in accordance with IFRS as adopted by the International Accounting Standards Board.

### Group Statement of Comprehensive Income

#### Revenue

The Group's revenue consists mainly of Toll Collections. For the quarter ended March 31, 2023, the Group had revenue of US\$18 million, reflecting a 21% increase of US\$3.1 million, compared to revenue for the Company of US\$14.9 million for the same quarter in 2022.

#### 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 March 31, 2023, the Group had other losses of US\$0.1 million, reflecting a decrease of US\$0.2 million when compared to other gains for the Company of US\$0.01 million for the same period in 2022. This was primarily due to foreign exchange loss emanating from the revaluation of the 8.0% (JMD) Cumulative Redeemable Preference Shares.

#### Operating expenses

For the quarter ended March 31, 2023, the Group incurred operating expenses of US\$5.5 million, reflecting a decrease of US\$4.3 million, compared to Company's US\$9.8 million for the same period in 2022. This decrease was primarily due to cost savings realized further to the acquisition of the subsidiary which allowed for the modification of the fees thus reducing our cost to operate. This was partially offset by:

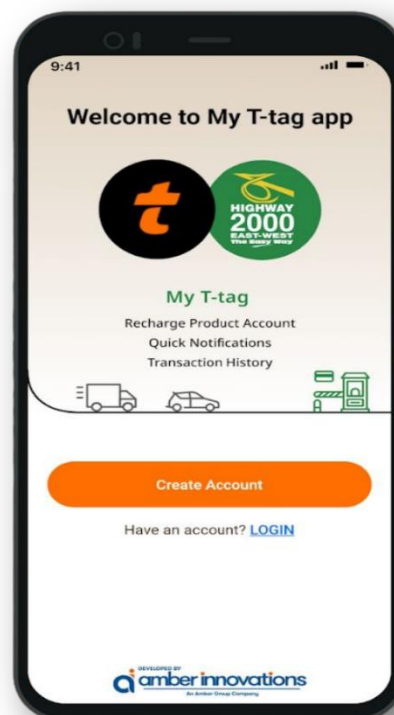
- Higher consultancy fees as we undertake an exercise to restructure our operations
- Higher marketing cost associate with promoting the usage of the My **t-Tag** App and also to encourage a greater usage of the Tags.
- Higher Insurance cost associated with the renewals of our coverage for the motorway
- Security and maintenance cost incurred for the Group.

#### Administrative expenses

Administrative expenses for the Group are primarily comprised of staff costs, depreciation of plant and equipment and other routine office expenses. For the quarter ended March 31, 2023, administrative expenses were US\$2.1 million, reflecting an increase of US\$1.8 million, compared to the Company's US\$0.3 million for the same quarter in 2022 and was primarily due to the inclusion of staff and other related expenses for the subsidiary.

#### Finance costs

Finance costs are comprised mainly of interest on the long-term loans. For the quarter ended March 31, 2023, finance costs were US\$3.7 million, a similar amount to that incurred for the comparable quarter in 2022.



**Profit before tax**

For the quarter ended March 31, 2023, we had profit before tax of US\$6.7 million, reflecting an increase of US\$5.5 million when compared to the Company's profit before tax of US\$1.2 million for the same quarter in 2022. This increase in profitability mainly resulted from savings realized on the cost to operate the motorway following the acquisition of the Operator and now Subsidiary plus higher revenues earned for the quarter. This was partially offset by the cost factors mentioned above.

**Net profit being total comprehensive income for the period**

For the three-month period ended March 31, 2023, the Group had profit of US\$5 million, reflecting an increase of US\$4.3 million, when compared to the Company's profit of US\$0.7 million for the same three-month period in 2022, This was after recognizing for the corporate tax of US\$0.9 million and deferred tax charge of US\$0.8 million. Corporate & Deferred tax charges of US\$0.3 million and US\$0.2 million were recognized respectively for the comparative quarter in 2022.

## Group Statement of Financial Position

**Total assets**

Total Assets for the Group mainly includes Intangible assets, deferred tax and cash. As at March 31, 2023, total assets stood at US\$291.8 million, up from total assets as at December 31, 2022 (US\$288.1 million). This was primarily attributable to an increase in Cash and bank following the reduction in our Operating Cost. This was also offset by further amortization of the Intangible asset and a reduction of the deferred tax asset.

**Equity**

As at March 31, 2023, share capital remained at US\$27 million. Retained Earnings however, increased to US\$18 million, up from US\$13 million as at December 31, 2022. This was attributable to income generated over the three-month period.

**Liabilities**

As at March 31, 2023, liabilities consist mainly of long-term debts, provisions and other trade related payables. Total liabilities stood at US\$246.8 million, reflecting a decrease of US\$1.3 million, compared to total liabilities of US\$248.1 million as at December 31, 2022. This was primarily due to principal repayment made on the secured notes, and provision for corporate tax payable. This was also offset by higher trade and other payables in addition to a slight increase in the provision for heavy repairs.

INTERIM CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**AS AT MARCH 31, 2023**  
**(Expressed in United States dollars)**

	Notes	Unaudited March 31, 2023 \$'000	Unaudited March 31, 2022 \$'000	Audited December 31, 2022 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		983	660	1,034
Right of use asset		172		196
Intangible assets		208,672	222,177	212,091
Deferred tax assets	3	18,461	20,491	19,214
Restricted cash		49,786	56,286	49,344
<b>Total non-current assets</b>		<b>278,074</b>	<b>299,614</b>	<b>281,879</b>
<b>Current assets</b>				
Inventories		178	-	159
Other receivables		1,570	415	678
Cash and bank balances		11,938	7,960	5,421
<b>Total current assets</b>		<b>13,686</b>	<b>8,375</b>	<b>6,258</b>
<b>Total assets</b>		<b>291,760</b>	<b>307,989</b>	<b>288,137</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital	4	27,000	27,000	27,000
Retained Earnings		17,972	27,805	12,991
<b>Total shareholders' equity</b>		<b>44,972</b>	<b>54,805</b>	<b>39,991</b>
<b>Non-current liabilities</b>				
Lease liability		178		103
Cumulative Redeemable Pref. Shares	5	24,616	24,376	24,449
Borrowings	6	197,602	204,976	199,921
Provisions		7,644	9,737	7,186
<b>Total non-current liabilities</b>		<b>230,040</b>	<b>239,089</b>	<b>231,659</b>
<b>Current liabilities</b>				
Lease liability		-	-	98
Cumulative Redeemable Pref. Shares	5	486	481	493
Borrowings	6	10,118	9,186	9,848
Provisions		1,859	869	1,859
Corporate Tax Payable		558	213	1,714
Contract liabilities		831	743	829
Trade and other payables		2,896	2,603	1,646
<b>Total current liabilities</b>		<b>16,748</b>	<b>14,095</b>	<b>16,487</b>
<b>Total equity and liabilities</b>		<b>291,760</b>	<b>307,989</b>	<b>288,137</b>

Director:   
 Steven Gooden

Director:   
 Alok Jain

The unaudited Financial Statements were approved and authorized for issue by the Board of Directors on May 12, 2023 and are signed on its behalf.

INTERIM CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**  
(Expressed in United States dollars)

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
		<b>Quarter ended March 31, 2023</b>	<b>Quarter ended March 31, 2022</b>	<b>12 months ended December 31, 2022</b>
Notes		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	Revenue	17,994	14,882	65,006
	Other gains and losses	(140)	11	1,047
	Settlement Loss on Acquisition	7	-	(13,883)
	Operating expenses	8	(5,486)	(9,753)
	Administrative expenses	-	-	(39,909)
	Finance costs	(2,058)	(347)	(1,749)
		-	-	-
		<u>(3,657)</u>	<u>(3,642)</u>	<u>(14,798)</u>
	<b>Net (loss) profit before tax</b>	<b>6,653</b>	<b>1,151</b>	<b>(4,286)</b>
	Taxation	9	(1,672)	(2,854)
	<b>NET PROFIT BEING TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>4,981</u></b>	<b><u>674</u></b>	<b><u>(7,140)</u></b>
	<b>Earnings/(Loss) per share</b>	<b>10</b>	<b>0.0004¢</b>	<b>0.00005¢</b>
			<b>(0.0006)¢</b>	

**INTERIM CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**  
**(Expressed in United States dollars)**

	Notes	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
<b>Unaudited Three Months Ended March 31, 2022</b>				
Balance at January 1, 2022		27,000	27,131	54,131
Net profit being total comprehensive income for the period		-	674	674
Balance at Mar 31, 2022		27,000	27,805	54,805
<b>Unaudited Three Months Ended March 31, 2023</b>				
Balance at January 1, 2023		27,000	12,991	39,991
Net profit being total comprehensive income for the period		-	4,981	4,981
Balance at March 31, 2023		27,000	17,972	44,972

INTERIM CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**  
**(Expressed in United States dollars)**

	Unaudited 3 months ended March 31, 2023 \$'000	Unaudited 3 months ended March 31, 2022 \$'000	Audited 12 months ended December 31, 2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period	4,981	674	(7,140)
Adjustments for:			
Depreciation of property and equipment	73	30	123
Depreciation - Right of use asset	25	-	35
Gain on disposal of property and equipment	1	-	-
Unrealized foreign exchange losses	-	170	268
Amortization of intangible assets	3,419	3,590	13,676
Interest income	(147)	(176)	(708)
Income Tax charge	1,672	428	2,854
Finance cost recognized in profit or loss	3,657	3,642	14,798
Increase in provisions	465	217	868
Operating cash flows before movements in working capital	14,146	8,575	24,774
Decrease (Increase) in other receivables	(891)	338	1,716
Increase in inventories	19	-	3
Provisions utilized during the year	(7)	(5)	(2,216)
(Decrease) Increase in trade and other payables	1,249	(540)	(2,435)
Decrease in contract liabilities	2	(37)	50
Cash generated from operations	14,518	8,331	21,882
Income tax paid	(2,126)	-	(162)
Interest paid	(3,539)	(3,594)	(14,477)
Net cash provided by (used in) operating activities	8,853	4,737	7,253
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of subsidiary, net of cash acquired	-	-	(799)
Proceeds from disposal of property and equipment	(1)	-	1
Interest received	147	176	708
Payments for property and equipment	(47)	(16)	(70)
Decrease in restricted cash	(442)	(1,665)	5,277
Net cash (used in) provided by investing activities	(343)	(1,505)	5,117
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term loans repaid	(2,174)	(1,980)	(6,631)
Dividends paid	-	-	(7,000)
Net cash provided by (used in) financing activities	(2,174)	(1,980)	(13,631)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,336	1,252	1,261
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	5,421	6,720	6,720
Effect of foreign exchange rate changes	182	(12)	(38)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	11,938	7,960	5,421



NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**THREE MONTHS ENDED MARCH 31, 2023**  
(Expressed in United States dollars)

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## 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**  
**THREE MONTHS ENDED MARCH 31, 2023**  
**(Expressed in United States dollars)**

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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**  
**THREE MONTHS ENDED MARCH 31, 2023**  
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**(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 Three months ended March 31, 2023 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, 2022.

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, 2022.

**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**  
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(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% (2020: 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:

	<b>Unaudited March 31, 2023 \$'000</b>	<b>Unaudited March 31, 2022 \$'000</b>	<b>Audited December 31, 2022 \$'000</b>
Deferred tax assets	25,817	27,984	26,584
Deferred tax liabilities	<u>(7,356)</u>	<u>(7,493)</u>	<u>(7,370)</u>
Net	<u>18,461</u>	<u>20,491</u>	<u>19,214</u>

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

	<b>Unaudited March 31, 2023 \$'000</b>	<b>Unaudited March 31, 2022 \$'000</b>	<b>Audited December 31, 2022 \$'000</b>
Opening balance	19,214	20,706	20,706
On acquisition of subsidiary			25
Charge to income for the year	<u>(753)</u>	<u>(215)</u>	<u>(1,517)</u>
Closing balance	<u>18,461</u>	<u>20,491</u>	<u>19,214</u>

### 4 Share Capital

	<b>Unaudited March 31, 2023 No. of Shares '000</b>	<b>Unaudited March 31, 2022 No. of Shares '000</b>	<b>Audited December 31, 2022 No. of Shares '000</b>
Authorized shares			
- Ordinary shares - no par value,	Unlimited	Unlimited	Unlimited
- Preference share	-	-	-
	<u>Unlimited</u>	<u>Unlimited</u>	<u>Unlimited</u>
Issued shares:			
- Ordinary shares	<u>12,501,000</u>	<u>12,501,000</u>	<u>12,501,000</u>
	<u>12,501,000</u>	<u>12,501,000</u>	<u>12,501,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**THREE MONTHS ENDED MARCH 31, 2023**  
(Expressed in United States dollars)

4 Share Capital (Continued)

Stated Capital:

	<b>Unaudited March 31, 2023 \$'000</b>	<b>Unaudited March 31, 2022 \$'000</b>	<b>Audited December 31, 2022 \$'000</b>
Issued and fully paid	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>
Issued and fully paid capital comprises:			
- Ordinary shares	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>
Issued and fully paid	<u><u>27,000</u></u>	<u><u>27,000</u></u>	<u><u>27,000</u></u>

5 Cumulative Redeemable Preference Shares

	<b>No. of Shares '000</b>	<b>No. of Shares '000</b>	<b>No. of Shares '000</b>
Balance at end of period	<u>2,700,000</u>	<u>2,700,000</u>	<u>2,700,000</u>
	<b>Unaudited March 31, 2023 No. of Shares '000</b>	<b>Unaudited March 31, 2022 No. of Shares '000</b>	<b>Audited December 31, 2022 No. of Shares '000</b>
Restructured preference share	24,616	24,376	24,449
Interest accrued	<u>486</u>	<u>481</u>	<u>493</u>
	<u>25,102</u>	<u>24,857</u>	<u>24,942</u>
Classified as:			
Current	486	481	493
Non-current	<u>24,616</u>	<u>24,376</u>	<u>24,449</u>
	<u><u>25,102</u></u>	<u><u>24,857</u></u>	<u><u>24,942</u></u>

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**  
**THREE MONTHS ENDED MARCH 31, 2023**  
(Expressed in United States dollars)

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**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 March 31, 2023 amounted to US\$0.486 million, (3 months March 2022: US\$ US\$0.481million, 12 months December 2022: US\$0.493 million).

**6 Borrowings**

	<b>Unaudited March 31, 2023 \$'000</b>	<b>Unaudited March 31, 2022 \$'000</b>	<b>Audited December 31, 2022 \$'000</b>
<b>Secured – at amortized cost</b>			
Senior Secured Notes	214,291	220,923	220,923
Accrued interest	2,744	2,798	2,738
Principal repayment	(2,174)	(1,979)	(6,632)
Unamortized borrowing cost	(7,141)	(7,580)	(7,260)
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	<b>207,720</b>	<b>214,162</b>	<b>209,769</b>
	<hr/>	<hr/>	<hr/>
Classified as:			
Current	10,118	9,186	9,848
Non-current	197,602	204,976	199,921
	<hr/>	<hr/>	<hr/>
	<b>207,720</b>	<b>214,162</b>	<b>209,769</b>
	<hr/>	<hr/>	<hr/>

(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**  
**THREE MONTHS ENDED MARCH 31, 2023**  
(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 in 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

	<b>Unaudited 3 months Ended March 31, 2023 \$'000</b>	<b>Unaudited 3 months Ended March 31, 2022 \$'000</b>	<b>Audited 12 months Ended December 31, 2022 \$'000</b>
Insurance	411	349	1,483
Marketing and advertising	76	(12)	333
Utilities	4	4	16
Legal and professional fees	174	70	2,575
Repairs and maintenance	928	580	1,688
*Operator fixed fees	-	4,427	17,729
*Operator variable fees	-	451	1,959
Bank charges	312	293	408
Amortization of intangible assets	3,419	3,590	13,676
Road signs and other related costs	22		
Safety and sanitation	17		2
Security expenses	95		12
T Tag & Swipe Cards	8		18
Other operating expenses	20	1	10
	<u>5,486</u>	<u>9,753</u>	<u>39,909</u>

\*Fees paid to the subsidiary are now eliminated on consolidation.

## 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:

	<b>Unaudited 3 months Ended March 31, 2023 \$'000</b>	<b>Unaudited 3 months Ended March 31, 2022 \$'000</b>	<b>Audited 12 months Ended December 31, 2022 \$'000</b>
Deferred tax (charge)/credit	(753)	(215)	(1,517)
Corporate tax	(919)	(262)	(1,337)
	<u>(1,672)</u>	<u>(477)</u>	<u>(2,854)</u>

Subject to agreement of the Commissioner General, Tax Administration Jamaica, at the reporting date the Company had tax losses of approximately \$96.96 million (2022: 100.6 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/(Loss) per Share

The calculation of earnings per stock unit of 0.0004¢ (3 months March 2022: 0.00005¢, 12 months December 2022 (0.0006¢) is based on the profit of US\$4,981 million, (3 months March 2022: profit of US\$674 thousand, 12 months December 2022 loss of US\$7,140 million) and the number of stock units in issue during the period of 12,501,000,000 units.



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

*Ordinary Shareholders:*

<b>TRANSJAMAICAN HIGHWAY LIMITED</b>				
<b>Top Ten Shareholders, Directors and Senior Managers Shareholdings as at March 31, 2023</b>				
<b>Shareholder</b>	<b>Shareholding</b>	<b>Connected Parties</b>	<b>Total Shareholding</b>	<b>Percentage</b>
National Road Operating & Constructing Company Ltd	2,501,000,000	-	2,501,000,000	20.0064
NCB Capital Markets (Cayman) Ltd	983,392,466	-	983,392,466	7.8665
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	521,773,126	-	521,773,126	4.1739
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	178,248,634	-	178,248,634	1.4259
NCB Insurance Co. Ltd A/C WT109	177,305,000	-	177,305,000	1.4183
<b>Total</b>	<b>6,826,991,882</b>		<b>6,826,991,882</b>	<b>54.6115</b>
<b>Director</b>	<b>Shareholding</b>	<b>Connected Parties</b>	<b>Total Shareholding</b>	<b>Percentage</b>
Alok Jain	-	12,990,000	12,990,000	0.10391
Ian Dear	693,459	-	693,459	0.00555
Steven Gooden	20,000,000	-	20,000,000	0.15999
<b>Total</b>	<b>20,693,459</b>	<b>12,990,000</b>	<b>33,683,459</b>	<b>0.26945</b>
<b>Senior Manager</b>	<b>Shareholding</b>	<b>Connected Parties</b>	<b>Total Shareholding</b>	<b>Percentage</b>
Ivan Anderson	21,276,000	28,000	21,304,000	0.17042
Susan Garriques	6,042,000	376,000	6,418,000	0.05134
<b>Total</b>	<b>27,318,000</b>	<b>404,000</b>	<b>27,722,000</b>	<b>0.22176</b>
<b>Board Appointed Sub-Committee Member</b>	<b>Shareholding</b>	<b>Connected Parties</b>	<b>Total Shareholding</b>	<b>Percentage</b>
John "Mitchie" Bell	4,200,000	-	4,200,000	0.03360
<b>Total</b>	<b>4,200,000</b>	<b>-</b>	<b>4,200,000</b>	<b>0.0336</b>
<b>GRAND TOTAL</b>	<b>6,879,203,341</b>	<b>13,394,000</b>	<b>6,892,597,341</b>	<b>55.14</b>
<b>Total Issued Capital:</b>	<b>12,501,000,000</b>			
<b>Disclosure of Connection to Top 10 Shareholder:</b>				
<b>Director</b>	<b>Shareholding</b>	<b>Connected Parties</b>	<b>Total Shareholding</b>	<b>Percentage</b>
Patrick Hylton (Directorship - NCB Capital Markets (Cayman) Ltd)	-	983,392,466	983,392,466	7.8665
Steven Gooden (Directorship - NCB Capital Markets (Cayman & Barbados) Ltd)	20,000,000	1,505,165,592	1,525,165,592	12.2004
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 March 31, 2023				
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
<b>Total</b>	<b>1,977,124,968</b>		<b>1,977,124,968</b>	<b>73.2269</b>
<b>GRAND TOTAL</b>	<b>1,977,124,968</b>		<b>1,977,124,968</b>	<b>73.2269</b>
<b>Total Issued Capital:</b>	<b>2,700,000,000</b>			