



Chairman's Statement

For the nine-month period ended September 30, 2023, KWL achieved consolidated revenues of \$7.0 billion, a 0.6% or \$44 million increase over the corresponding period in 2022. Net profit attributable to shareholders of \$2.2 billion increased by 9% or \$190 million relative to the prior year. Earnings per share for the quarter was 65.76 cents compared to 57.37 cents in the prior year.

Terminal Operations

The Terminal Division generated operating revenue of \$5.2 billion for the nine-month period, a decrease of 7% over the corresponding period of the prior year. Divisional operating profits decreased by 14% from \$1.9 billion in the prior year to \$1.7 billion.

The Terminal Operations Division is the larger segment of the Group, contributing over 65% of revenues. The results in this division were affected by a significant general decline in global shipping volumes that included Jamaica and the Caribbean region. In the case of Kingston Wharves, this was partially offset by increases in bulk and breakbulk cargo.

Logistics Services

The KWL Logistics Services Division generated revenues of \$2.5 billion for the nine-month period, an increase of 18% or \$380 million over the prior year. Operating profits for the division rose by 45% compared to 2022, reaching \$832 million from \$572 million. This growth was driven by augmented earnings from warehouse operations.

KWL has positioned itself to lead on the receipt, warehousing and delivery of logistics cargo for both domestic and regional markets. This segment benefits from ongoing investment in personnel, modern purpose built logistics facilities, scanning and security

systems, and integrated information technology platforms for cargo tracking, inventory control, and handling.

Outlook

Kingston Wharves remains confident that key investments in plant, digital infrastructure and human resources have positioned the company for growth. The US\$30 million Berth 7 Redevelopment Project will attain practical completion and commissioned in Q4 of 2023. The redevelopment of Berth 7 has re-operationalised a critical area of berthing space, bringing it in line with previously modernised docks. With the addition of this newly re-developed facility, KWL will now have capacity to host multiple panamax-size vessels simultaneously. The berth redevelopment also supports KWL's plan to optimise the container and motor vehicle yard capacity and terminal operation.

Logistics is a growing segment of our business. The first phase of our Integrated Logistics Complex at Ashenheim Road in Kingston is set to come on stream by Q2 of 2024. The dry-ambient warehouse complex, an investment of US\$25 million, will boost KWL's nearshoring capacity. It will offer regional and global distributors the advantage of proximity to an 800 million-consumer market in the Americas, access to multi-modal transport routes, state-of-the art amenities and the benefits of a Special Economic Zone operation.

I take this opportunity to thank the Board, the KWL team and all our stakeholders for their continued support.

Jeffrey Hall
Chairman

Kingston Wharves Limited
Consolidated Income Statement (Unaudited)
Nine Months Ended 30 September 2023
(expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 30/09/2023 \$'000	3 Months to 30/09/2022 \$'000	9 Months to 30/09/2023 \$'000	9 Months to 30/09/2022 \$'000
Revenue	2,623,046	2,445,656	7,049,721	7,005,888
Cost of sales	(1,245,952)	(1,267,006)	(3,710,666)	(3,620,255)
Gross Profit	1,377,094	1,178,650	3,339,055	3,385,633
Other operating income	186,936	135,544	645,141	155,789
Administrative expenses	(431,319)	(334,768)	(1,247,995)	(1,092,499)
Operating Profit	1,132,711	979,426	2,736,201	2,448,923
Finance costs	(22,141)	(25,376)	(75,762)	(82,140)
Profit Before Taxation	1,110,570	954,050	2,660,439	2,366,783
Taxation	(139,396)	(117,325)	(385,086)	(303,748)
Net Profit for the Period	971,174	836,725	2,275,353	2,063,035
Net Profit Attributable to:				
Equity holders of the company	927,200	820,327	2,221,724	2,032,150
Minority interest	43,974	16,398	53,629	30,885
	971,174	836,725	2,275,353	2,063,035
EARNINGS PER STOCK UNIT				
attributable to the stockholders of the company expressed in cents per share				
Based on stock units in issue	64.83	57.36	155.34	142.09
After exclusion of stock units held by ESOP	65.76	57.37	160.84	142.13

Kingston Wharves Limited
Consolidated Statement of Comprehensive Income (Unaudited)
Nine Months Ended 30 September 2023

(expressed in Jamaican dollars unless otherwise indicated)

	3 Months to 30/09/2023 \$'000	3 Months to 30/09/2022 \$'000	9 Months to 30/09/2023 \$'000	9 Months to 30/09/2022 \$'000
Net Profit for the Period	971,174	836,725	2,275,353	2,063,035
Other Comprehensive Income				
Adjustment to revaluation surplus on property, plant and equipment	(42,018)	-	(42,018)	-
Deferred tax effect on derecognition of revaluation surplus	5,252	-	5,252	-
Effect of change in tax rate on deferred taxation on revaluation surplus	-	-	252,583	-
Other Comprehensive Income for period	(36,766)	-	215,817	-
Total Comprehensive Income	934,408	836,725	2,491,170	2,063,035
Total Comprehensive Income Attributable to:				
Equity holders of the company	890,434	820,327	2,437,541	2,032,150
Minority interest	43,974	16,398	53,629	30,885
	934,408	836,725	2,491,170	2,063,035

Kingston Wharves Limited
Consolidated Statement of Financial Position (Unaudited)
As At 30 September 2023


(expressed in Jamaican dollars unless otherwise indicated)

	Sep-23 \$ '000	Sep-22 \$ '000	Audited Dec-22 \$ '000
ASSETS			
Non-current Assets			
Property, plant and equipment	33,609,315	28,304,947	29,299,590
Right of Use Asset	-	60,450	43,963
Investment Property	538,925	546,844	544,865
Intangible asset	30,366	53,742	46,222
Financial assets at fair value through other comprehensive income	449,617	449,617	449,617
Deferred income tax assets	1,726	2,300	4,267
Retirement benefit asset	558,899	1,698,874	558,899
	<u>35,188,848</u>	<u>31,116,774</u>	<u>30,947,423</u>
Current Assets			
Inventories	620,248	496,833	572,780
Trade and other receivables	1,119,962	937,247	841,936
Taxation recoverable	132,949	113,955	42,640
Short term investments	10,854,765	8,777,807	9,632,840
Cash and bank	741,451	702,059	642,950
	<u>13,469,375</u>	<u>11,027,901</u>	<u>11,733,146</u>
Total Assets	<u>48,658,223</u>	<u>42,144,675</u>	<u>42,680,569</u>
EQUITY			
Stockholders' Equity			
Share capital	1,477,190	1,976,298	1,976,298
Capital reserves	19,176,937	18,948,541	18,951,686
Asset replacement/rehabilitation and depreciation reserves	218,219	217,385	217,577
Retained earnings	16,536,109	15,521,025	14,682,011
	<u>37,408,455</u>	<u>36,663,249</u>	<u>35,827,572</u>
Minority Interest	369,126	301,939	315,497
	<u>37,777,581</u>	<u>36,965,188</u>	<u>36,143,069</u>
LIABILITIES			
Non-current Liabilities			
Borrowings	6,593,765	1,121,961	1,633,056
Lease liability	-	17,936	-
Deferred income tax liabilities	1,269,709	1,661,171	1,514,386
Retirement benefit obligations	258,749	396,749	258,749
	<u>8,122,223</u>	<u>3,197,817</u>	<u>3,406,191</u>
Current Liabilities			
Trade and other payables	2,002,195	1,412,528	2,165,247
Taxation	52,761	23,093	66,108
Borrowings	703,463	502,045	855,613
Current portion of lease/longterm liability	-	44,004	44,341
	<u>2,758,419</u>	<u>1,981,670</u>	<u>3,131,309</u>
Total Equity and Liabilities	<u>48,658,223</u>	<u>42,144,675</u>	<u>42,680,569</u>

Approved for issue by the Board of Directors on 9 November 2023 and signed on its behalf by:



 Jeffrey Hall Chairman



 Mark Williams Director

Kingston Wharves Limited
Consolidated Statement of Changes in Equity (Unaudited)
Nine Months Ended 30 September 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Attributable to Stockholders of the company							
	Share Capital	Capital Reserves	Asset Replacement/ Rehabilitation and Depreciation		Retained Earnings	Total	Minority Interest	Total Equity
			Reserves					
			\$'000	\$'000				
Balance at 1 January 2022	1,970,228	18,939,107	217,024	13,841,920	34,968,279	271,054	35,239,333	
Profit for the period	-	-	-	2,032,150	2,032,150	30,885	2,063,035	
	-	-	-	2,032,150	2,032,150	30,885	2,063,035	
Transfer of net interest to asset replacement/rehabilitation and depreciation reserves	-	-	361	(361)	-	-	-	
Transfer to asset replacement/rehabilitation and depreciation reserves	-	-	9,434	(9,434)	-	-	-	
Transfer from asset replacement/rehabilitation and depreciation reserves	-	9,434	(9,434)	-	-	-	-	
Transactions with owners:								
Sale of treasury shares	6,070	-	-	-	6,070	-	6,070	
Dividends	-	-	-	(343,250)	(343,250)	-	(343,250)	
Balance at 30 September 2022	1,976,298	18,948,541	217,385	15,521,025	36,663,249	301,939	36,965,188	
Balance at 1 January 2023	1,976,298	18,951,686	217,577	14,682,011	35,827,572	315,497	36,143,069	
Profit for the period	-	-	-	2,221,724	2,221,724	53,629	2,275,353	
Other comprehensive income	-	215,817	-	-	215,817	-	215,817	
Transfer of net interest to asset replacement/rehabilitation and depreciation reserves	-	-	-	-	-	-	-	
Transfer to asset replacement/rehabilitation and depreciation reserves	-	(642)	642	-	-	-	-	
Transfer from asset replacement/rehabilitation and depreciation reserves	-	10,076	-	(10,076)	-	-	-	
Transactions with owners:								
Acquisition of treasury shares	(500,358)	-	-	-	(500,358)	-	(500,358)	
Sale of treasury shares	1,250	-	-	-	1,250	-	1,250	
Dividends	-	-	-	(357,550)	(357,550)	-	(357,550)	
Balance at 30 September 2023	1,477,190	19,176,937	218,219	16,536,109	37,408,455	369,126	37,777,581	

Kingston Wharves Limited
Consolidated Statement of Cash Flows (Unaudited)
Nine Months Ended 30 September 2023
(expressed in Jamaican dollars unless otherwise indicated)

	September 2023 \$'000	September 2022 \$'000
Cash Provided from Operating Activities		
Net Profit	2,275,353	2,063,035
Adjustments for:		
Amortisation	15,857	22,697
Depreciation	673,505	699,701
Net foreign exchange (gain)/loss	(237,055)	67,786
Gain on disposal of property, plant & equipment	(213)	88,031
Interest Income	(397,084)	(293,531)
Finance costs	75,761	82,140
Taxation	385,086	303,748
	<u>2,791,210</u>	<u>3,033,607</u>
Changes in operating assets and liabilities:		
Inventories	(47,468)	(53,910)
Trade and other receivables	(368,335)	(68,482)
Trade and other payables	446,720	273,212
Cash provided by operations	<u>2,822,127</u>	<u>3,184,427</u>
Tax paid	(381,202)	(515,665)
Net cash provided by operating activities	<u>2,440,925</u>	<u>2,668,762</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(4,970,176)	(1,527,080)
Proceeds from sale of property plant and equipment	213	-
Interest received	395,601	283,432
Cash used in investing activities	<u>(4,574,362)</u>	<u>(1,243,648)</u>
Cash Flows from Financing Activities		
Dividends paid	(967,323)	(872,608)
Acquisition of treasury shares	(500,358)	-
Sale of treasury shares	1,250	6,070
Lease payment made	(63,956)	(72,757)
Loans received	5,120,000	-
Loans repaid	(311,446)	(422,660)
Interest paid	(52,914)	(73,921)
Net cash provided by/(used in) financing activities	<u>3,225,253</u>	<u>(1,435,876)</u>
Net increase/(decrease) in cash and cash equivalents	1,091,816	(10,762)
Net cash and cash equivalents at beginning of period	10,275,790	9,558,286
Exchange adjustment on foreign currency cash and cash equivalents	228,610	(67,658)
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>11,596,216</u>	<u>9,479,866</u>
Comprising:		
Cash and bank	741,451	702,059
Short term investments	10,854,765	8,777,807
Cash and Cash Equivalents at End of Period	<u>11,596,216</u>	<u>9,479,866</u>
Total Cash and Bank and Short Term Investments	<u>11,596,216</u>	<u>9,479,866</u>

Kingston Wharves Limited
Financial Information by Operating Segment (Unaudited)
Nine Months Ended 30 September 2023
(expressed in Jamaican dollars unless otherwise indicated)

	Terminal Operations	Logistics Services	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000
External operating revenue	4,687,833	2,361,888	-	7,049,721
Operating revenue from segments	528,652	182,992	(711,644)	-
Total revenue	5,216,485	2,544,880	(711,644)	7,049,721
Operating profit	1,666,808	832,337	-	2,499,145
Foreign exchange gains	206,809	30,247	-	237,056
Finance costs	(62,474)	(67,980)	54,692	(75,762)
Profit before income tax				2,660,439
Income tax expense				(385,086)
Profit before non-controlling interest				2,275,353
Non-controlling interest				(53,629)
Net profit attributable to equity holders of the company				2,221,724
Segment assets	36,511,715	12,266,851	(813,918)	47,964,648
Unallocated assets				693,575
Total assets				48,658,223
Segment liabilities	5,640,262	4,344,219	(685,059)	9,299,422
Unallocated liabilities				1,581,220
Total liabilities				10,880,642
Other segment items:				
Interest income	362,510	63,303	(28,729)	397,084
Capital expenditure	2,571,357	2,398,819	-	4,970,176
Depreciation & Amortization	528,541	208,180	(52,529)	684,192

Kingston Wharves Limited
Financial Information by Operating Segment (Unaudited)
Nine Months Ended 30 September 2022
(expressed in Jamaican dollars unless otherwise indicated)

	Terminal Operations	Logistics Services	Eliminations	Group
	\$'000	\$'000	\$'000	\$'000
External operating revenue	4,979,788	2,026,100	-	7,005,888
Operating revenue from segments	617,549	138,919	(756,468)	-
Total revenue	5,597,337	2,165,019	(756,468)	7,005,888
Profit from operations	1,944,447	572,262	-	2,516,709
Foreign exchange gains	(62,935)	(4,851)	-	(67,786)
Finance costs	(68,167)	(73,303)	59,330	(82,140)
Profit before income tax				2,366,783
Income tax expense				(303,748)
Profit before non-controlling interest				2,063,035
Non-controlling interest				(30,885)
Net profit attributable to equity holders of the company				2,032,150
Segment assets	34,517,777	7,370,884	(1,559,116)	40,329,545
Unallocated assets				1,815,130
Total assets				42,144,675
Segment liabilities	3,498,739	1,029,991	(1,430,257)	3,098,473
Unallocated liabilities				2,081,014
Total liabilities				5,179,487
Other segment items:				
Interest income	285,015	39,379	(29,893)	294,501
Capital expenditure	1,469,340	57,740	-	1,527,080
Depreciation & Amortisation	537,721	235,868	(51,191)	722,398

Kingston Wharves Limited

Notes to the Financial Statements (Unaudited) For Nine Months ended 30 September 2023

Summary of Significant Accounting Policies

1. Identification and Principal Activities

The Company and its subsidiaries (the Group) are incorporated and resident in Jamaica. The principal activities of the Company and its subsidiaries comprise the operation of public wharves, stevedoring, logistics services and security services.

The wharfage rates and specified penal charges billed to customers by the Company are subject to regulation by the Port Authority of Jamaica.

The Company's registered office is located at the Total Logistics Facility, 195 Second Street, Newport West, Kingston.

2. Basis of Preparation

The condensed interim financial information for the period ended 30 September 2023 has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The condensed interim financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended 31 December 2022.

Accounting policies used are consistent with those used in the consolidated financial statements. Presentation of the condensed interim financial information is consistent with the annual financial statements. Where necessary the financials have been reclassified or extended from the previously reported condensed interim financial information to take into account any presentational changes made in the annual consolidated financial statements or in those condensed financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best knowledge of the current events and action, actual results could differ from those estimates. The procedures in determining these estimates are disclosed in Note 3.

3. Critical Accounting Estimates and Assumptions in Applying Accounting Policies

The Group makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Kingston Wharves Limited

Notes to the Financial Statements (Unaudited) For Nine Months ended 30 September 2023

4. Fixed Assets

All fixed assets are initially recorded at cost. Freehold land, plant and building are subsequently shown at market value, based on periodic (triennial) valuations by external independent valuers, less subsequent depreciation of plant and building. All other fixed assets are carried at cost less accumulated depreciation.

5. Leases

The Group acting as lessee, recognises a right-of-use asset and a lease liability for all leases with a term of more than 12 months.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

6. Intangible Assets

Separately acquired rights and benefits under third party contracts with a finite useful life are shown at historical cost less subsequent amortisation. This is tested annually for impairment and carried at cost less accumulated losses. Other intangible assets which include computer software licenses are shown at historical cost and amortised over their estimated useful lives.

7. Investment Property

The investment property is carried at cost less accumulated depreciation. It is leased to tenants under long-term operating leases with rentals payable monthly.

8. Cash & Cash Equivalents

Net cash and cash equivalents at the end of the period represents cash and bank and short term deposits.

9. Deferred Tax

Deferred income taxes are calculated on all temporary differences under the liability method using a tax rate of 12.5% (2022 – 12.5%) for the parent and 12.5% or 25% (2022- 12.5% or 25%) for subsidiaries.

Kingston Wharves Limited

Notes to the Financial Statements (Unaudited) For Nine Months ended 30 September 2023

10. Segment Reporting

Segment information is presented in respect of the Group's strategic business segments. The identification of the business segments is based on the Group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The Group's business segments reflect its current strategy and focus. The profit or loss before finance cost and taxation is used to measure the segment result. The Group is organised into the following business segments:

- (a) Terminal Operations - This incorporates the operation of public wharves and cargo terminal and the stevedoring of vessels.
- (b) Logistics Services - This incorporates the provision of logistics facilities, port security services and rental of warehouses and other properties.

11. Employee Share Ownership Trust

The company has an Employee Share Ownership Trust (the Trust) and earnings per share is calculated by dividing profit attributable to the Group by the number of ordinary shares in issue excluding those held by the ESOP during the period. During 2023 the Trust acquired 17,646,703 additional shares at a fair value of \$500 million.

KINGSTON WHARVES LIMITED

TOP TEN SHAREHOLDERS AT SEPTEMBER 30, 2023

NAMES	SHAREHOLDING	% OF CAPITAL
JP GLOBAL HOLDINGS LIMITED	601,184,005	42.03
S.B.D. LLC	300,689,810	21.02
KINGSTON PORTWORKERS SUPERANNUATION FUND	99,302,640	6.94
SAJE LOGISTICS INFRASTRUCTURE LIMITED	90,117,183	6.30
MARITIME & TRANSPORT SERVICES LTD	68,125,418	4.76
SAGICOR POOLED EQUITY FUND	37,859,889	2.65
LANNAMAN & MORRIS (SHIPPING) LTD	28,845,258	2.02
GUARDIAN LIFE LIMITED	21,844,844	1.53
KWL EMPLOYEE SHARE OWNERSHIP TRUST	20,199,137	1.41
PAN JAMAICA GROUP LIMITED	11,064,715	0.77
	1,279,232,899	89.44
	JCSD	3,888
	MAIN REGISTER	1,211
NO. OF SHAREHOLDERS AT SEPTEMBER 30, 2023	TOTAL	5,099

KINGSTON WHARVES LIMITED

DIRECTORS' SHAREHOLDINGS AT SEPTEMBER 30, 2023

NAMES	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING	TOTAL
DIRECTORS				
BRUCE BRECHEISEN	NIL	S.B.D. LLC	300,689,810	300,689,810
KIM CLARKE	NIL	MARITIME & TRANSPORT SERVICES LTD.	68,125,418	162,520,377
		SAJE LOGISTICS INFRASTRUCTURE LIMITED	90,117,183	
		A.E. PARNELL COMPANY LIMITED	4,277,776	
JEFFREY HALL	NIL	JP GLOBAL HOLDINGS LIMITED	601,184,005	702,365,903
		SAJE LOGISTICS INFRASTRUCTURE LIMITED	90,117,183	
		PAN JAMAICA GROUP LIMITED	11,064,715	
ROGER HINDS	NIL	TRANSOCEAN SHIPPING LIMITED	1,481,481	91,598,664
		SAJE LOGISTICS INFRASTRUCTURE LIMITED	90,117,183	
CHARLES JOHNSTON	57,160	JAMAICA FRUIT & SHIPPING LIMITED	381,068	702,746,971
		JP GLOBAL HOLDINGS LIMITED	601,184,005	
		SAJE LOGISTICS INFRASTRUCTURE LIMITED	90,117,183	
		PAN JAMAICA GROUP LIMITED	11,064,715	
CHARMAINE MARAGH	NIL	LANNAMAN & MORRIS SHIPPING LTD.	28,845,258	28,845,258
KATHLEEN MOSS	2,000	JP GLOBAL HOLDINGS LIMITED	601,184,005	612,248,720
		PAN JAMAICA GROUP LIMITED	11,064,715	
ROBERT SCAVONE	NIL		NIL	NIL
GRANTLEY STEPHENSON	194,981	SAJE LOGISTICS INFRASTRUCTURE LIMITED	90,117,183	90,312,164
DORIAN VALDES	NIL		NIL	NIL
MARK WILLIAMS	337,601		NIL	337,601

KINGSTON WHARVES LIMITED

SENIOR MANAGERS' SHAREHOLDINGS AT SEPTEMBER 30, 2023

NAMES	SHAREHOLDING	CONNECTED PARTIES	SHAREHOLDING	TOTAL
VALRIE CAMPBELL	35,723	-	-	35,723
TERRI-ANN GORDON	NIL	-	-	NIL
LANCELOT GREEN	3,900	-	-	3,900
FRANCES MIGHTY-HUTCHINSON	NIL	-	-	NIL
CLOVER MOODIE	76,000	-	-	76,000
STEPHAN MORRISON	NIL	-	-	NIL
RODRIGO OLEA	NIL	-	-	NIL
CAPTAIN GEORGE REYNOLDS	NIL	-	-	NIL
DENISE WALCOTT-SAMUELS	NIL	-	-	NIL