



TRANSJAMAICAN HIGHWAY LTD

UNAUDITED INTERIM FINANCIAL STATEMENTS

Q4
December 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 and year ended December 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 December 31, 2023, the Group had revenue of US\$19.8 million, reflecting a 10% increase of US\$1.8 million, compared to revenue of US\$18 million for the same quarter in 2022. Revenue for the year ended December 31, 2023 was US\$75.2 million, compared to US\$65 million for the same period in 2022, an increase of 16%. This was due to greater levels of traffic over the previous year in addition to movements in the toll tariff which is reviewed annually.

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. 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, 2023, the Group had other gains of US\$0.67 million, reflecting a decrease of US\$0.22 million when compared to other gains of US\$0.89 million for the same quarter in 2022. This was partially due to foreign exchange losses emanating from the revaluation of the 8.0% (JMD) Cumulative Redeemable Preference Shares and the toll reconciliation process. This was partially offset by interest earned on the short term placement of funds held in the reserve accounts. Other gains and losses for the year ended December 31, 2023, were US\$2.1 million, reflecting an increase of US\$1.1million, compared to US\$1 million for the same period in 2022 and was primarily due to an increase in interest earned and foreign exchange gains.

Operating expenses

For the quarter ended December 31, 2023, the Group incurred operating expenses of US\$5.9 million, reflecting a decrease of US\$4.9 million, compared to US\$10.8 million for the same quarter 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. Our legal and professional fees were also lower as the comparative quarter included the cost associated with the acquisition. This was also partially offset by:

- Higher maintenance cost including spares/equipment purchased, in addition to cost for renovation works which are currently ongoing at the Portmore Toll Plaza.
- Higher amortization of the Intangible Asset based on the actual traffic for the quarter.
- Bank and security charges incurred for the Group.

For the year ended December 31, 2023, operating expenses were US\$22.4 million, reflecting a decrease of US\$17.5 million compared to US\$39.9 million for the same period in 2022 and was impacted by the aforementioned factors, in addition to slightly higher insurance cost for the year.

Settlement Loss on Acquisition

For the quarter and year ended December 31, 2023 the Group recognized no settlement loss as this was a onetime occurrence relating only to the quarter and year ended December 31, 2022. This onetime loss of US\$13.9 million was considered as settlement on the pre-existing relationship between the Company and Subsidiary.

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 December 31, 2023, administrative

expenses were US\$2.3 million, reflecting an increase of US\$1.6 million, compared to US\$0.7 million for the same quarter in 2022 and were primarily due to the inclusion of staff and other related expenses for the subsidiary. For the year ended December 31, 2023, the Group's administrative expenses were US\$8.4 million, reflecting an increase of US\$6.7 million over year 2022. This was impacted by the same aforementioned factors.

Finance costs

Finance costs are comprised mainly of interest on the Secured notes issued. For the quarter ended December 31, 2023, finance costs were US\$3.6 million, a comparative amount to the US\$3.6 million paid for the same quarter in 2022. For the year ended December 31, 2023, we had finance costs of US\$14.5 million, reflecting a decrease of US\$0.3 million, compared with finance costs of US\$14.8 million for the same period in 2022. This reduction is in keeping with lower interest payments on the secured notes as the principal is also being repaid on a quarterly basis.

Profit before tax

For the quarter ended December 31, 2023, the Group had profit before tax of US\$8.7 million, reflecting an increase of US\$18.8 million when compared to loss before tax of US\$10.1 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. Profit before tax for the year ended December 31, 2023, was US\$32.0 million and reflects an increase of US\$36.3 million, compared to loss before tax of US\$4.3 million for the same period in 2022.

Net profit being total comprehensive income for the period

For the quarter ended December 31, 2023, the Group had net profit of US\$6.4 million, reflecting an increase of US\$17.7 million when compared to net loss of US\$11.3 million for the same quarter in 2022. This was after recognizing corporate and deferred tax charges of US\$2.3 million. Corporate & Deferred tax charges of US\$1.2 million were recognized for the comparative quarter in 2022. For the year ended December 31, 2023, the Group had net profit of US\$23.9 million, reflecting an increase of US\$31 million, when compared to a loss of US\$7.1 million for the prior year. This was after recognizing corporate and deferred tax charges of US\$8.1 million. Corporate & Deferred tax charges of US\$2.9 million were recognized for the comparative period in 2022. *We note again that the loss for the quarter and year ended December 31, 2022 was as a result of the onetime settlement loss as mentioned above.*

Group Statement of Financial Position

Total assets

Total Assets for the Group mainly includes Intangible assets, deferred tax and cash. As at December 31, 2023, total assets stood at US\$290 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 (and other current assets) 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 December 31, 2023, share capital remained at US\$27 million. Retained Earnings however, increased to US\$21.9 million, up from US\$13 million as at December 31, 2022. This was primarily attributable to net income generated over the year and was offset by an interim dividend of US\$15 million paid in October 2023.

Liabilities

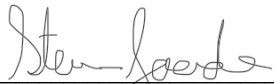
As at December 31, 2023, the Group's liabilities consisted mainly of long-term debts, provisions and other trade related payables. Total liabilities stood at US\$241.2 million, reflecting a decrease of US\$6.9 million, compared to total liabilities of US\$248.1 million as at December 31, 2022. This was primarily due to principal repayment made on the secured notes and was offset by slightly higher provision for heavy repairs and an increase in our provision for corporate tax payable.

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

		<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Audited</i>
		Quarter ended December 31, 2023 \$'000	Quarter ended December 31, 2022 \$'000	Year ended December 31, 2023 \$'000	Year ended December 31, 2022 \$'000
	Notes				
Revenue		19,835	17,991	75,204	65,006
Other gains and losses		670	890	2,092	1,047
Settlement Loss on Acquisition	3	-	(13,883)	-	(13,883)
Operating expenses	4	(5,859)	(10,775)	(22,440)	(39,909)
Administrative expenses		(2,324)	(728)	(8,356)	(1,749)
Finance costs		(3,600)	(3,621)	(14,538)	(14,798)
Profit/(loss) before tax		8,722	(10,126)	31,962	(4,286)
Taxation	5	(2,331)	(1,155)	(8,102)	(2,854)
Net profit/(loss)		6,391	(11,281)	23,860	(7,140)
Other comprehensive income:					
Currency translation		8		8	
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		6,399	(11,281)	23,868	(7,140)
Earnings/Loss per share	6	\$0.0005	\$(0.0009)	\$0.002	\$(0.0006)

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

		Unaudited December 31, 2023	Audited December 31, 2022
	Notes	\$'000	\$'000
<u>ASSETS</u>			
Non-current assets			
Property and equipment		1,147	1,034
Right of use asset		92	196
Intangible assets		197,573	212,091
Deferred tax assets	7	15,388	19,214
Restricted cash		67,501	49,344
Total non-current assets		281,701	281,879
Current assets			
Inventories		198	159
Other receivables		980	678
Cash and bank balances		7,224	5,421
Total current assets		8,402	6,258
Total assets		290,103	288,137
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Share capital	8	27,000	27,000
Foreign currency translation reserve		8	-
Retained Earnings		21,851	12,991
Total shareholders' equity		48,859	39,991
Non-current liabilities			
Lease liability		-	103
Cumulative Redeemable Pref. Shares	9	24,096	24,449
Borrowings	10	191,810	199,921
Provisions		9,101	7,186
Total non-current liabilities		225,007	231,659
Current liabilities			
Lease liability		106	98
Cumulative Redeemable Pref. Shares	9	486	493
Borrowings	10	10,852	9,848
Provisions		39	1,859
Corporate Tax Payable		2,877	1,714
Contract liabilities		674	829
Trade and other payables		1,203	1,646
Total current liabilities		16,237	16,487
Total equity and liabilities		290,103	288,137

Director: 
 Steven Gooden

Director: 
 Alok Jain

The unaudited Financial Statements were approved and authorized for issue by the Board of Directors on February 12, 2024 and are signed on its behalf.

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

	Notes	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Unaudited Year Ended December 31, 2022					
Balance at January 1, 2022		27,000	-	27,131	54,131
Dividend Payable	11		-	(7,000)	(7,000)
Net profit being total comprehensive income for the period		-	-	(7,140)	(7,140)
Balance at December 31, 2022		27,000	-	12,991	39,991
Unaudited Year Ended December 31, 2023					
Balance at January 1, 2023		27,000	-	12,991	39,991
Other comprehensive income			8	-	8
Dividend Payable	11		-	(15,000)	(15,000)
Net profit being total comprehensive income for the period		-		23,860	23,860
Balance at December 31, 2023		27,000	8	21,851	48,859

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

	Unaudited Year ended December 31, 2023 \$'000	Audited Year ended December 31, 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	23,860	(7,140)
Adjustments for:		
Depreciation of property and equipment	304	123
Depreciation - Right of use asset	92	35
Gain on disposal of property and equipment	(57)	-
Unrealized foreign exchange losses	(112)	268
Amortization of intangible assets	14,518	13,676
Interest income	(1,450)	(708)
Income Tax charge	8,102	2,854
Finance cost recognized in profit or loss	14,538	14,798
Increase in provisions	1,859	868
Operating cash flows before movements in working capital	61,654	24,774
Increase in inventories	(39)	3
Decrease (Increase) in other receivables	(302)	1,716
Provisions utilized during the year	(1,764)	(2,216)
(Decrease) Increase in trade and other payables	(443)	(2,435)
Decrease in contract liabilities	(155)	50
Cash generated from operations	58,951	21,882
Lease liability payments – interest	(23)	-
Income tax paid	(3,113)	(162)
Interest paid	(14,071)	(14,477)
Net cash provided by (used in) operating activities	41,744	7,253
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash acquired	-	(799)
Proceeds from disposal of property and equipment	89	1
Interest received	1,450	708
Payments for property and equipment	(455)	(70)
Decrease in restricted cash	(18,157)	5,277
Net cash (used in) provided by investing activities	(17,073)	5,117
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liability payments - principal	(90)	-
Long-term loans repaid	(7,558)	(6,631)
Dividends paid	(15,000)	(7,000)
Net cash provided by (used in) financing activities	(22,648)	(13,631)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	2,023	(1,261)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,421	6,720
Effect of foreign exchange rate changes	(220)	(38)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7,224	5,421

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
YEAR ENDED DECEMBER 31, 2023
(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 with National Road Operating and Constructing Company Limited (“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 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 US\$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
YEAR ENDED DECEMBER 31, 2023
(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, Operator, Contractor, and Vinci Concessions S.A.S 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.S and Bouygues Travaux Publics in the Operator. The Company has immediately exercised the Call Option to acquire Vinci Concessions S.A.S’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
YEAR ENDED DECEMBER 31, 2023
(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 year ended December 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
YEAR ENDED DECEMBER 31, 2023
(Expressed in United States dollars)

3 Settlement on Acquisition of Subsidiary

The investment in subsidiary as at year end December 31, 2022 is as follows:

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

4 Operating Expenses

	Unaudited 12 months Ended December 31, 2023 \$'000	Audited 12 months Ended December 31, 2022 \$'000
Insurance	1,827	1,483
Marketing and advertising	359	333
Utilities	14	16
Legal and professional fees	666	2,575
Repairs and maintenance	3,590	1,688
*Operator fixed fees	-	17,729
*Operator variable fees	-	1,959
Bank charges	609	408
Amortization of intangible assets	14,518	13,676
Safety and sanitation	54	2
Security expenses	662	12
T Tag & Swipe Cards	22	18
Other operating expenses	<u>119</u>	<u>10</u>
	<u><u>22,440</u></u>	<u><u>39,909</u></u>

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

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

5 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, 2023 \$'000	Audited 12 months Ended December 31, 2022 \$'000
Deferred tax (charge)/credit	(3,826)	(1,517)
Corporate tax	(4,276)	(1,337)
	<u>(8,102)</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 US\$84.03 million (2022: US\$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.

6 Earnings/(Loss) per Share

The Group's calculation of earnings per stock unit of \$0.002 (Year ended December 2022 (\$0.0006) is based on the profit of US\$23,868 million, (Year ended 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.

7 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:

	Unaudited December 31, 2023 \$'000	Audited December 31, 2022 \$'000
Deferred tax assets	22,495	26,584
Deferred tax liabilities	(7,107)	(7,370)
Net	<u>15,388</u>	<u>19,214</u>

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

7 Deferred Tax Asset (Continued)

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

	Unaudited December 31, 2023 \$'000	Audited December 31, 2022 \$'000
Opening balance	19,214	20,706
On acquisition of subsidiary		25
Charge to income for the year	(3,826)	(1,517)
	<u>15,388</u>	<u>19,214</u>
Closing balance	<u>15,388</u>	<u>19,214</u>

8 Share Capital

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

Stated Capital:

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

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

9 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, 2023 No. of Shares '000	Audited December 31, 2022 No. of Shares '000
Restructured preference share	24,096	24,449
Interest accrued	486	493
	<u>24,582</u>	<u>24,942</u>
Classified as:		
Current	486	493
Non-current	24,096	24,449
	<u>24,582</u>	<u>24,942</u>

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, 2023 amounted to US\$0.486 million, (12 months December 2022: US\$0.493 million).

10 Borrowings

	Unaudited December 31, 2023 \$'000	Audited December 31, 2022 \$'000
Secured – at amortized cost		
Senior Secured Notes	214,291	220,923
Accrued interest	2,741	2,738
Principal repayment	(7,558)	(6,632)
Unamortized borrowing cost	(6,812)	(7,260)
	<u>202,662</u>	<u>209,769</u>
Total liabilities	<u>202,662</u>	<u>209,769</u>

NOTES TO THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY
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10 Borrowings (Continued)

	Unaudited December 31, 2023 \$'000	Audited December 31, 2022 \$'000
Secured – Classified as:		
Current	10,852	9,848
Non-current	191,810	199,921
	<u>202,662</u>	<u>209,769</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.

11 Dividends

At a Board meeting held on September 26, 2023, an interim dividend of \$15.00 million (\$1.20 USD per 1,000 share, \$0.1866 JMD per share) was declared and was paid on October 25, 2023 (2022: on September 30, 2022, dividend of \$7.00 million (\$0.56 USD per 1,000 share, \$0.0855 JMD per share) was declared and was paid on October 25, 2022).

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, 2023				
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	983,392,466	-	983,392,466	7.8665
Musson Investments Ltd	767,590,437	-	765,590,437	6.1242
Jamaica Money Markets Brokers Ltd	763,642,219	-	763,642,219	6.1086
NCB Capital Markets (Barbados) Ltd	548,395,366	-	550,962,486	4.4073
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 Capital Markes Ltd. A/C 2231	228,343,545	-	228,343,545	1.8266
NCB Insurance Agency & Fund Managers Ltd WT161	190,606,082	-	190,606,082	1.5247
Total	6,917,010,115		6,917,577,235	55.336
Director	Shareholding	Connected Parties	Total Shareholding	Percentage
Alok Jain	-	12,990,000	12,990,000	0.10391
Ian Dear	700,880	-	700,880	0.00561
John "Mitchie" Bell	5,000,000	-	5,000,000	0.04000
Steven Gooden	9,542,550	-	9,542,550	0.07633
Total	15,243,430	12,990,000	28,233,430	0.22585
Senior Manager	Shareholding	Connected Parties	Total Shareholding	Percentage
Ivan Anderson	21,276,000	35,684	21,311,684	0.17048
Susan Garriques	6,042,000	376,000	6,418,000	0.05134
Total	27,318,000	411,684	27,729,684	0.22182
GRAND TOTAL	6,959,571,545	13,401,684	6,973,540,349	55.78367
Total Issued Capital:	12,501,000,000			
Disclosure of Connection to Top 10 Shareholder:				
Director	Shareholding	Connected Parties	Total Shareholding	Percentage
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, 2023				
Preference Shareholder	Shareholding	Connected Parties	Total Shareholding	Percentage
The Corridor Holdings Ltd	560,405,500	-	560,405,500	20.7558
Sagicor Life Jamaica Ltd	283,199,296	-	283,199,296	10.4889
MF&G Asset Management Ltd - NCBCM Unit Trust Scheme	271,604,902	-	271,604,902	10.0594
Sagicor Pooled Fixed Income Fund	176,982,531	-	176,982,531	6.5549
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 WT10g	106,188,577	-	106,188,577	3.9329
NCB Insurance Agency and Fund Managers Ltd WT16o	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	1,971,250,766		1,971,250,766	73.0094
GRAND TOTAL	1,971,250,766		1,971,250,766	73.0094
Total Issued Capital:	2,700,000,000			