



TRANSJAMAICAN  
HIGHWAY LTD

# ANNUAL REPORT

## 2023

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PULSE OF PROGRESS:  
SUSTAINING THE NATION'S LIFELINES  
THROUGH OUR HIGHWAY



# Avoid the lag, Get the **e-TAG**



# Vision

To become the most trusted and recognizable provider of infrastructure solutions in the Caribbean. We aspire to build a legacy of excellence that inspires and empowers our customers and stakeholders, setting the standards for quality, reliability, and innovation in our industry.

# Mission

To design, build operate and maintain infrastructure solutions using global best practices that create stakeholder value by enabling sustainable economic development throughout the Caribbean.

# About Us

TransJamaican Highway is the concessionaire of the Highway 2000 East-West; Jamaica's first toll road. Our Subsidiary Jamaican Infrastructure Operator (JIO) is the Operator of the Road Network under an Operations & Maintenance Agreement.

Our core business activity is the development, operation and maintenance of a tolled road network in Jamaica known as the "Highway 2000 East-West", a 50km tolled motorway with two distinct corridors:

1. T1 – 43.5km between Kingston and May Pen
2. T2 – 6.5km between Portmore and Kingston

There are currently four (4) toll plazas:

1. Vineyards
2. Spanish Town
3. Portmore
4. May Pen

We continue to provide exceptional service and a road network that is maintained to International Standards for the benefit of our valued customers to save them time and money.

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# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of TRANSJAMAICAN HIGHWAY LIMITED (“the Company”) will be held on Thursday July 4th, 2024 at The Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5, in the Parish of Saint Andrew at 10:00 a.m. to consider, and if thought fit, to pass the following resolutions:

## Ordinary Business: Resolutions 1 – 5

### **1. To receive the audited accounts for the year ended December 31, 2023**

#### Resolution 1 – Audited Accounts

“THAT the audited accounts for the year ended December 31, 2023 together with the reports of the Directors and Auditors thereon be and are hereby adopted.”

### **2. To ratify interim dividend payments and declare them final**

#### Resolution 2 – Interim Dividend

“THAT the interim dividends of US\$15 million (JMD\$1.20 per 1,000 share) paid on October 25, 2023 for the year, be and are hereby ratified and declared as final and that no further dividend be paid in respect of the year under review”.

### **3. To elect Directors**

(a) The Directors retiring by rotation pursuant to Article 114 of the Articles of Incorporation are Julie Thompson-James, Stephen Edwards and Ventley Brown who being eligible for re-election offer themselves for re-election.

#### Resolution 3(i) – Re-election of Julie Thomspson-James

“THAT the retiring Director, Julie Thompson-James be and is hereby re-elected a Director of the Company.”

#### Resolution 3(ii) – Re-election of Stephen Edwards

“THAT the retiring Director, Stephen Edwards be and is hereby re-elected a Director of the Company.”

#### Resolution 3(iii) – Re-election of Ventley Brown

“THAT the retiring Director, Ventley Brown be and is hereby re-elected a Director of the Company.”

(b) Mr. John Bell was appointed Director of the Company on November 3, 2023. Pursuant to Article 120 of the Articles of Incorporation his appointment expires on the date of the next annual general meeting and being eligible for election to the Board hereby offers himself for election.

#### Resolution 3(iv) – Election of John Bell

“THAT John Bell be and is hereby elected a Director of the Company.”

### **4. To approve the remuneration of the Directors**

#### Resolution 4 – Directors’ Remuneration

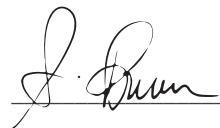
“THAT the amount included in the Audited Accounts of the Company for the year ended December 31, 2023 as remuneration for their services as Directors be and is hereby approved.”

### **5. To re-appoint Auditors and fix their remuneration**

#### Resolution 5 – Re-appointment of Auditors

“THAT Ernst & Young, Chartered Accountants, having agreed to continue in office as Auditors of the Company, be and are hereby re-appointed Auditors of the Company to hold office until the next Annual General meeting at a remuneration to be fixed by the Board of Directors of the Company.”

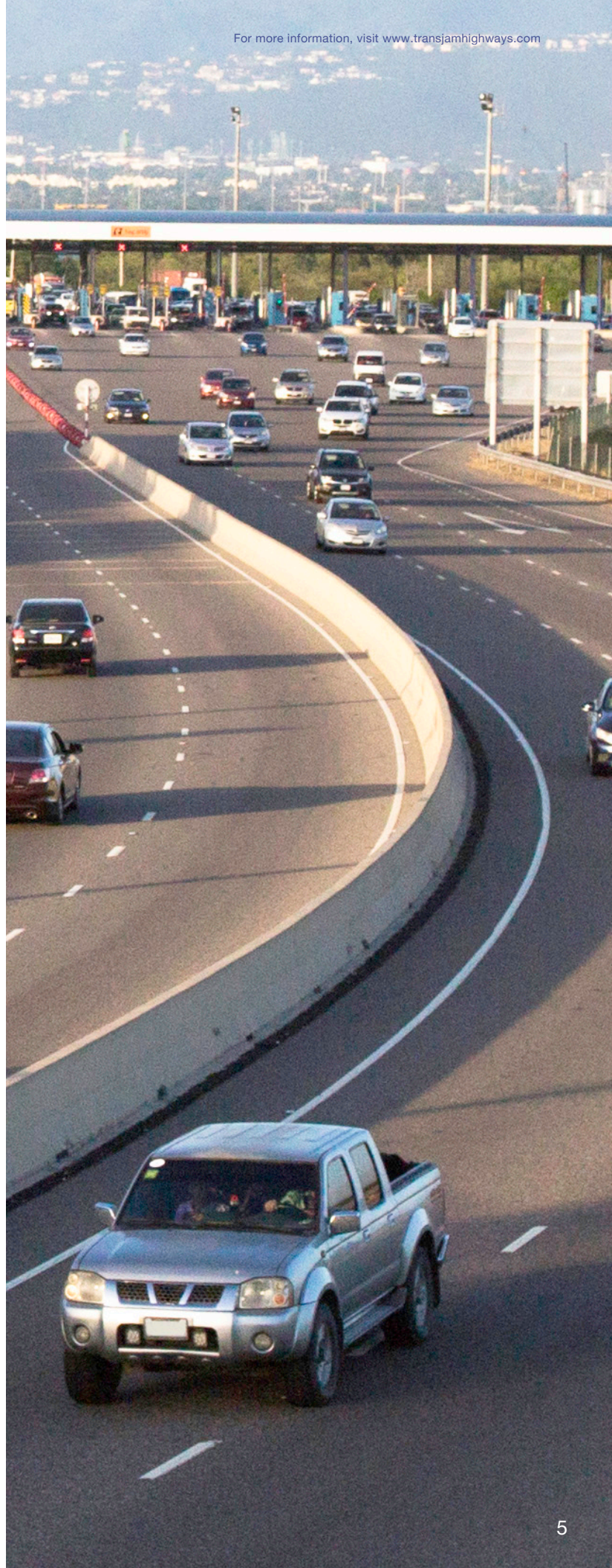
Dated the 26th day of April 2024 by Order of the Board



Secretary

This AGM is being held as a “hybrid” meeting and you may attend in person physically at the venue, or by electronic means or by proxy.

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her behalf. A proxy need not be a member of the Company.
2. A suitable Form of Proxy is enclosed for your convenience.
3. If you wish to appoint a proxy, the Form of Proxy must be completed, signed and lodged with the Registrar of the Company, the Jamaica Central Securities Depository (“JCSD”), using one of the following methods, not less than 48 hours before the time appointed for the Meeting:
  - a. by hand delivery to JCSD Trustee Services Limited at 40 Harbour Street, Kingston; or
  - b. by post addressed to JCSD Trustee Services Limited at 40 Harbour Street, Kingston;
  - c. by facsimile at (876) 969-3730; or
  - d. by email: [tjhighway@h2k-tjh.com](mailto:tjhighway@h2k-tjh.com)
4. A corporate shareholder may, instead of appointing a proxy, appoint a corporate representative in accordance with Article 102 of the Company’s Articles of Incorporation.



# Chairman's Foreward



This last year 2023, was the first full year of operations following the restructuring of the group with the acquisition of the Operator, Jamaica Infrastructure Operators (JIO) in December 2022. As anticipated, this acquisition has resulted in a significant decline in our Operating Expenses by some US\$17.5 million from US\$39.9 million in 2022 to US\$22.4 million in 2023.

This reduction in expenses has significantly boosted our profitability. At the end of 2023, the Net Profit for the Group was US\$23.97 million an increase of US\$31 million over Net Loss of US\$7.14 million for the same period in 2022. When the one-off settlement loss of US\$13.9 million is added back to the net loss for last year the profit for 2023 is still 356% of the profit for 2022.

Revenues for the group also increased by 16% from US\$65 million in 2022 to US\$75.2 million in 2023. When compared with the pre-pandemic period, revenues for the group have also fully recovered and are now more than 41% above the pre-pandemic levels.

As seen throughout the pandemic, our financial structure continues to remain solid. Our commitments to our bond and shareholders continue to be fully protected. In October 2023, we made our fourth dividend payment since our Initial Public Offering (IPO) in the amount of US\$15 million (\$1.20 per 1,000 share), 2.14x the October 2022 payment of US\$7 million (\$0.56 per 1,000 share). For those investors who purchased the shares during the IPO, our 2023 Dividend represents a Dividend yield of 12% and is one of the highest on the Jamaica Stock Exchange.

Additionally, in keeping with our commitment to increasing the frequency of dividend payments, in March 2024 the Board approved the payment of a fifth dividend distribution of US\$7.5 million (\$0.60 per 1,000 share).

These improvements in our performance combined with Jamaica's Sovereign improvements resulted in upgrades in our ratings. In September 2023 Standards and Poor's upgraded the rating of our senior secured notes from B+ to BB-. Similarly, in March 2024, Fitch also upgraded its rating from 'BB-' to 'BB'.

We also continued to carry out highway inspections and heavy maintenance works in accordance with international standards and remain committed to maintaining our infrastructures at the highest standards.

As part of these changes, the Company also undertook a reorganization of the group structure to improve efficiency. We also implemented an Environmental, Social and Governance (ESG) policy to guide our group operations.

## LOOKING AHEAD

In 2024 we expect to continue our negotiations concerning our right of first refusal to operate the Phase 1C leg of Highway 2000 East-West network (28 kms between May Pen and Williamsfield). Construction on this leg was completed by the Government of Jamaica in September 2023 through the National Road Operating and Constructing Company (NROCC).

As part of our commitment to expand the network we have also signed a contract for the expansion of the interchange at Freetown. Work is now expected to commence in the second quarter of 2024.

Negotiations have also been completed with Rubis for the construction of a second service station on the Highway at Portmore. Work is expected to commence in 2024. This service station will be located on lands adjacent to the Portmore toll plaza.

Approval has also been received from the Portmore Municipal Authority for the construction of our new TJH head offices on lands adjacent to the Portmore Toll Plaza.

Our development projects are always very much in our minds, whether they are located around our corridor, elsewhere in Jamaica or in the Caribbean region. The experience accumulated since our inception in 2001 is undoubtedly a major asset and allows us to look to the future with serenity and with the ambition to help shape a better life for the people of the territories crossed.

Once again, we take this opportunity to say thank you to our staff, shareholders and all our other stakeholders who continue to partner with us. Without you this would not be possible.



Charles Paradis  
Chairman

# Directors' Report



**TEAM MEMBERS**

**239**

**TJH - 9  
JIO - 35  
OUTSOURCED - 195**



**REVENUE 2023**

**US\$  
75.2  
MILLION**



**DIVIDENDS PAID**

**US\$  
15 MILLION**



**2023 TRAFFIC  
27.1 MILLION  
VEHICLES**



**DEBT SERVICE  
COVERAGE RATIO:**  
**2.95x**



**81%**  
**CUSTOMER  
SATISFACTION**

## AWARDS



**10 Years** of International Organization for Standardization (ISO) Certification

## ESG



Harvested and utilized approximately **1.3 million liters** of rainwater since **2019**



GHG emissions were reduced by approximately **49%** from an average of **557 metric tons** annually to **281**

## PERFORMANCE COMPARED WITH IPO FORECAST



Traffic up **3.6%** over our 2020 IPO forecasts for **2023**



Revenue also up **14%** over the IPO projections of **US\$65.8 million** for **2023**

# Board Of Directors



**Charles Paradis**  
 Chairman & Independent Non-Executive Director  
 Appointed February 2003 to December 6, 2019  
 Re-appointed January 22, 2020

Charles Paradis began his career working at the French Ministry of Defence, in the Maritime Affairs department. He joined Bouygues Travaux Publics in 1988, as head of the commercial department. After being involved in several concession projects, he took charge of the company operating the Istria motorway in Croatia in 1997.

Charles Paradis has over 20 years' experience in civil engineering and management of shareholdings with specific focus on road, tunnel and bridge projects in Hungary, Croatia, United Kingdom, South Africa, Germany, France, Jamaica and South Korea.

He was made Senior Vice President, Concessions prior to his appointment as Chief Executive Officer of Bouygues Construction Concessions in February 2003. Before he retired in early 2020, he was also a member of the General Management Committee at Bouygues Construction.

He is a graduate of Massachusetts Institute of Technology, the Ecole Polytechnique and the Ecole Nationale des Ponts et Chaussées. He has a Master's Degree in Sciences-Civil Engineering, option Mechanics of Fluids as well as Engineer degrees.



**Julie Thompson-James**  
 Independent Non-Executive Director  
 Appointed January 22, 2020

Julie Thompson-James is an Attorney at Law and founder of Cube Corporate Support Limited, a corporate governance advisory firm. Julie's experience spans both the public and private sector. In the public sector, she served as Corporate Secretary and Legal Counsel to the Financial Sector Adjustment Company Limited and member of the Commission established by the Ministry of Finance 2019 to review the Government Pension structure.

Her public sector service also saw her in the role of Assistant Attorney General, Attorney General's Chambers, Litigation Division, Ministry of Justice. Julie has held progressive roles in the private sector with Scotia Group Jamaica Limited inclusive of Vice President, Regional Head, Senior Legal Counsel & Corporate Secretary with responsibility for general legal advice, Corporate Services and Compliance and Vice President, Business Support, Caribbean Central. Julie has held several directorships including the Director of Allied Insurance Brokers Limited, Director Students Loan Bureau, a member of the Jamaica Stock Exchange Best Practices Committee and chair of the Private Sector Organization of Jamaica Corporate Governance Sub Committee.

Julie holds a Bachelor of Laws (LLB), (Hons.) from the London School of Economics, London, England; Certificate of Legal Education from the Norman Manley Law School, University of the West Indies, Kingston, Jamaica and a Bachelor of Arts degree in Economics & Business Administration (Hons.) from Howard University, Washington, D.C., U.S.A. Her legal experience spans over 20 years and includes: Complex Commercial & Civil Litigation; Banking, Insurance and Securities law; Company Law, Corporate Governance and Shareholder engagement.



**Ian Dear**  
Independent Non-Executive Director  
Appointed January 22, 2020

Ian Dear is the founder and current Chairman and CEO of Margaritaville Caribbean Group (MCG), an industry leading hospitality company which has two subsidiaries publicly traded on the Jamaica Stock Exchange. Under Ian's leadership the Company portfolio has expanded to include a diverse range of hospitality concepts in 40 locations throughout the Caribbean. Ian has been a Justice of the Peace for the parish of St. James, since 1996 and maintains active involvement in several community service organizations.

He is currently Chairman of the Board of the Tourism Product Development Company Limited (TPDCo.) and is also a board member of the Tourism Enhancement Fund (TEF).

In addition to these appointments, Ian has served as a member and board member for several organizations to include the Jamaica Hotel and Tourist Association, Airports Authority of Jamaica, the Private Sector Organization of Jamaica, Young President's Association, the Montego Bay Chamber of Commerce, the Jamaica Cruise Council and the Attractions Association of Jamaica.

In 2020, Jamaica's Governor General appointed Ian Dear to the Order of Distinction, in the rank of Commander for his contributions to Caribbean Tourism and Real Estate Development.



**Hon. Patrick Hylton**  
Independent Non-Executive Director  
Appointed June 25, 2021

Hon. Patrick Hylton, O.J., C.D., LL.D. (Hon), A.C.I.B., B.B.A.

Patrick Hylton is a son of Jamaican soil, Patrick was born and raised in rural Clarendon, Jamaica. With more than three decades of experience in Banking and Finance, Patrick's bold and fearless leadership and achievements have earned him international prominence as an expert in the field.

Today, Patrick is chairman of the University Hospital Of The West Indies, chairman of Glenmuir High School and sits on the boards of Massy Holdings (Trinidad), and the American International School Of Kingston. In the mid-1990s, he was appointed by the Government of Jamaica to lead the restructuring of the Jamaican financial sector – a project that earned him the national award of the Order of Distinction (Commander Class) in 2002. In October 2020, he was also conferred with the Order of Jamaica, for distinguished contribution to the Financial Sector and Philanthropy.



**Alok Jain**  
Independent Non-Executive Director  
Appointed January 22, 2020

Alok Jain currently serves as a Senior Advisor at the Office of the Prime Minister. He is also Chairman of the Port Authority of Jamaica and serves on a number of other Boards including the National Identification and Registration Authority, Development Bank of Jamaica, Mayberry Group Limited, and Mayberry Jamaican Equities Limited.

Alok is a former Partner of PricewaterhouseCoopers (PwC) where he held a number of leadership roles, most recently as leader of PwC's Advisory practice in the Caribbean. He previously served as leader of PwC's Assurance practice in Jamaica. Alok also served as an Adjunct Lecturer at the Mona School of Business and Management at the University of the West Indies.

Alok is a Chartered Accountant, Certified Information Systems Auditor as well as a CFA Charter holder. He has extensive experience in accounting and auditing as well as in corporate finance, valuations of companies, due diligence investigations, stock exchange listings, privatization and public private partnerships (PPP), capital restructuring, and acquisitions and mergers.

In 2022, he was conferred with the Order of Distinction in the rank of Commander for service to the Accountancy Profession and for Public Service.



**Steven Gooden**  
Independent Non-Executive Director  
Appointed June 25, 2021

Steven Gooden is the Founder and Principal of White River Capital Inc, a private equity and real estate outfit. For 10 years leading up to September 2023, he was the Chief Executive Officer of NCB Capital Markets Ltd (NCBCM). Under his leadership, NCBCM became a leading investment house in the Caribbean, having significantly expanded its footprint via the establishment of strategic hubs in the Cayman Islands, Trinidad & Tobago, Barbados, and Guyana.

Steven's ascent to executive leadership began at the age of 26 when he assumed the role of General Manager at one of Jamaica's prominent fund management companies. Between 2017 and 2023, he served as the President of the Jamaica Securities Dealers Association (JSDA), presiding over an era marked by unprecedented growth and progress within Jamaica's capital markets.

A Chartered Financial Analyst (CFA) charter holder, Steven has a Master of Science degree in Finance and Economics from the University of Southampton and a Bachelor of Science degree in Economics and Accounting from the University of the West Indies (UWI), Mona. He has also participated in executive development programs covering strategy, change Leadership and mergers & acquisitions.

In 2023, the Government of Jamaica appointed Steven as Chairman of the Jamaica International Financial Services Authority (JIFSA) and as a director of the Jamaica Special Economic Zone Authority (JSEZA). He is also a director of the Mona School of Business and Management at UWI as well as a former director of the Jamaica Stock Exchange. Additionally, he serves as the Chairman of two publicly listed junior market companies, Limners and Bards Ltd and Elite Diagnostic Ltd.



**Stephen Edwards**  
Independent Non-Executive Director  
Appointed December 16, 2021

Stephen Edwards is the Managing Director of the National Road Operating and Constructing Company Limited (NROCC). He is a Civil Engineer and former Lecturer in the Faculty of Engineering and Computing at the University of Technology (UTECH), in Kingston Jamaica.

In addition to his experience in the private sector through teaching and construction management, his other public sector service includes senior roles at the Housing Agency of Jamaica (HAJ) and the Tourism Product Development Company (TPDCo).

Stephen is a graduate of Florida International University (FIU) in Miami, Florida, where he earned a Master of Science degree in Construction Management. He also holds a Bachelor of Science Degree in Physics from Boston College (BC) and a Bachelor of Science Degree in Civil Engineering from FIU, where he was inducted into the 'Tau Beta Pi – Engineering Honour Society', the 'Chi Epsilon – Civil Engineering Honour Society', and the 'Golden Key Honour Society'.

He is also a member of the Jamaica Institution of Engineers (JIE). Stephen has strong passion for service to others and while teaching at Holy Trinity High he established "The Write Path Jamaica" charity, which sources school supplies for students from low-income families. One of Stephens' core beliefs is that education is the best vehicle to create equal opportunity for all persons.



**Dr. Ventley Brown**  
Independent Non-Executive Director  
Appointed December 16, 2021

Dr. Ventley Brown is an educator who currently serves as the Chief Business Executive Officer at City & Guilds, Caribbean Representative Office. He holds a PhD. in Educational Leadership and Management and is currently pursuing a second PhD. in Higher Education with the Delaware State University.

Dr. Brown is a community activist and serves as a Justice of the Peace and on a number of Boards. He is the Chairman of the Denbigh Primary and Good Hope Primary Schools and also serves as a board member of Denbigh High School in Clarendon. He is the 2nd Vice President of the St. Catherine Football Association, and he is also a member of the Board of the National Road Operating and Constructing Co. Ltd. (NROCC) where he serves as Chairman of the Audit Committee.

He is a graduate of the GC Foster College of Physical Education and Sport and, completed a Master of Science Degree in Sports Management at the University of Technology. He has represented Jamaica overseas in the sporting arena where he managed multiple track and field and Rugby League teams in many countries such as China, Turkey, Brazil, UK, USA and the Bahamas. Dr. Brown served as President of the Jamaica Rugby League Association, Treasurer of The Caribbean University Sporting Association (CUSA) and Vice-President of The Jamaica Inter-Collegiate Sporting Association.

He also served as a Consultant on the Redbull Speed Trap Project and currently serves as advisor to The Alabaster Gates Charity, Canada, and Consultant to ProForm Sports, USA. Ventley is humble, diligent and believes that education is the vehicle of change that the society requires. He continues to offer voluntary support to programs that are related to sports, education and social change.



**Nicholas A. Scott**  
Independent Non-Executive Director  
Appointed May 12, 2023

Nicholas A. Scott is the Chief Investment Officer of the Musson Group, one of the largest private companies in the Caribbean. Musson is a diversified holding company which owns stakes in several public and private businesses in the manufacturing, distribution, enterprise technology, insurance and real estate industries. Musson's investments include Seprod (JSE:SEP), Productive Business Solutions (JSE:PBS), General Accident Insurance (JSE:GENAC), AS Brydens, Facey Commodity, T. Geddes Grant and Canopy Insurance.

Nicholas holds a B.Sc in Economics from the Wharton School at the University of Pennsylvania, an MBA from Columbia Business School and an MPA from the Harvard Kennedy School.

Nicholas is also the Vice Chairman of Eppley (JSE:EPLY) and Chairman of the Eppley Caribbean Property Fund (JSE:CPFV). Eppley is a listed investment vehicle that originates and invests in real estate, infrastructure, mezzanine and credit opportunities in the Caribbean on its own account and through its funds. CPFV is the largest listed real estate mutual fund in the Caribbean.

He serves as the Chairman of the Student Loan Bureau, a statutory agency of the Government of Jamaica focused on financing tertiary education. Previously Nicholas Scott worked as a private equity investor and investment banker at the Blackstone Group and Morgan Stanley in New York and Brazil.



**John "Mitchie" Bell**  
Independent Non-Executive Director  
Appointed January 22, 2020 to December 3, 2021  
Re-Appointed November 3, 2023

John ("Mitchie") Bell is a Director of Proven Wealth Limited, Cable & Wireless Jamaica Limited and Advantage General Insurance Limited as well as a past director of NCB Capital Markets Limited and a past Chairman of Salada Foods Jamaica Limited.

John Bell is a former partner of PricewaterhouseCoopers, where he was Lead Partner of the firm's Financial Services Audit and Assurance practice for several years.

Mr. Bell was educated at The Lodge School in Barbados and later the University of the West Indies, Jamaica where he received a Bachelor of Science degree in Economics and Accounting. He is a Certified Accountant and a fellow of the Institute of Chartered Accountants of Jamaica.



# Corporate Governance

The Board of Transjamaican Highway Limited remains committed to providing strategic leadership and oversight of the management of the Company's business in a manner that ensures that Shareholders and Stakeholders interests are protected, and all legal and regulatory requirements are met. Our Directors are committed to performing their duties with honesty, integrity and sound business acumen in the best interest of the Company and for its sustainable growth and success.

STRATEGIC	GOVERNANCE	OVERSIGHT	PEOPLE
Business Development	Compliance with laws & regulations	Operating Plans & Budgets	Appointment and removal of members
Risk Assessment & Management	Corporate citizenship and sustainable development	Approval of Quarterly & Annual Financial Statements	Succession Planning Remuneration
Debt Management	Shareholder/ Stakeholders Interest	Management's Performance	Annual Board Evaluation

## BOARD ROLES

### Chairman

The members of the Board are charged with electing a non-executive Director with sound knowledge of financial matters and preferably with experience in the industry at the senior level, to chair the Board. Mr. Charles Paradis remained as Chairman of the Board for year 2023.

Mr. Paradis possess the requisite skills and expertise and ably provides good guidance and governance as he was also the Board's Chairman for 16 years prior to his resignation in December 2019, as a result of the acquisition of the Company's shares by NROCC. His subsequent reappointment in January 2020, speaks to the soundness of his leadership.

### Managing Director

The Directors are also charged with the appointment of a Managing Director with overall responsibility for the management of the Company. Mr. Ivan Anderson was appointed Managing Director and Group CEO by the Board of Directors. He continues to hold responsibility for the overall management of the Project and leads the executive team.

### Corporate Secretary

The Company Secretary is appointed by the Board for such term and upon such conditions as may be required and may be removed by them. Mrs. Susan Brown has occupied the role since 2016 and is responsible for the efficient administration of the Board. She continues to assist the Board's Chairman with the agenda, information gathering and other logistics as it relates to meetings and the Board carrying out its duties.

## BOARD COMPOSITION

Our Articles of association allows for no less than five (5) or more than twelve (12) Directors. Our Corporate Governance policy stipulates that at no point must the number of Executive Directors exceed 50% of the total number of Directors. The Definitions for the types of Directors are as follows:

- An Executive Director is a Director who is an employee on the management team of the Company.
- A Non-Executive Director is a Director who is not a part of the management team of the Company.
- An Independent Director is a Director who is not related to the Company and is free of any interest, position, association, or relationship that might influence or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the Company, its shareholders and bondholders.

As at December 31, 2023, The Board is comprised of ten (10) independent non-executive Directors.

## BOARD MEETINGS

Four main Board meetings were held in line with the frequencies of meetings and activities outlined in the Corporate Governance Policy. Six Special Board meetings were also held to allow the Board's deliberation on specific matters including the payment of Dividend to Ordinary Shareholders. The Committee meetings were also held in line with the frequencies of meetings and activities outline in the respective Charters. Meeting attendance for the year 2023, was recorded as follows:

NAME	BOARD	COMMENTS	AUDIT	CORPORATE GOVERNANCE	NOMINATION & COMPENSATION
Number of Meetings Held	10		4	1	4
Charles Paradis (Chairman)	10/10				4
Julie Thompson-James	9/10		4/4	1	4
Alok Jain	9/10	Conflict of Interest declared for 1 meeting		1	
Ian Dear	9/10		4/4		4
Steven Gooden	8/10		3/4		
Patrick Hylton	7/10				
Stephen Edwards	8/10	Conflict of Interest declared for 1 meeting			
Ventley Brown	6/10	Conflict of Interest declared for 1 meeting		0	
Nicholas A. Scott	5/6	6 meetings held since appointment			
John ("Mitchie") Bell	6/6	Attended Main Boards and 2 meetings held since his re-appointment	4/4		

## BOARD REMUNERATION

The form and amount of Director Compensation is determined by the Board based on the recommendations of the Nomination and Compensation Committee. Consideration is given to the level of involvement required by a Director in terms of time commitment and responsibilities and should be so designed to attract, maintain and motivate the quality Directors that the Company requires. Fees paid for the Financial Year 2023, are as follows:

NON-EXECUTIVE DIRECTORS	FEE PER ANNUM (USD)
Charles Paradis (Chairman)	24,394
Ian Dear	23,523
Julie Thompson-James	23,523
Alok Jain	23,523
Steven Gooden	23,523
Patrick Hylton	23,523
Ventley Brown	17,424
Stephen Edwards	17,424
Nicholas A. Scott *	8,784
John ("Mitchie") Bell**	22,208

\* Appointed May12th 2023

\*\* Audit Chair Jan - Oct, Board re-appointed Nov - Present

## BOARD PERFORMANCE

Some of the major activities undertaken during last year's Board meetings include:

<b>Finance</b>	Approval and quarterly review of the Annual Budget	
	Approval and quarterly review of the unaudited financial statements and the associated release for the Stock Exchange	
	Approval of the Audited Financial Statements	
<b>Operations</b>	Quarterly Review of the Company's overall performance to include: <ul style="list-style-type: none"> <li>• Growing our revenue through Traffic Improvement and other initiatives</li> <li>• Impact of our marketing initiatives</li> <li>• Operation efficiencies and improvements continued upgrading of the Toll software and equipment, continued maintenance of the motorway, reducing delays at the Toll Plazas, etc)</li> <li>• Cost Reduction initiatives</li> <li>• Receiving the report of the Operator/Subsidiary JIO</li> </ul>	
	<b>Other</b>	Quarterly Review Stock Price and Market review
	Disclosure of trading by Directors/Senior Management or their connected parties	
	Review of the trading policy	
	Board Training	
Appointment of new directors		
Review/Approval of policies		
Review of our investment activities		
<b>Board Committee Reviews</b>	Review of minutes for sub committees	
	Review of subcommittee composition	
<b>Special Board Meetings where also held for deliberations on the followings</b>		
Annual Toll increase submission		
Declaration of Dividends		
Ongoing discussions regarding our offer to acquire operation rights for Phase IC		
Rebranding & post restructuring exercise for the Group		

## BOARD EVALUATION

The Board and each Sub-Committee is mandated to perform an annual self-evaluation. The assessment saw the Directors evaluating various aspects of the Board and Sub-Committee's effectiveness and performance in accordance with the applicable standards of corporate governance. The assessment addressed several areas such as:

- The effectiveness of the Board and the sub committees, as well as the sub-committees Chairpersons, the Company Secretary and Managing Director in the performance of their duties.
- The effectiveness of the composition, diversity, meetings held and the adequacy and timeliness of information provided for those meetings.

The overall results showed that the Board was satisfied that the roles and responsibilities of the Board are clear and that members are satisfied with the performance of the Board and its sub-committees. The performance of the Managing Director was rated overall as very satisfying in the undertaking of his role in leading the company as directed by the Board.

## DIRECTOR ORIENTATION AND EDUCATION

Our Corporate Governance Policy dictates that the Company Secretary or member of the Company's management shall provide an orientation for new Directors which shall include materials and/or briefing sessions on subjects relevant to their duties and responsibilities and the legal and regulatory obligations of the Company. During the year, one new Director, (Mr. Nicholas A. Scott) was admitted to the Board. Our Audit Committee Chair (Mr. John Bell) was also re-appointed to the Board and remains Chairman of that Committee.

The policy also stipulates that Directors must be knowledgeable and informed about the business of the Company and concerning their duties and responsibilities and for the Board to encourage Directors to participate in continuing education programs. To this end, two activities were held last year for the Board's participation.

1. A tour of our operations was carried out on June 29th, 2023 and began at the Portmore Toll Plaza. The team also took the opportunity to tour the Williamsfield leg of the highway which was partially completed at the time.
2. A comprehensive Corporate Governance Training session was held on October 30th and 31st, 2023 at the Portmore Toll Plaza. The sessions were led with the aid of consultants from PWC and focused on crucial topics such as:
  - a. management and oversight,
  - b. governing body effectiveness,
  - c. remuneration, accountability,
  - d. audit and risk management,
  - e. corporate sustainability, and ethics.

The sessions were also attended by senior managers and other key staff with a view of fortifying our commitment to robust corporate governance practices. This training was aimed at reinforcing a culture of transparency, accountability, and ethical conduct within our organization, aligning with best practices for effective corporate governance.

## BOARD COMMITTEES

The Board has three (3) Committees established to provide additional oversight in specific areas. The Chairman of each Committee is responsible for reporting to the Board on the activities of the Committee and making recommendations, as necessary or as required, at each Board meeting.

The members of the various Committees are as follows:

NAME	AUDIT	NOMINATION & COMPENSATION	CORPORATE GOVERNANCE
<b>Charles Paradis</b>		Chairman	
<b>John "Mitchie" Bell</b>	Chairman		
<b>Ian Dear</b>	*	*	
<b>Steven Gooden</b>	*		
<b>Julie Thompson-James</b>	*	*	Chairman
<b>Alok Jain</b>			*
<b>Ventley Brown</b>			*

## AUDIT COMMITTEE

### Composition

<u>Members</u>	<u>Attendance</u>
John Bell - Chairman	4/4
Julie Thompson-James	4/4
Ian Dear	4/4
Steven Gooden	3/4

*\*All Independent Directors*

### Purpose

The Audit Committee is mandated to assist the Board of Directors in fulfilling its oversight responsibilities by providing advice and guidance on the organization's financial and operational reporting, internal control framework, risk management, oversight of the internal audit process and external auditors. It also monitors compliance with the relevant Acts and policies.

### Role

This Committee is empowered to:

- Oversee the integrity of the Company's financial statements and the Company's accounting and financial reporting processes and financial statement audits.
- Appoint, compensate, and oversee all audit and non-audit services performed by auditors.
- Pre-approve all auditing and non-audit services performed by auditors.
- Oversee the Company's compliance with legal and regulatory requirements.
- Oversee the Company's internal controls over financial reporting.
- Oversee the Company's compliance with ethical standards adopted by the Company.

### Key Activities for FY2023

- Financial Review of the following for recommendation to the Board for approval:
  - Annual Budget,
  - Quarterly unaudited financial statements,
  - Audited Financial Statements
- Attend Separate meeting with the External Auditors to review scope and fees for the year-end financial audit
- Quarterly review of the risk & legal registers and management's statement of compliance.

Provide minutes of the meetings held to the Board along with oversight reviews on matters reviewed and discussed by the Committee.

### CORPORATE GOVERNANCE COMMITTEE

#### Composition

<u>Members</u>	<u>Attendance</u>
Julie Thompson-James (Chairman)	1/1
Alok Jain	1/1
Ventley Brown	0/1

*\*All Independent Directors*

#### Role

The Corporate Governance Committee is empowered to:

- Annually review the effectiveness of all Committees in fulfilling their responsibilities/duties set out in their respective charters.
- Review corporate governance principles applicable to the Board.
- Prepare the annual Corporate Governance Statement.
- Ensure that there is accurate, timely and full financial governance reporting.
- Ensure that material information regarding the Company's operations is disclosed in a timely manner to the public and regulatory entities.
- Review the Company's Articles of Incorporation, Charters of the Board and sub-Committees.

### Key Activities for FY2023

- Annual review of the Corporate Governance Policy
- Reviewed Current Committee composition
- Discussed the planning of the next Board evaluation
- Discussed the Governance Framework for the Subsidiary JIO
- Reviewed status of policies being developed: Sexual Harassment, ESG
- Reviewed the Group's preparation for compliance with the impending Data Protection Act
- Reviewed the JSE's Rule Amendments which became effective January 1, 2024
- Discussed ways to improve TJH's Corporate governance index received from the JSE.

Our complete Corporate Governance Guidelines are available on the Jamaican Stock Exchange's website and on our website at [www.transjamhighways.com](http://www.transjamhighways.com). The minutes of our AGMs are also available on our website.

### NOMINATION & COMPENSATION COMMITTEE

#### Composition

<u>Members</u>	<u>Attendance</u>
Charles Paradis (Chairman)	2/2
Julie Thompson-James	2/2
Ian Dear	2/2

*\*All Independent Directors*

#### Purpose

The Nomination and Compensation Committee is appointed by the Board of Directors to act on behalf of the Board in the exercise of its duties and responsibilities in relation to the compensation of the Company's executive officers and relating to the Company's compensation and personnel policies and programs, including management development and succession plans.

#### Role

This Committee is empowered to:

#### Nomination

- Propose the nomination, selection and appointment process for Board members and Senior Managers.
- Review and assess the effectiveness of the Board, its committees and structure thereof.
- Establish and review annually a succession plan for Board members, Committee members and Senior Managers.

#### Compensation

- Establish and periodically review remuneration policy for Board, its Committees and Senior Managers.
- Propose appropriate remuneration for Directors and Senior Managers based on their duties, responsibilities and performances.

### Key Activities for FY2023

- Conduct annual performance appraisal of the Managing Director, (now CEO) and establish new KPI's for the current year. Recommend score and annual salary review to the Board for their approval.
- Review of the post restructuring exercise conducted with the aid of PWC and approve the recommendations as proposed by management.

# Disclosure of Shareholdings

As of December 31, 2023, the Shareholdings of our top 10 shareholders (Ordinary and Preference), Directors and Managers were as follows:

## TOP TEN SHAREHOLDERS – ORDINARY SHARES

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
<b>Total</b>	<b>6,917,010,115</b>		<b>6,917,577,235</b>	<b>55.336</b>

<b>Total Issued Capital</b>	<b>12,501,000,000</b>
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## DIRECTORS' SHAREHOLDINGS

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
<b>Total</b>	<b>15,243,430</b>	<b>12,990,000</b>	<b>28,233,430</b>	<b>0.22585</b>

## DISCLOSURE OF RELATIONSHIP TO TOP 10 SHAREHOLDER:

DIRECTOR	SHAREHOLDING	RELATED 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
Nicholas A. Scott (Directorship - Musson Investments Ltd)	-	767,590,437	765,590,437	6.1242

## SENIOR MANAGERS' SHAREHOLDINGS

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
<b>Total</b>	<b>27,318,000</b>	<b>411,684</b>	<b>27,729,684</b>	<b>0.22182</b>
<b>GRAND TOTAL</b>	<b>6,959,571,545</b>	<b>13,401,684</b>	<b>6,973,540,349</b>	<b>55.78367</b>

## TOP TEN SHAREHOLDERS – PREFERENCE SHARES

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 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>1,971,250,766</b>		<b>1,971,250,766</b>	<b>73.0094</b>

<b>Total Issued Capital:</b>	<b>2,700,000,000</b>
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# Corporate Data

## DIRECTORS

Charles Paradis (Chairman)  
Julie Thompson-James  
Ian Dear  
Patrick Hylton  
Stephen Edwards

Alok Jain  
John “Mitchie” Bell  
Nicholas A. Scott  
Steven Gooden  
Ventley Brown

## COMPANY SECRETARY

Susan Brown

## AUDITORS

Ernst & Young Chartered Accountants

## REGISTRAR

Jamaica Central Securities Depository  
40 Harbour Street,  
Kingston,  
Jamaica W.I.

## BANKERS

Onshore: National Commercial Bank, Kingston, Jamaica  
Offshore: Bank of New York Mellon, New York, United States

## REGISTERED OFFICE

2 Goodwood Terrace,  
Kingston 10.  
Phone: (876)925-7441/925-6222  
Fax: (876)969-3730  
Email: [tjhighway@h2k-tjh.com](mailto:tjhighway@h2k-tjh.com)



# Directors' Report

## MEETING OUR STRATEGIC TARGETS



# Growing our Business, Improving our Efficiencies

## TRAFFIC GROWTH AT THE PLAZAS

The year 2023 saw the continued improvement in both our traffic and revenue numbers. Our overall traffic for the year was approximately 27.1 million vehicles up 5% above the 25.9 million vehicles in 2022. These traffic volumes were also the highest ever recorded on the network and was 12% higher than the pre-pandemic levels of 2019.

## REVENUE GROWTH

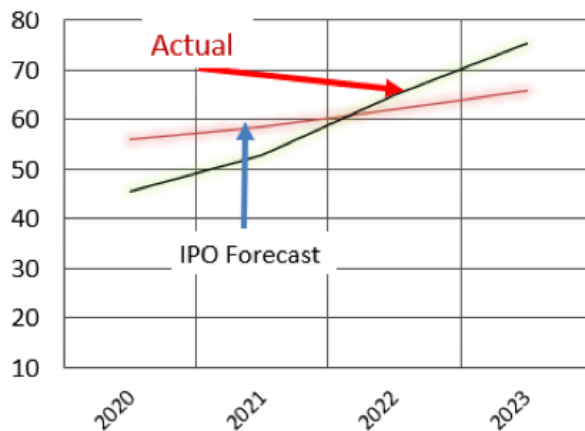
Similar to the recovery in traffic, our revenue also continued to improve and was US\$75.2 million for FY2023, 16% higher than our US\$65 million in revenues for FY2022. Revenue were also up by more than 41% when compared to the pre-pandemic FY2019 revenues of US\$53.3 million.

## HIGHWAY REVENUE & TRAFFIC

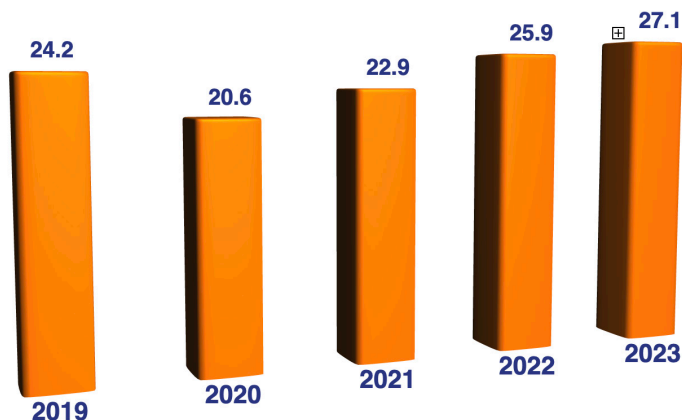
REVENUES (US\$ MILLION)



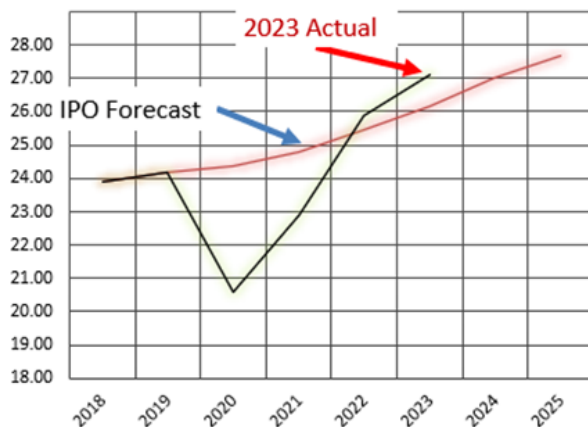
REVENUES IPO VS ACTUAL MILLIONS



TRAFFIC (MILLION VEH.)



TRAFFIC IPO VS ACTUAL MILLION VEH.





## 2023 AT A GLANCE - VINEYARDS

**\$28.1M**  
REVENUES

**22%**  
REVENUE  
OVER 2022

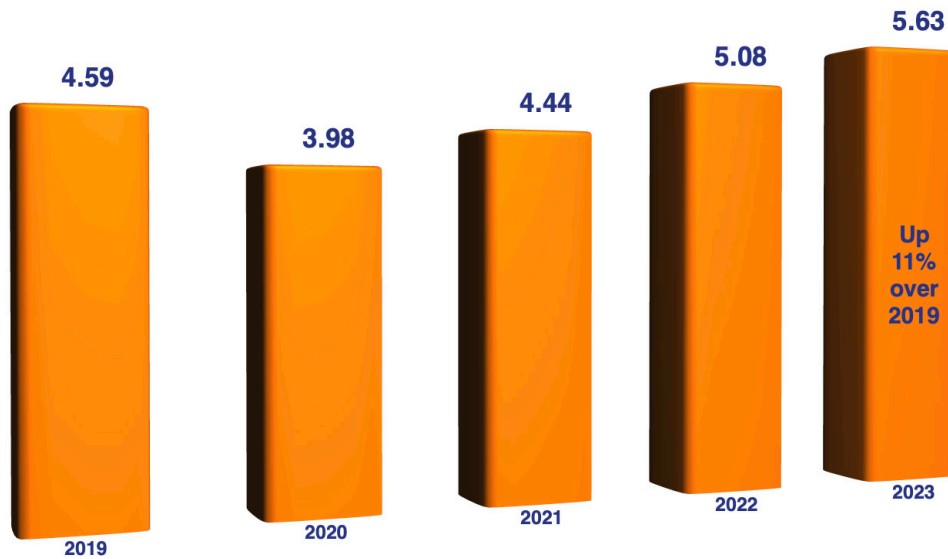
**5.6M**  
VEHICLES

**30%**  
TAG USAGE

Located in Bushy Park, St. Catherine. Operating 8 toll lanes since September 2003.

**Toll Rates:** Class 1 - \$670 (t-Tag \$600) | Class 2 - \$990 (t-Tag \$960) | Class 3 - \$2,000 (t-Tag \$2,000)

### VINEYARDS TRAFFIC (MILLION, VEHICLES)



All our Toll Plazas showed strong levels of rebound both over the comparative period of 2022 and over the pre-pandemic period of 2019. Traffic at Vineyards was up 11% over 2022 and 23% over 2019 pre-pandemic levels. More importantly revenues of US\$28.1million reflects a 22% increase over 2022.



## 2023 AT A GLANCE - SPANISH TOWN

**\$5.2M**

REVENUES

**25%**

REVENUE  
OVER 2022

**2.8M**

VEHICLES

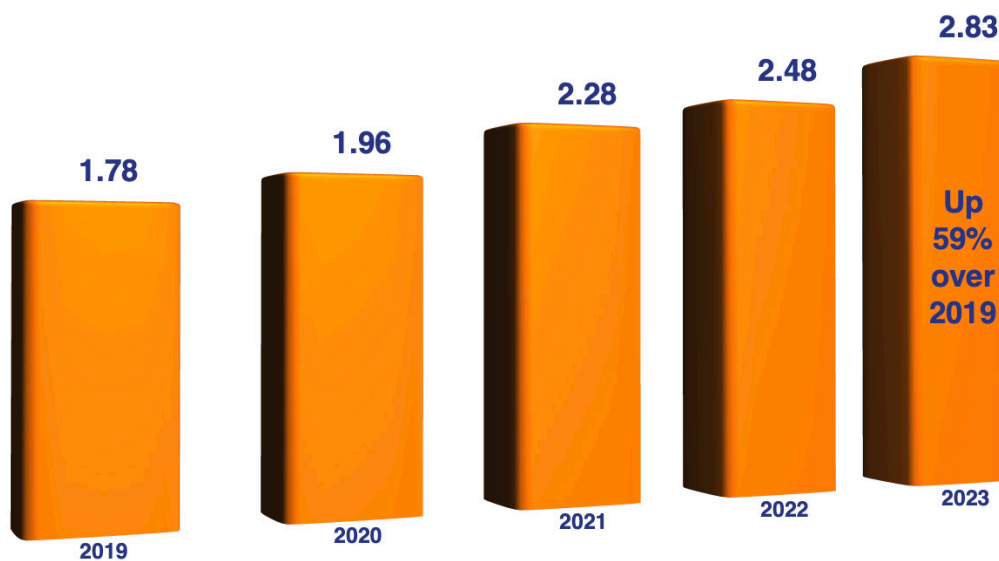
**38%**

TAG USAGE

Located in Spanish Town, St. Catherine. Operating 8 toll lanes since December 2004.

**Toll Rates:** Class 1 - \$255 (t-Tag \$240) | Class 2 - \$430 (t-Tag \$400) | Class 3 - \$750 (t-Tag \$750)

### SPANISH TOWN TRAFFIC (MILLION, VEHICLES)



Of all the Toll Plazas, traffic at our Spanish Town Toll Plaza continues to demonstrate the fastest rate of growth and is a reflection of the increasing congestion on the Spanish Town Bypass (old road). Traffic grew by 14% over 2022 and up 59% in comparison to the pre-pandemic year of 2019. More importantly, revenues of US\$5.2 million reflects a 25% increase over 2022.



## 2023 AT A GLANCE - PORTMORE

**\$33.6M**  
REVENUES

**8%**  
REVENUE  
OVER 2022

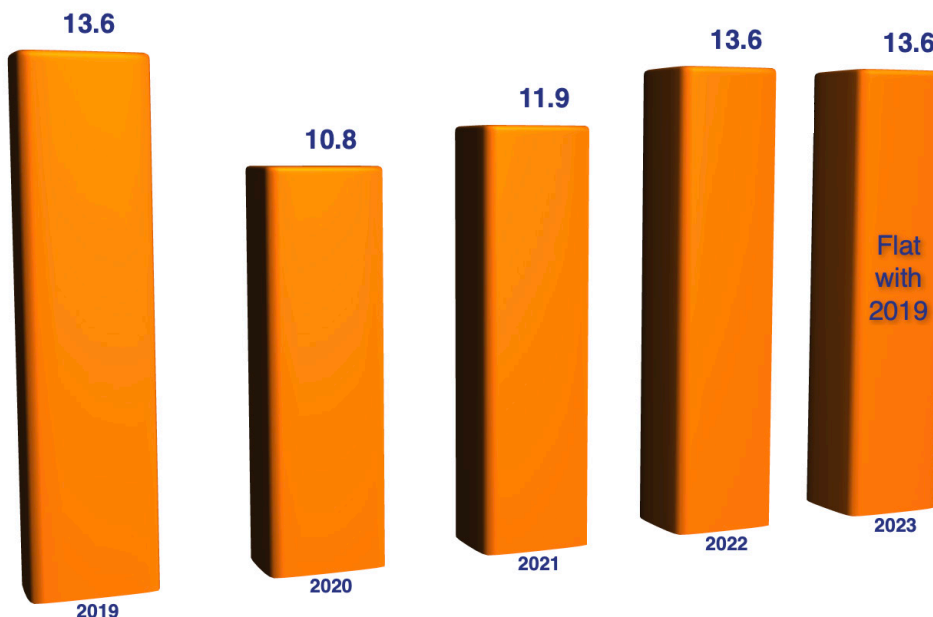
**13.6M**  
VEHICLES

**43%**  
TAG USAGE

Located in Portmore, St. Catherine. Operating 21 toll lanes since July 2006.

**Toll Rates:** Class 1 - \$340 (t-Tag \$320) | Class 2 - \$610 (t-Tag \$580) | Class 3 - \$1020 (t-Tag \$1020)

### PORTMORE TRAFFIC (MILLION, VEHICLES)



Traffic at the Portmore Toll Plaza was not only impacted by Covid-19 but also by the construction works on Mandela Highway which was completed in 2019. This resulted in a growth of over 11% over the construction period of 2017-2018. With the completion of these works in March 2019, we saw a 4% drop below the traffic of 2018 as commuters returned to the newly widened roads. Traffic at Portmore has continued to recover, in 2023 a total of 13.6 million vehicles passed through this plaza which was a 0.35% increase over the 13.5 million vehicles in 2022. More significantly, revenue for the year was US\$33.6 million, 8% over the US\$31.3 million in 2022.



## 2023 AT A GLANCE - MAY PEN

**\$8.3M**  
REVENUES

**25%**  
REVENUE  
OVER 2022

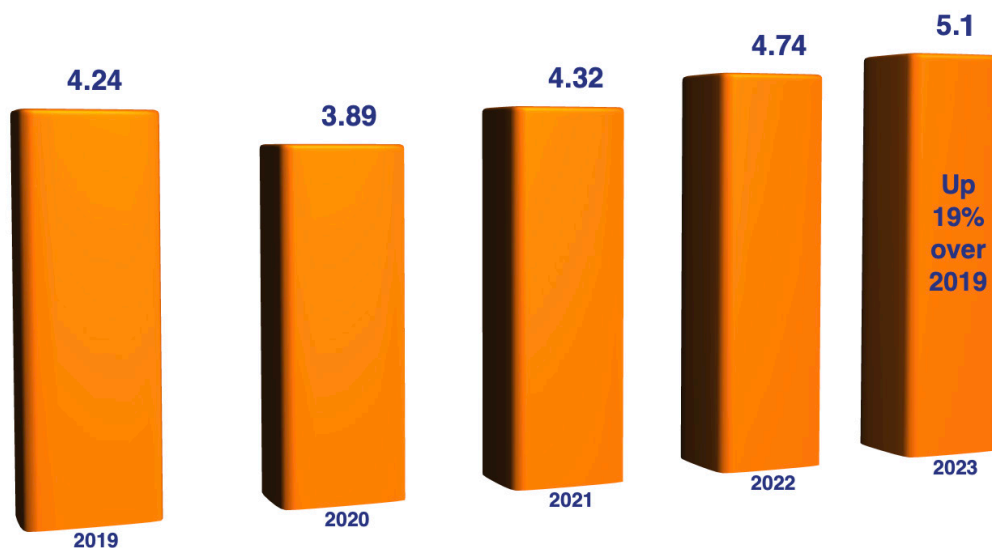
**5.1M**  
VEHICLES

**27%**  
TAG USAGE

Located in May Pen, Clarendon. Operating 8 toll lanes since August 2012.

**Toll Rates:** Class 1 - \$220 (t-Tag \$190) | Class 2 - \$350 (t-Tag \$320) | Class 3 - \$630 (t-Tag \$630)

### MAY PEN TRAFFIC (MILLION, VEHICLES)



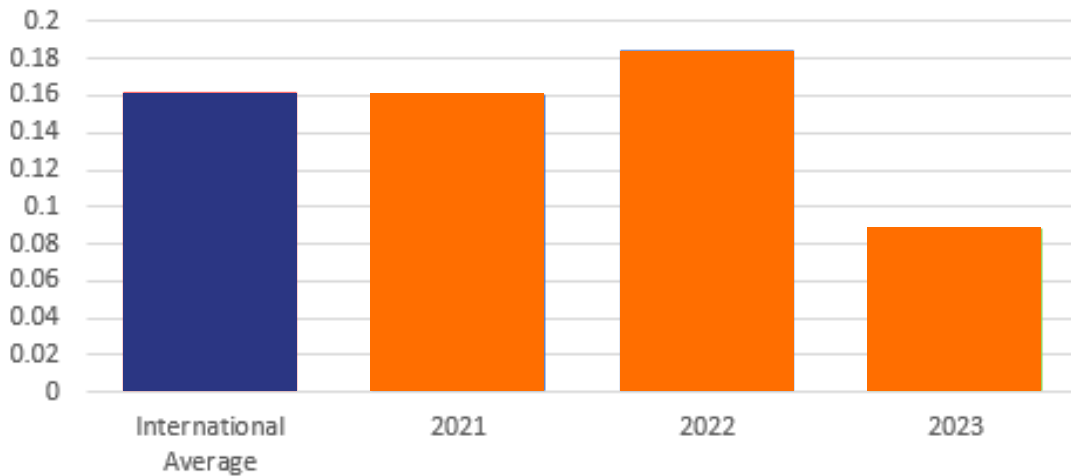
The May Pen leg of the motorway was the last addition to the Highway 2000 East-West network and has seen a steady growth in traffic since its opening. Traffic for 2023 grew 6% over that of 2022 and was also up by 19% over the pre-pandemic 2019. Revenue for the year was US\$8.3 million and reflects a 25% increase over 2022.

**REVIEWING OUR OPERATIONS VS INTERNATIONAL TOLL ROAD COMPANIES (BENCHMARK STUDY)**

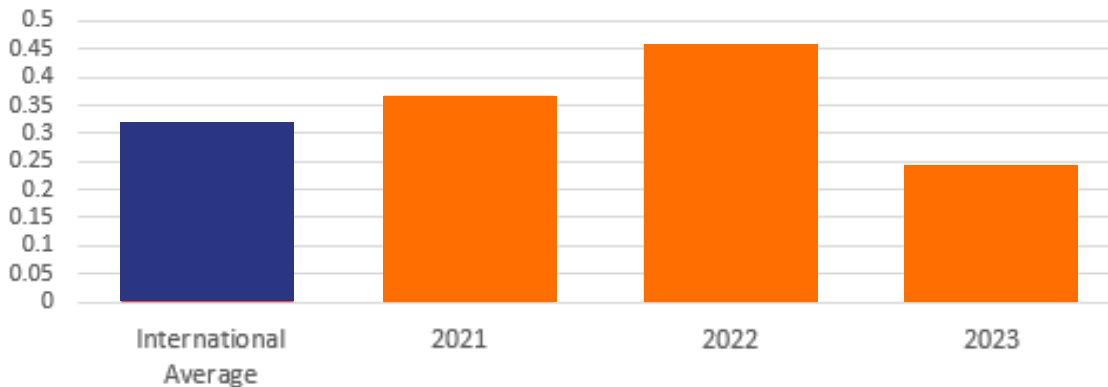
As shared in the our report last year, we conducted a bench marking study with the aid of KPMG which included an assessment of our costs in relation to that of other International Toll Road Operating Companies. The two main findings of the study were (i) That our Total Costs to Collect (TCC) tolls per transaction at \$0.37 was 16% higher than the best companies at \$0.32, and (ii) The total cost to collect tolls per dollar of revenues at \$0.16 was 14% higher than the best companies at \$0.14. This realisation confirmed our concerns in relation to our costs and led to the December 2022 acquisition of the Operator JIO.

This acquisition promised to reduce our cost of operations by approximately 50% through the modification of the calculation of the Fixed Fee component of their existing cost. The year 2023 has been the first full year of operations with JIO as a subsidiary operating under this modified fee structure. The results have been significant and reflects a 54% decline in the fees paid to JIO from US\$20.19 million in 2022 to US\$9.26 million in 2023. As mentioned above, prior to this reorganization our TCC per transaction and our TCC per dollar of revenues were in the bottom 50% of the companies surveyed. Today our costs are now amongst the top 50th percentile of the best companies surveyed.

**TOTAL COST TO COLLECT PER \$**



**TOTAL COST TO COLLECT PER TRANSACTION**



## POST ACQUISITION RESTRUCTURING

With the successful completion of the acquisition, management was also tasked with performing a reorganizing and restructuring exercise across the project. This was undertaken with the aid of PWC and was completed in December 2023. The main aim of the restructuring was to maximize organizational efficiency by developing a more effective organization. The exercise focused on developing a post-acquisition organizational restructuring strategy to include the following:

### Development of the Vision And Mission for the Future of The Group

As seen on page II our Vision and Mission have been revised and now reads:

#### Vision

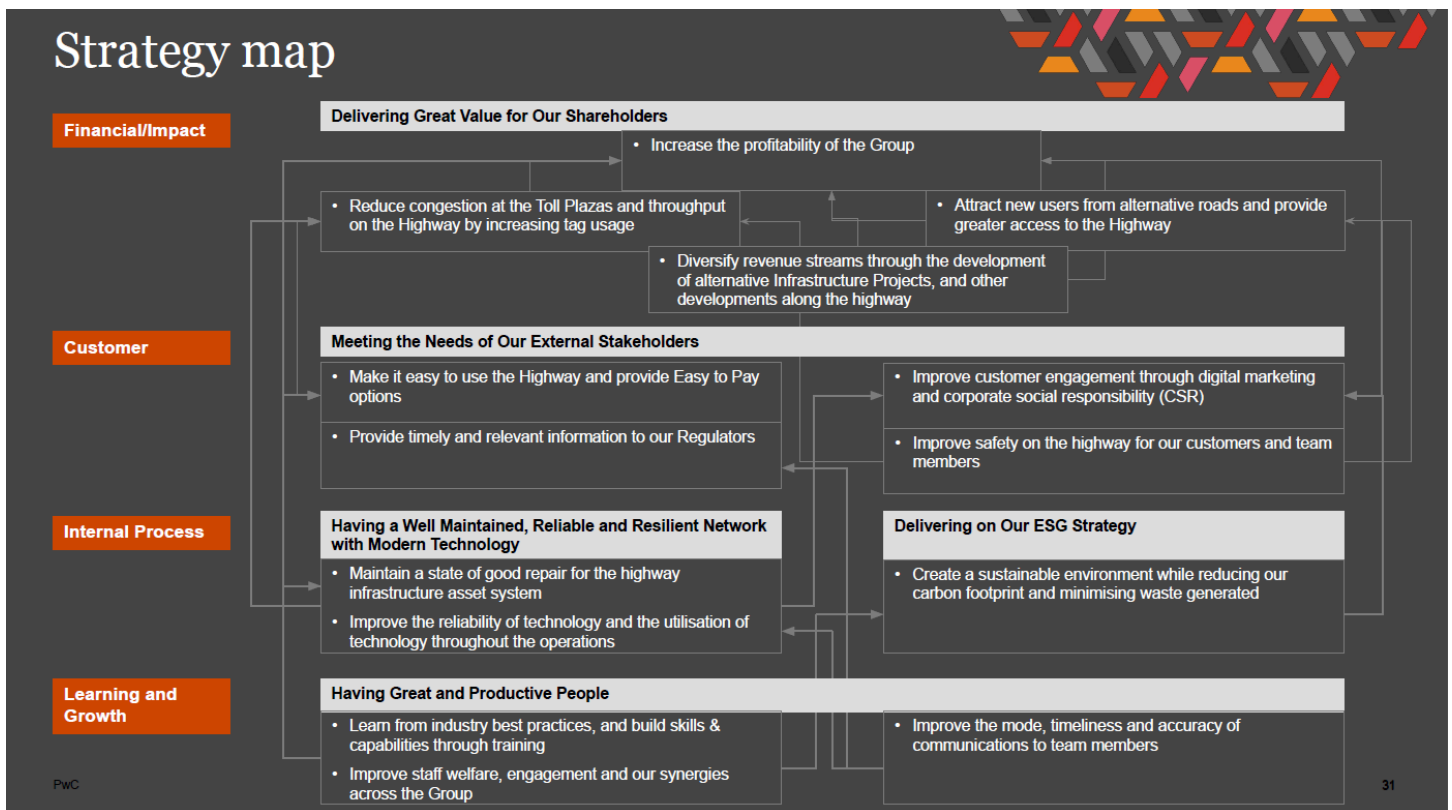
To become the most trusted and recognizable provider of infrastructure solutions in the Caribbean. We aspire to build a legacy of excellence that inspires and empowers our customers and stakeholders, setting the standards for quality, reliability, and innovation in our industry.

#### Mission

To design, build operate and maintain infrastructure solutions using global best practices that create stakeholder value by enabling sustainable economic development throughout the Caribbean.

### Developing Strategic Goals and Objectives for the Group

The exercise saw us narrowing down our goals and objectives under 4 main areas as seen in the Strategy map below.



From this map a number of initiatives have been agreed on for implementation across the Group within a timeline of 1–3 years.

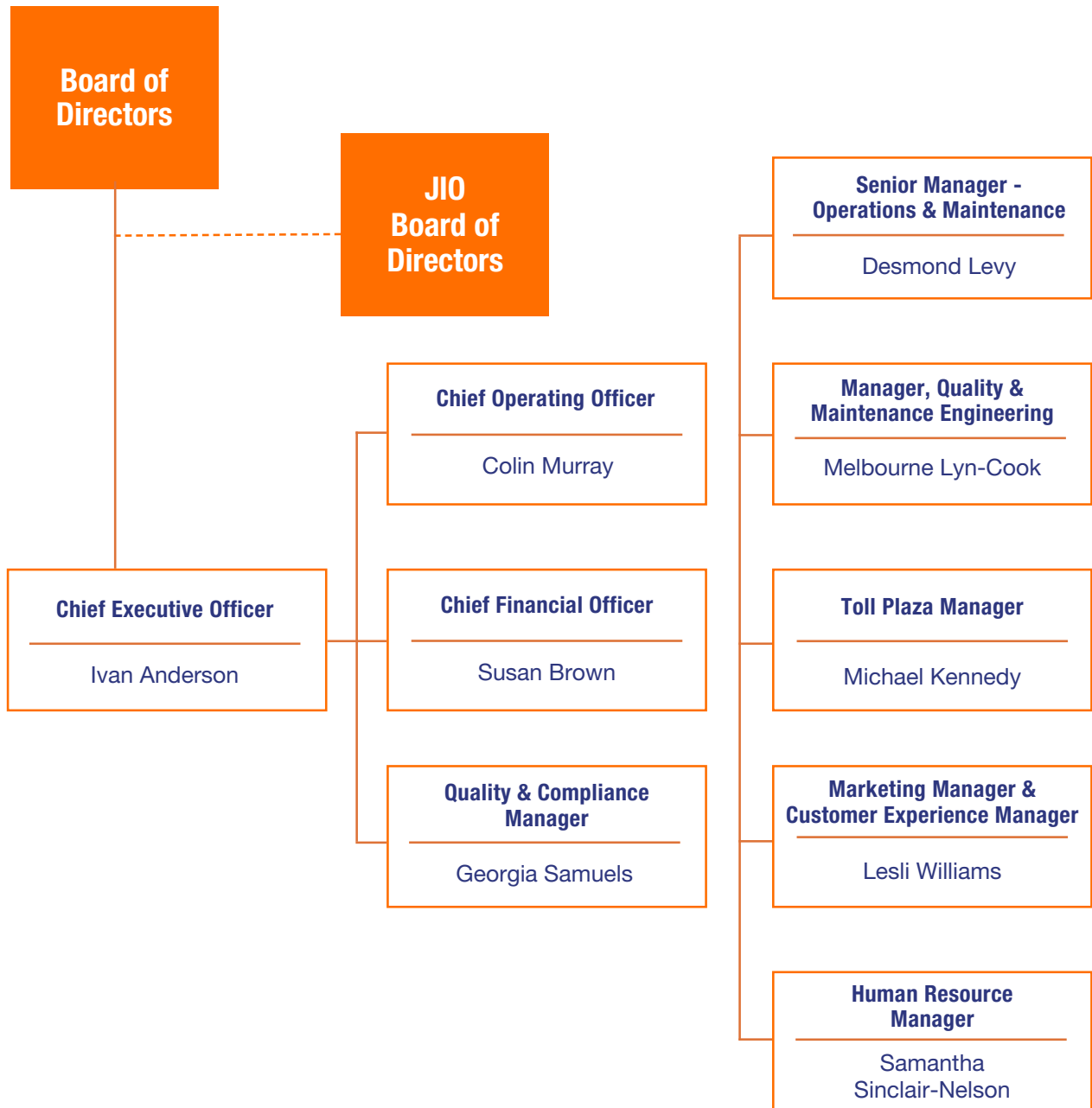
**DEVELOPING A NEW STRUCTURE AND PROCESSES IN ALIGNMENT WITH THE NEW STRATEGIC DIRECTION OF THE GROUP**

The restructuring also included reviewing various departments within both organizations (TJH & JIO), reviewing the proposed structural/staff changes, providing recommendations and where necessary, conducting job evaluations and providing salary & benefit recommendations for the staff changes/promotions made. From this a new Group structure was recommended and subsequently approved by the TJH Board in December of last year.

The TJH Board of Directors is charged with the general oversight of the Group. This is done with the the recognition of the subsidiaries' Board of Directors of which Ivan Anderson (CEO) and Colin Murray (COO) are currently members.

**THE NEW LEADERSHIP STRUCTURE BELOW IS AS FOLLOWS:**

The group is led by an executive team spearheaded by the Group's Chief Executive Officer - Ivan Anderson.



## THE TEAM IS PRESENTED BELOW:



**Ivan Anderson**  
Managing Director, TransJamaican Highway Limited  
CEO, Group

Ivan Anderson has been serving as the Managing Director of the Company since April 2021, and was appointed Chief Executive Officer for both Companies (TJH & JIO, now referred to as “the Group”) at the end of 2023, after the restructuring exercise. Mr. Anderson is responsible for Setting and Executing the Group’s Organizational Strategy and for the overall image and success of the Group.

Prior to joining TJH, Mr. Anderson was also Managing Director of National Road Operating and Constructing Company Limited (NROCC). He was also previously responsible for restructuring the old Public Works Department and became the first Chief Executive Officer of the National Works Agency, which is responsible for the maintenance and rehabilitation of Jamaica’s main roads.

During his tenure at the NWA, he completed the most extensive rehabilitation program of the main Highway network including the North Coast Highway, from Negril to Montego Bay. The widening of major arterial roadways within Kingston and the rebuilding of bridges and other flood damage rehabilitation projects. He is also the former General Manager of the Urban Development Corporation, holding responsibility for infrastructure and secondary development projects across Jamaica.

Mr. Anderson holds a BSc in Engineering from the University of the West Indies, and an MBA from the University of Minnesota. He has also done Investment Appraisal and Management at Harvard University, Project Management and Urban Renewal at Rutgers University and Commonwealth Top Management at the National University of Singapore.



**Susan Brown**  
Chief Financial Officer/ Company Secretary  
TransJamaican Highway Limited Group

Susan Brown has served at the Company since 2003 and has held several positions during her tenure of over 20 years with the Highway 2000 East-West project. This includes serving as Accounts & Payroll Manager at Bouygues Travaux Publics Jamaica. She is currently the Head of Finance & Corporate Services and is also the Company Secretary. Susan has also been appointed as Chief Financial Officer for the Group. Mrs. Garriques Brown is responsible for the strategic direction of the Finance, Administrative and Human Resource management of the Group.

Mrs. Brown has over 20 years of experience in the toll road operation and management business. She has also worked in customer service at Federated Pharmaceuticals Company Limited for 8 years.

She holds a bachelor’s degree in Accounting (Hons.) from University of Technology, Jamaica. She is a Certified Public Accountant (CPA) and is also a member of the Institute of Chartered Accountants of Jamaica.



**Colin Murray**  
 Managing Director,  
 Jamaican Infrastructure Operator Ltd.  
 COO, Group

Colin Murray has been with JIO for over 20 years, joining the company at operational inception in 2003. He was first engaged as Toll Manager before transitioning to its senior management team as Finance & Administrative Manager in 2007 and thereafter promoted to the post of Managing Director in December 2022. Colin is the current MD for JIO and has also been appointed as Chief Operations Officer for the Group. He is responsible for providing strategic and operational direction for the operations & maintenance and toll operations functions within the organization. He is also JIO's Corporate Secretary.

His professional background spans finance, banking, investment, corporate administration, marketing R&D, customer relationship, enterprise risk & Human Resource management. His career exposure also included financial and economic risk analysis for the state's agency responsible for investments and divestment/privatization of national development projects.

Mr. Murray holds a BSc. (Hons) in Economics and Management, executive certification in World Bank/United Nations Industrial Development Organization (UNIDO) Feasibility Studies & Project Analysis and is a certified Internal Auditor for ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System).



**Melbourne Lyn-Cook**  
 Manager - Quality & Maintenance Engineering  
 TransJamaican Highway Limited/Group

Melbourne Lyn-Cook has served at the Company since 2009 and currently holds the position of Manager Quality & Maintenance Engineering. Mr. Lyn-Cook has over 14 years of experience in the toll road operations, maintenance and management business from 2009 to present. He acted as Manager on Call of Jamaican Infrastructure Operators Limited during the period June 2014 to December 2015. He is also now responsible for Major projects for the Group.

Mr. Lyn-Cook was also Quality Assurance Officer of Caribbean Cement Company Limited, from 2005 to 2007. Previously, he has held several leadership positions including that of On-Call Manager at the Caribbean Cement Company.

He holds a bachelor's degree in Chemistry and Applied Chemistry from the University of the West Indies, Mona.



**Desmond Levy**  
Operations & Maintenance Manager  
Jamaican Infrastructure Operator Limited/Group

Desmond Levy has been the Operations and Maintenance Manager since 2003 and continues to manage the operational maintenance activities for the Group.

He began his work in the field of Engineering in 1981. He received a Bachelor of Science degree in Mechanical Engineering (Hons.) from Howard University in 1987 and a Masters in Business Administration from The University of New Orleans in 2002. He has also successfully completed training in Maintenance Management in Sweden.

Desmond has over 36 years of experience in maintenance from engagements in the sugar industry, mining and cement manufacturing where he has held senior positions. His currently portfolio sees to the management of JIO's responsibilities under the O&M agreement. This includes routine maintenance of the corridors and structures along the Highway 2000 East-West network, overseeing and implementing sustainable systems for greater efficiency and also for the management of the teams responsible for safely operating and maintaining the motorway.



**Georgia Samuels**  
Quality & Compliance Manager  
Jamaican Infrastructure Operator Limited/Group

Georgia Samuels is responsible for monitoring and assessing the Group's compliance to the provisions of ISO and company standards in areas such as safety, environmental and occupational health in order to ensure the highest quality is maintained at all times.

She is currently the Group's Quality and Compliance Manager. She has been actively involved with the Highway 2000 East-West project since 2003, accumulating nearly 21 years of experience. Throughout her tenure, she has held various administrative and supervisory positions supporting the operations of the toll road. She has acted as Manager on Call at Jamaican Infrastructure Operators Limited (JIO) since 2014 and has spearheaded the quality and environmental management systems for the past nine years.

Ms. Samuels holds a Bachelor of Science Degree in Business Administration (Hons) and a Diploma in Institutional Management. Georgia is also certified as a Lead Auditor for ISO 14001:2015 and ISO 9001:2015 Management Systems.



**Michael Kennedy**  
Toll Manager  
Jamaican Infrastructure Operator Limited/Group

Michael has been working for the company for over 20 years. He studied accounting at the College of Arts Science and Technology (now UTech) and computer information systems management at IBM and WES Computer Institute.

Michael Kennedy started his working career with the world-renowned company 3M, where he spent over nine years in various capacities including Financial/Management Accountant, Financial Auditor and Logistics Supervisor. He completed training in Process Management, Information Technology and Project Management across their locations in the Caribbean and in Minnesota, USA.

He joined JIO in 2003, as a Toll Plaza Supervisor and advanced to other positions throughout his tenure. He has been the Toll Plaza Manager since 2008. He holds responsibility for the management of over one hundred and twenty toll operations personnel encompassing toll collections and traffic safety supervision.



**Samantha Sinclair-Nelson**  
Human Resource Manager  
Jamaican Infrastructure Operator Limited/Group

Now responsible for the Group's Human Resource management. Samantha Sinclair-Nelson is a seasoned professional with a wealth of experience in human resources management, spanning over a decade. Having joined Jamaican Infrastructure Operator Limited in 2007 as an Accounting Clerk, Samantha swiftly demonstrated remarkable dedication and aptitude, steadily progressing through various roles within the organization.

Samantha currently holds a Bachelor of Science Degree in Business Administration. Her journey within Jamaican Infrastructure Operator Limited has been marked by a series of accomplishments and milestones, each contributing to her expertise in the field of HR management.

Since January 2023, she has served as the HR Manager, overseeing strategic initiatives and operational aspects of human resources within the Group.

Throughout her tenure, Samantha has played a pivotal role in fostering a positive work culture, driving employee engagement, and implementing effective HR policies and procedures to support organizational objectives.



**Lesli Williams**  
Marketing & Customer Experience Manager  
Jamaican Infrastructure Operator Limited/Group

Lesli Williams is responsible for the Group's marketing and customer service activities. Lesli Williams brings much insight and a great wealth of experience to the team having been part of the Highway 2000 Development Plan project since 2004, and later joining the highway operations team (JIO) in 2010.

Lesli is a Marketing Executive with a strong entrepreneurial mindset who has over 14 years of experience in setting informed company marketing objectives and developing and executing strategic plans which effectively support organizational goals. She is a servant leader who, for over 16 years, has coordinated, motivated and guided teams comprised of members from various functional areas to achieve company objectives as well as their own professional development.

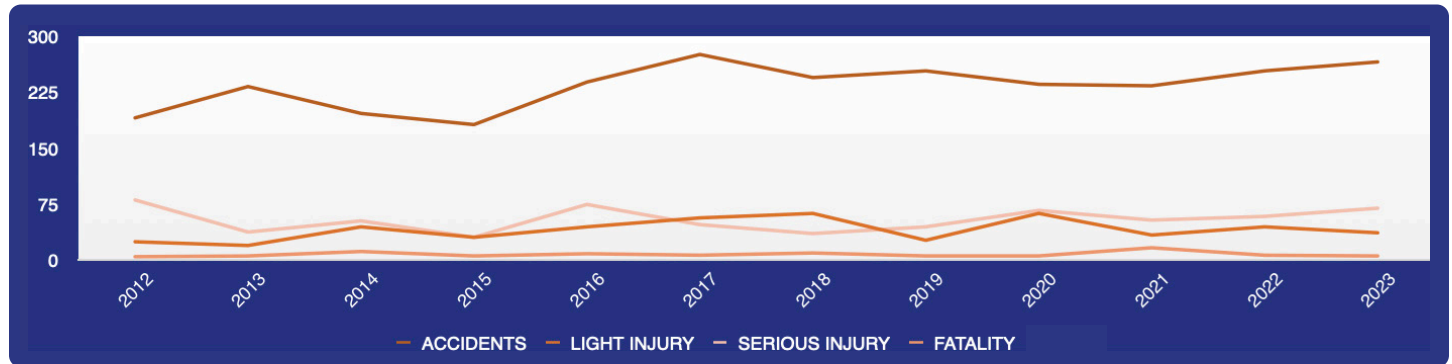
Lesli holds her MBA in General Management (with a focus on Marketing and Banking and Finance) from the Mona School of Business, where she also earned the Principal's Award for Most Outstanding Leadership. She also holds a Bachelor of Science Degree in Information Technology from the University of Technology. Lesli is an innate creative, whose hobbies include music composition, content creation and drone photography.



# Improving Safety & Maintenance

## REDUCING ACCIDENTS & FATALITIES

The Operator applies a raft of measures aimed at crash prevention and the mitigation of highway hazards to improve safety on the highway. These are supported by twenty-four-hour daily patrol services and benchmarking our successes with international standards. The data below shows the number of accidents, light injuries, serious injuries, and fatalities for each year from 2012 to 2023.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTAL	AVG	2023/AVG	2023/2022	MAX	MIN
ACCIDENTS	190	232	196	181	238	275	244	253	235	233	253	265	2795	233	14%	5%	275	181
LIGHT INJURY	24	19	44	30	44	56	62	26	62	33	44	36	480	40	-10%	-22%	62	19
SERIOUS INJURY	80	37	52	30	74	47	35	44	66	53	58	69	645	54	28%	16%	80	30
FATALITY	4	5	11	5	8	6	9	5	5	16	6	5	85	7	-29%	-20%	16	4

### Overall Accident Trends:

The total number of accidents has shown fluctuations over the years, with a general increasing trend from 2012 to 2023. Despite variations, 2023 stands out with a total of 265 accidents, marking an increase compared to the previous year and exceeding the annual average for the period (2012 – 2023). Traffic volume has steadily increased over the period 2012 - 2023 reflecting, growing usage of the road over time which increases the probability of accidents.

### Accident Causes and Distribution in 2023:

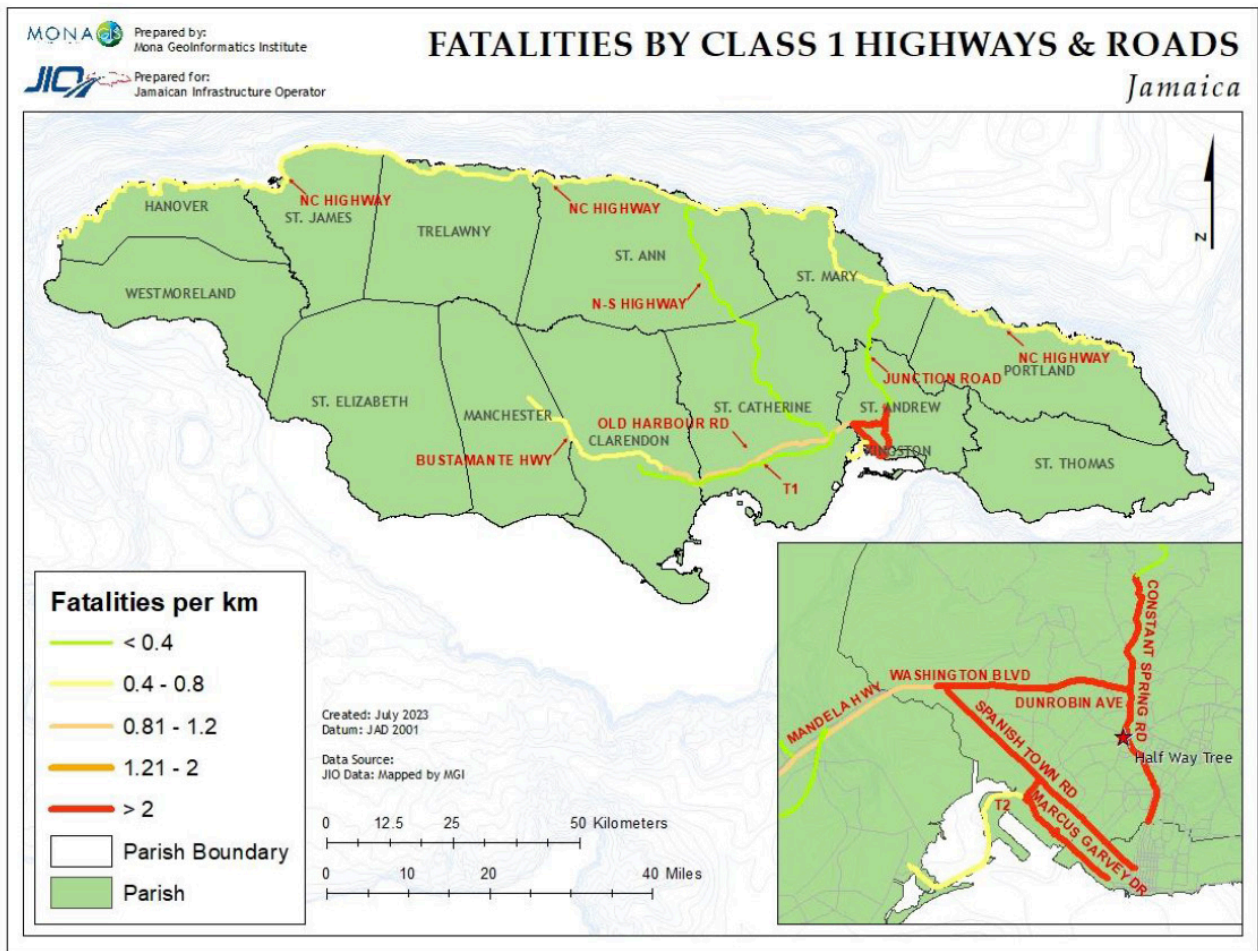
Driver error was the leading cause of accidents in 2023, with 117 incidents recorded, emphasizing the significance of human factors in road safety. Other notable contributing factors in 2023 include speeding (50 accidents), mechanical failures (32 accidents), and blown tires (31 accidents). For the reporting year, fatalities remained relatively low compared to previous years however, there was a slight increase compared to 2022.

In 2023, Mona Geoinformatics Institute (MGI) was commissioned to conduct an update of their 2019 technical study Crash Mapping and Analysis for Highway 2000 East-West. Covering the 4-year period 2019-2022 and building on their previous reports from 2019 and 2016, MGI used an evidence-based approach to track our highway network safety performance over time, compared to similar roads in Jamaica.

The findings again confirmed that T1 and T2 had a lower fatality rate per km. The report also highlighted that notwithstanding higher speed limits (110km/h for T1 and 70km/h for T2), Highway 2000 East-West has one of the higher safety profiles compared to other Class 1 roads in the country.



Members of the Patrol Safety team



With regards to cause of accidents on the highway corridors, the distribution of the primary contributing factors for each leg (T1 and T2) were as follows:

TOP 3 CAUSES OF ACCIDENTS	
<b>T1</b>	
Driver Error	50%
Blown out/Poor tyres	14%
Speeding	12%
<b>T2</b>	
Driver Error	71%
Mechanical Failure	7%
Blown out/Poor tyres	6%

**Crash Mitigation Measures**

These include:

- Promoting safe highway use through print and electronic media advertising, as well as website postings.
- Conducting sting operations by the Highway Police Patrol.
- Enforcing speed limits by the Highway Police Patrol.
- Conducting motor vehicle inspections by the Island Traffic Authority.
- Monitoring and assessing crash spots.
- Managing highway hazards.

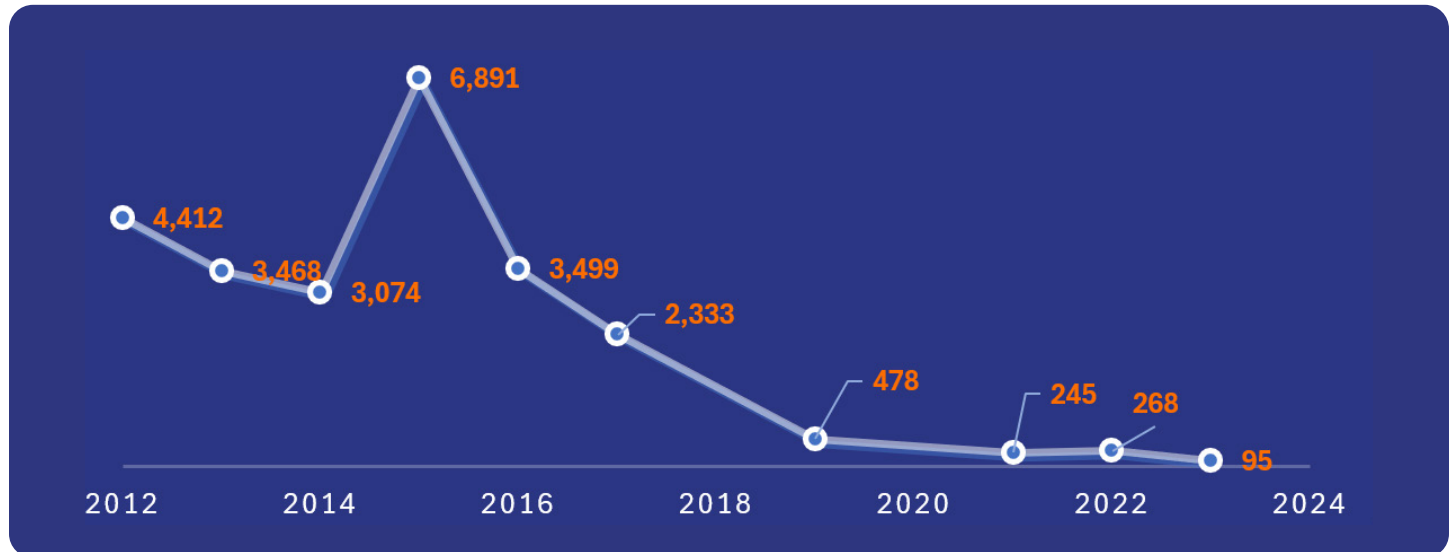
**Action Plan**

Through continuous collaborative efforts with the Highway Division of the Jamaica Constabulary Force (JCF), we continue to enhance enforcement efforts targeting speeding and other traffic violations in additionally to facilitating targeted safety initiatives addressing other common accident causes such mechanical failures and tyre blow out.

### Managing Highway Hazards

The theft of highway perimeter fence which contributes to the animal incursion as well as fire and smoke are common hazards impacting the operation. Whilst we engage and offer employment of citizens in communities to assist with monitoring fence theft as a part of our Sustainable Development/ ESG initiatives, considerations are also underway for the application of modern technology (cameras, drones) to further manage and mitigate these risks. This includes installing smoke detection devices along the corridor.

### Theft of Perimeter Fence since 2012



Following on the 268m of fencing stolen in 2022, 2023 saw a 65% reduction of such incidents with only 95m of stolen fence. The monitoring of fence theft and goat/animal incursions remains a high priority activity for us and forms part of the indicators discussed with NROCC in the monthly project meetings which also has representation of the Highway Police team.

### WELL MAINTAINED ROADS

As part of the Company’s responsibilities outlined in the Operation & Maintenance Agreement, we perform major maintenance repairs according to specific projections and assumptions established within a maintenance program reviewed by an Independent Engineer. These major maintenance activities encompass corrective and rehabilitative works, such as renewing toll road pavements, toll road equipment, ancillary structures, and network control equipment. Actual cash outflows may fluctuate annually due to repair obligations under the O&M Agreement, which are contingent on the Toll Road’s operational duration.

### Pavement Repairs

The following pavement repairs works were completed between August and October 2023:

- 30,105 m<sup>2</sup> Asphalt Overlay using 25mm thickness and 45,337 m<sup>2</sup> of milling and paving (to correct areas of ravelling and uneven settlements).
- The Overlay Works included the areas between the fast lane and the medium concrete separation, to avoid any water to be blocked in those areas.

The overlay works included the areas between the fast lane and the concrete median separator, to avoid any water settling in that area and affecting the stability of the pavement. We exceeded the minimum requirements of AASHTO rules by overlaying the full width of the pavement including the hard shoulder along the slow lane.

Pavement repairs were carried out on both the Eastbound and the Westbound carriageways of T2. Eastbound repairs started at km4+200 and ended at km4+900 and was carried out using 20,734 square meters of milling and paving.

Westbound repairs were from the pedestrian Bridge along Marcus Garvey Drive up to the Port entrance at km0+500. Section 2 of the works was from the Hunts Bay Bridge at km2+900 up to the toll plaza at km4+200. A total of 30,105 square meters of pavement was repaired using overlay.

Crack sealing on T1 and T2 repairs in the amount of 6,360 linear metres were completed during the period November 2022 – October 2023. These cracks were repaired using Bitumen Sealer for the smaller cracks and cement grout for the larger cracks.



Milled out section at 30+100W being repaved with Geo-grid installed to prevent propagation of cracks



Asphalt overlay Marcus Garvey Interchange westbound with new lane markers installed.



Approach to Portmore Toll after pavement repairs Km4+150W showing lane marking and rumble strips reinstated.

## Other Major Maintenance Carried out throughout the period included:

### Toll Equipment

We accomplished the conversion of all toll lanes at every plaza from manual to mixed lanes. This has resulted in increased flexibility of our operations at the Toll Plaza as more lanes can be utilized as ETC lanes when required. Furthermore, upgrades to the lane equipment and software were carried out to enable automatic vehicle classifications required for open class tags. Additionally, there were improvements to the system to include display of the account balance after each passage for amounts less than J\$5,000 and a **high balance** display for amounts above this figure. We also introduced credit and debit card payment at all toll plazas to facilitate additional payment methods to our customers.

We have also completed vinyl wrapping on the toll booths at Portmore to provide additional protection for the booths as well as to beautify the facilities. Special H-beam bollards were also installed in front of all booths in both directions at the Portmore and May Pen Toll plazas. These special bollards will provide additional protection from potential impact from out-of-control vehicles to the booths and most importantly to any employee in the booths.

### Solar Lights

In 2023, repairs were conducted on 55 out of the 220 solar lights according to the schedule. These repairs involved replacing the sealed Lead Acid batteries with Lithium Iron Phosphate batteries, which have a longer service life. The lights operate autonomously and do not rely on power from the national grid. New solar lights will also be installed on the new ramps at Freetown as a part of construction activities.

### Signage

Directional signs are important in providing guidance to drivers about traffic rules, locations, speed limits and potential hazards, amongst other things. We continue to repair and replace missing and damaged directional signs along the highway to facilitate a smoother and safer traffic flow.

### Highway Equipment

- *Guardrails:* All areas with accident-damaged guardrails were repaired in accordance with the contractual timeframe outlined by the Concession Agreement.
- *Lane Separators:* The company successfully undertook complete rehabilitation of the lane separators at the Portmore and the Vineyards Toll Plazas. The project was done using in-house resources and included recycled aluminum from damaged road signs. The work was carried out by the MRU team and a cost saving of US\$66,700 was realized.

### Main Structures

**Fencing:** Approximately 5.44km of fencing was replaced in 2023, in comparison to 8.5km in 2022. Incidents of stolen fencing occurred primarily along the T1 leg of the highway.

**Toll Plaza Maintenance**

- The Portmore Causeway is subject to corrosion due to its location along the sea. During the reporting period, a total of 15 toll booths at the Portmore Toll Plaza which have shown signs of corrosion were repaired. The remaining booths will be completed during the first semester of 2024. We will also effect necessary repairs as required at the other toll plazas.
- Renovation works to the restrooms, lunchroom, conference room and other areas at the Portmore Toll Plaza are ongoing and are expected to be completed in early 2024.
- During the period under review, we completed the repainting of the exterior of the Vineyards Toll Plaza as well as commenced the installation of mesh under the canopy at Vineyards to prevent pigeons from nesting under the canopy.
- The roofing membrane on the May Pen Toll Plaza was replaced as it had started to show signs of leaking. Additionally, the guttering on the canopy was also repaired as some sections had developed leaks.
- Following the experience of lighting strike in September of 2022 at the Portmore Toll Plaza, we took the opportunity to install additional lighting protection at all Toll Plazas during the period. There was no damage reported as a result of lightning strike during the period under review.



Mesh being installed under canopy to prevent pigeon nesting and defacing toll booths.

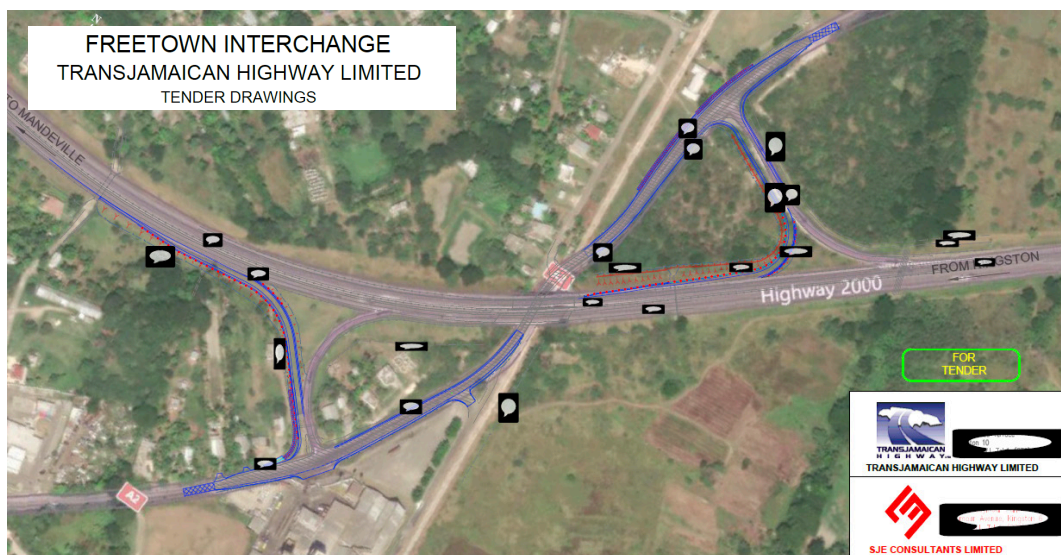


Repainting exterior of Vineyards Toll Plaza

**NEW FREETOWN RAMPS**

The design works for the Freetown ramps were completed and sent to the NWA and NROCC for approval. Following the approval, tenders for the construction of the ramps were launched. Responses to the tender were received in October 2023. The evaluation of the tenders was completed in November 2023 and the winner was notified thereafter. Works are expected to begin in the second semester of 2024.

The cost for the construction of the two ramps and rehabilitation of the section of local road between the ramps is approximately two million US dollars. This cost will be taken from the capital expenditures budget.





# Environmental, Social, and Governance Initiatives

The United Nations (UN) defines sustainability simply as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. The Highway 2000 East-West Group remains committed not just to building and maintaining superior road networks that last but also to playing our part in preserving the environment for future generations. We believe in continual improvement and as such we are constantly improving on ways to achieve these objectives.

We continue to implement and monitor such activities with water, fuel and energy conservation being just some of the areas of focus. We have dedicated constant efforts to implementing and maintaining sustainable development practices throughout our operations to encourage our teams to strive for conservation of our resources.

A formal policy is maintained in line with the subsidiary’s obligations under the ISO 14001:2015 Environmental Management Systems certification. An environmental register is also maintained and includes rating scores assigned for the significance and potential impact of the risk associated with each aspect. The significant environmental risks are monitored by incorporating them in a formal ‘Objectives and Targets Action Plan’, which is analyzed quarterly by the Management Review Committee.

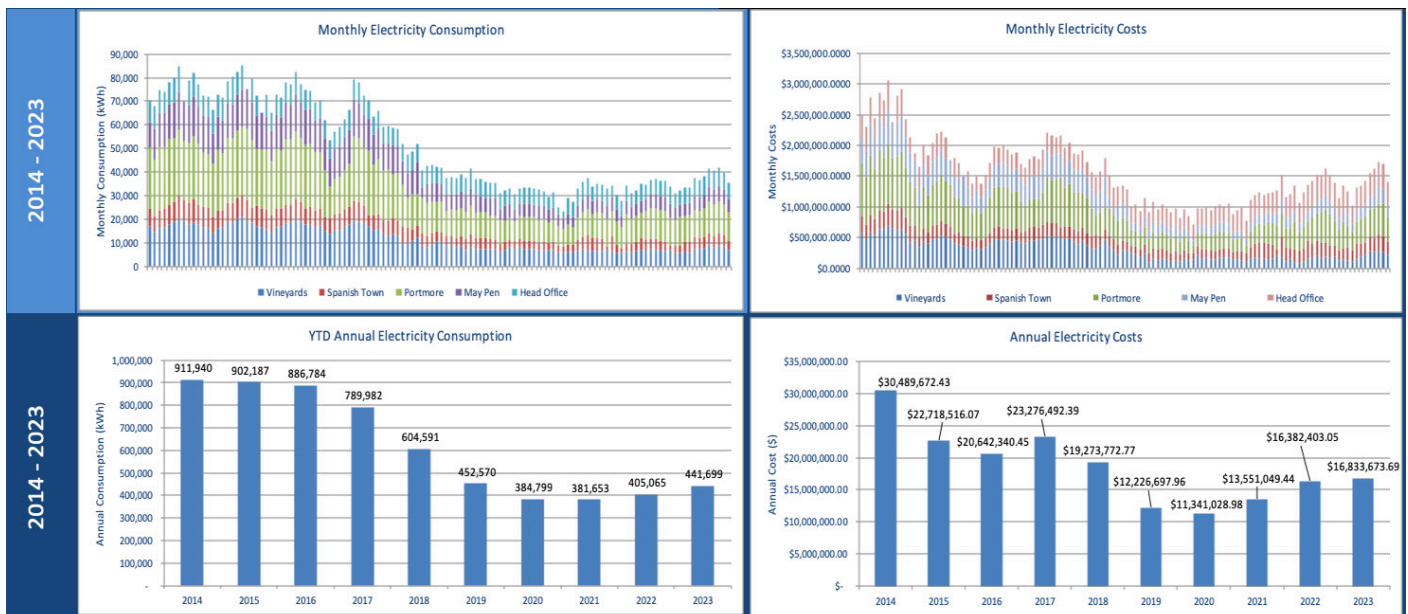
## ENVIRONMENTAL

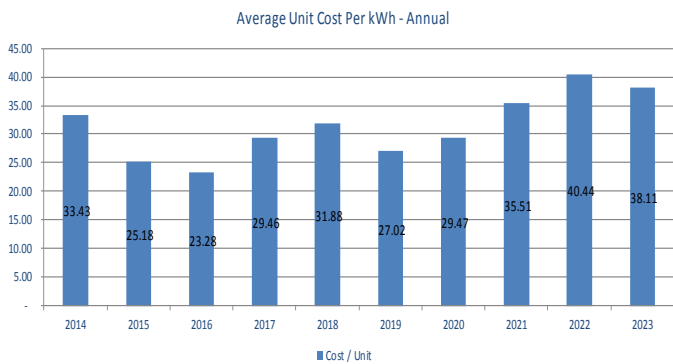
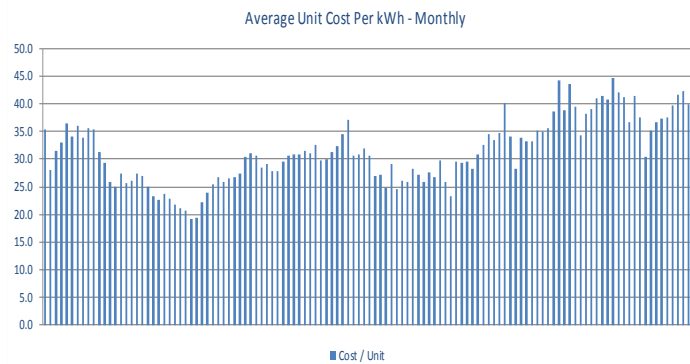
### Solar Energy Project

Over the years, the Operator’s electricity consumption from the grid and resultant GHG emissions has steadily declined as a result of various initiatives which included a systematic change over to LED bulbs and purposeful conservation campaigns. In 2018, we invested in a sizeable photovoltaic system across our operations at a total cost of JM\$53.7 million. A total of 1058 panels with a peak generating capacity of 343.85 kWh. The panels were set up under a net billing arrangement with JPS. The investment saw electricity consumption from JPS moving from an average of 872,000 kWh annually prior to the installation of the panels to an average of just under 445,000 kWh up to December 2023, a 49% decrease.

- For the 12 months, January to December 2023 total usage amounted to 441,699 kWh, a slight increase (appx. 9%) over the total consumption in 2022. This is likely attributable to the full return to operations following the end of Covid 19 pandemic in addition to the increase in toll passage over last year and also several major upgrading works undertaken in 2023.
- Electricity costs moved from an average of JM\$24 million annually (with a high of JM\$30 million in 2014) between 2014 and 2017 to an average of just under JM\$15 million from 2018 to 2023.
  - Noteworthy: Despite the unit cost of electricity being second highest in 2023, our electricity costs were still 31% below the average annual cost, pre-PV-installation.

For the 12 months, January to December 2023 total cost amounted to JM\$16.8 million, a marginal increase over JM\$16.3 million in 2022. As of December 2023, we have recovered the full cost of our initial investment. We are exploring further enhancement of our green energy utilization to incorporate solar batteries into our operations. The plan includes relying on the power generated from our current solar panels as the main source for charging an electric vehicle slated for procurement in 2024. We envision installing additional photovoltaic panels to further bolster our commitment to green energy consumption.





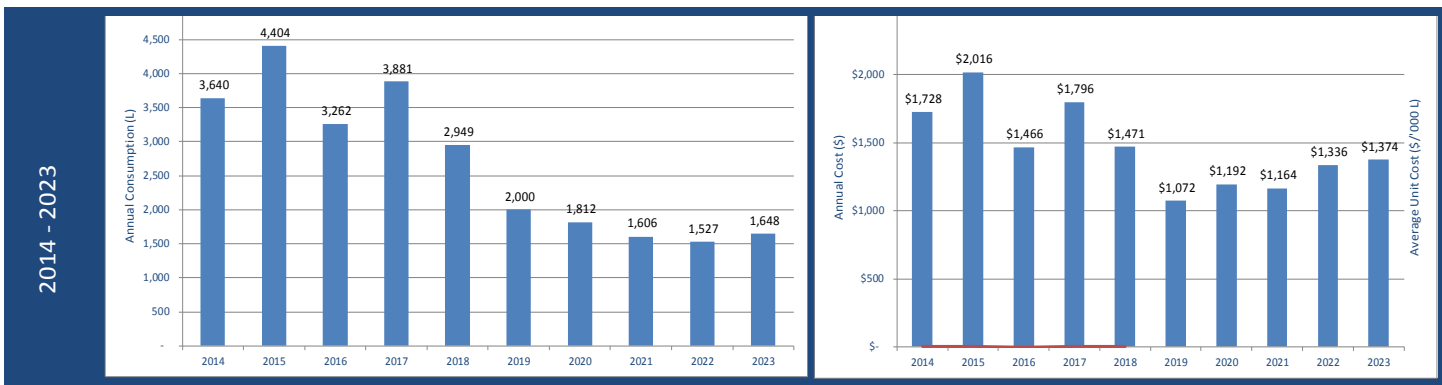
The group’s commitment to green initiatives is demonstrated in its decision to invest in solar panels. This has proven to be an economically and environmentally wise decision that will continue to lead to long-term cost savings, environmental benefits, and contribute to a sustainable future.



**Water Conservation/ Rainwater Harvesting Project**

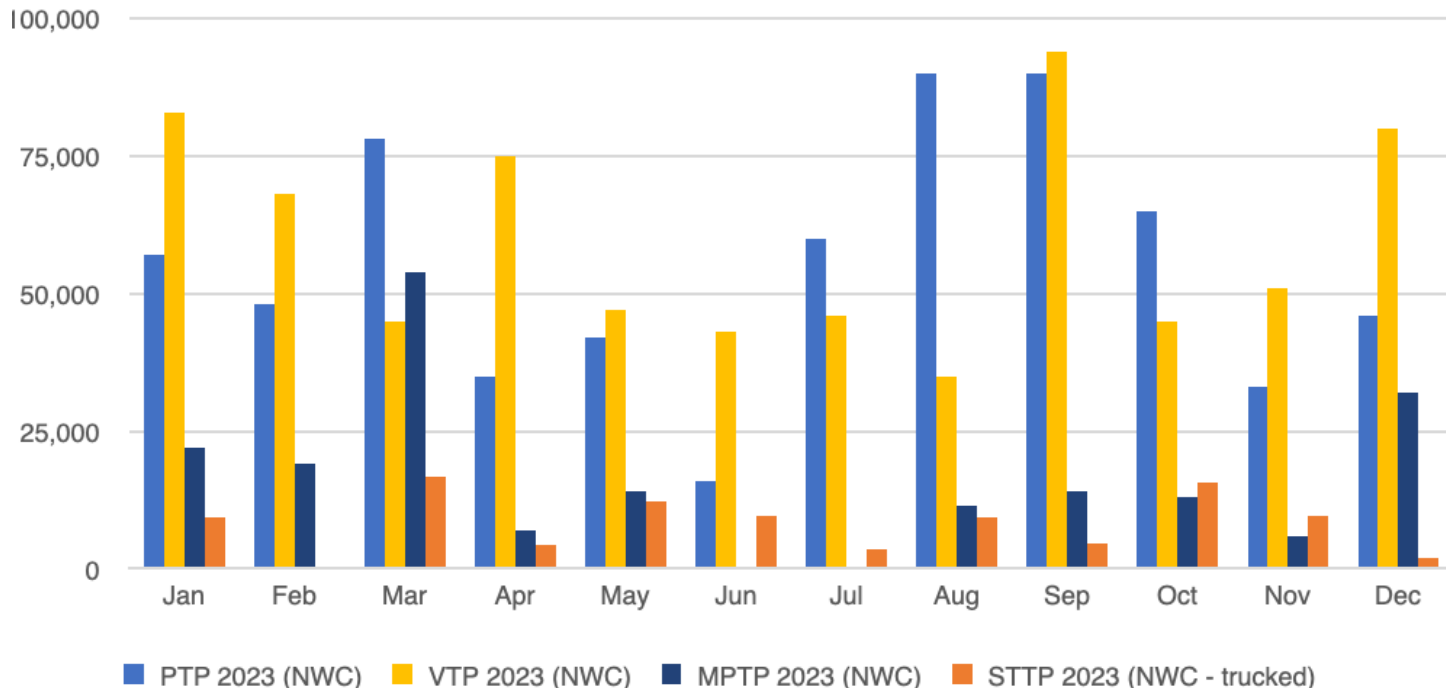
We implemented rainwater harvesting systems at all our toll plazas, using the stored precious commodity for general maintenance activities and flushing toilets. Over the years we have gradually added storage capacity and can currently store a total of 186,700 litres, 30,000 liters of which was added in 2023. Between 2019 and 2023, total savings from rainwater consumed internally are estimated at JM\$1.2 million.

For the 12 months, January to December 2023 total savings from rainwater harvesting have amounted to approximately JM\$382 thousand. While the savings are relatively minimal it has allowed us to be less dependent on the national water supply, which involves energy-intensive water treatment and distribution processes. It has also allowed us to be more resilient, especially during droughts or water shortages. Since the inception of the project, we have harvested and utilized approximately 1.3 million liters of rainwater.



**NWC WATER CONSUMPTION ANALYSIS**

**NWC WATER CONSUMPTION**



The water target for 2023 was set with the aim of decreasing the utilization of NWC water by implementing the deliberate use of harvested rainwater for Portmore Toll Plaza (PTP), Vineyards Toll Plaza (VTP) and May Pen Toll Plaza (MPTP). Portmore, Vineyards, Spanish Town and May Pen recorded an average monthly consumption of consumption of 55,000, 59,333, 8,065 & 16,035 liters of water supplied by NWC.

Despite the drought conditions experienced in certain regions of the island this year, a cumulative total of 280,258 liters of harvested rainwater has been used at PTP, VTP, and MPTP. Notably, the set targets have been accomplished at a rate of 75% for MPTP and 42% for VTP up to the present time.

**Waste Management**

For 2023, our operations logged commendable results in managing our waste through environmental ideals of recycling, proper collections, storage and disposal. Non-hazardous waste dispatched for recycling in the aggregate increased by 23.3% over 2022. Primary contributors were tyre scraps removed from the highway corridors (39.3%), PET bottles (15.7%) and scrap metal (11.2%).

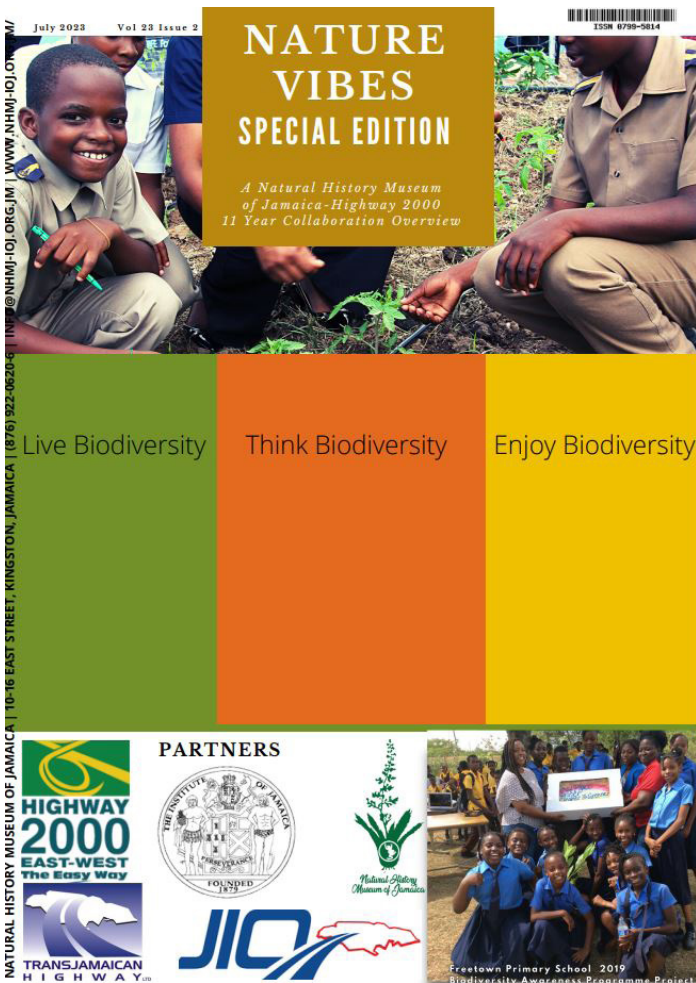
The decline observed for paper sent to recycling was primarily attributable to delays in collection by the acquiring agent. In the category of hazardous waste sent to recycling, solar light batteries increased by a strong 744%. Solid waste collected for transportation to the city dump declined by 3.3%.

JIO/TJH WASTE MANAGEMENT (PER METRIC TON)			
Non-Hazardous (Recycled)	2022	2023	% Change
<b>Paper</b>	3.960	3.440	-13.13%
<b>Tyre Scraps</b>	22.480	31.320	39.32%
<b>Scrap Metal</b>	17.810	19.800	11.17%
<b>Receipt Core</b>	0.048	0.039	-18.33%
<b>Plastic Bottles</b>	0.186	0.215	15.65%
<b>Total</b>	44.298	54.599	23.25%
Hazardous (Recycled)	2022	2023	% Change
<b>Batteries</b>	0.045	0.38	744%
<b>Total</b>	0.045	0.38	744%
Collected (Dump)	2022	2023	% Change
<b>Solid Waste</b>	363.76	351.78	-3.29%
<b>Total</b>	363.76	351.78	-3.29%

## SOCIAL INITIATIVES

### Biodiversity Awareness Program

The Group continues to support and fund the programme initiated in collaboration with the Natural History Museum of Jamaica to promote biodiversity awareness and protection through schools in some of the communities adjacent to the highway corridors. A Special recognition of the companies' contributions over the past 11 years of collaboration was made in December 2023.



### Tree Planting

Labour Day 2023 saw Highway 2000 East-West partnered with NROCC and the Forestry Department on Tuesday 23rd May 2023 to participate in a tree planting exercise at Hartlands, St. Catherine. The project was also part of the Government's 'Three Million Trees in Three Years' national program being spearheaded by the Forestry Department.

### Earth Day 2023

Earth Day is an annual event which is celebrated internationally on April 22 each year. The celebration of Earth Day is aimed at promoting the preservation of the environment through the celebration of past environmental efforts and the encouragement of current and future good environmental practices. The Natural History Museum of Jamaica hosted their Annual Earth Day competition under the theme "Earth Today, Earth Tomorrow".

The competition is aimed at encouraging appreciation and preservation of the natural environment and was open to students between the ages of 12 – 19 years, who submitted entries to the Literary Arts, Poster, Photography and Design Model categories. The group showed support once again by sponsoring the cash prizes for the winners of the competition. Our Team members were also there to cheer them on at the Awards Ceremony and participated in the handing over of the prizes to the winners.



**Staff Welfare**

**Annual Health & Wellness Fair 2023**

The Highway 2000 East-West team staged their 2nd Annual Health fair which accommodated all staff, contractors, and their immediate family members on November 8th and 09th, 2023. Considering the value of long-term health services to our staff and beneficiaries, we believe that the activity represents a prudent investment in their well-being. More than 100 employees and their families attended the health fair.

**Safety Week 2023**

The Operator’s Safety Week was held from November 15-17, 2023. The theme was “Ensuring Safety and Resilience through Emergency Preparedness.” The key theme of the discussion was navigating the storm, focusing on the need to build resilience in our operations in the face of diverse and unpredictable challenges such as hurricanes, earthquakes, fires, and other workplace safety concerns. Disasters and emergencies can strike anywhere and at any time, causing work-related injuries and illnesses, so it is useful to strengthen our ability to respond effectively to a crisis with effective planning before it occurs.

**Community Involvement**

**Employment**

The TJH Group continues to provide employment for persons from surrounding communities to motorway corridors and we work with locals to sensitize and inform persons in the surrounding communities about improvements, changes, benefits and safety requirements of the operations. A year-end meeting, refresher seminar and luncheon was held with our subcontractors to discuss any issues they faced while performing their tasks along the motorway and refresher information on how to safely operate on the motorway.

**Read Across Jamaica Day**

Under the national campaign banner “Read Across Jamaica”, an annual event observed in the child month of May each year to promote literacy and education. Members of the team engaged students at Chandlers Pen Primary & Junior High School in Clarendon and the Silverstone Basic School in St. Catherine.



**20th Anniversary Celebrations**

**Schools Literacy Program**

In September 2023, we celebrated our 20th year of Operations of the Highway 2000 East-West in September 2023, The Group commemorated this milestone in a big way through several planned initiatives. One such initiative was to focus on the education of our children through literacy (particularly at the Early Childhood and Primary levels) - an area which was significantly impacted during the peak of the Covid-19 pandemic.

It is our belief that a strong start in literacy and numeracy lays the foundation for a solid education. As such, we reached out to several schools located along the Highway 2000 East-West corridor (Clarendon & St. Catherine) to offer our help by way of donations to their literacy programs. One criterion required the schools to already have an established literacy programme which pays special attention to students outside of the usual curriculum requirement. The six schools to have met the requirements were Freetown Primary School and Brown’s

Basic School in Freetown, Clarendon; McAuley Primary School and Ensom City Basic School in Spanish Town, St. Catherine, and the Greater Portmore Primary and Portsmouth Basic schools in Portmore, St Catherine.

The group donated a total of JM\$2.5 million to the schools, with five schools getting JM\$200 thousand each and the Freetown Primary Primary receiving JM\$1.5 million for the purchase of two containers to be retrofitted into a Reading Centre.



**TJH IN THE NEWS**

**"It is a widely held belief that education helps eradicate poverty and hunger, giving people the chance at better lives and a part of that is literacy. In playing our part in helping to improve on the national literacy rate, we are donating to a total of six schools which are registered and up-to date with the Ministry of Education or Early Childhood Commission."**

*Mr. Ivan Anderson - Managing Director, TransJamaican Highway Limited*

### 20th Anniversary Scholarship for University Students

Another initiative was the launch of the Transjam Group scholarship program for first year university students. The scholarship was open to students who lived and attended school in the parishes in which the highway corridor traverses. Students were required to be pursuing a Bachelor's degree in the fields of Engineering, Information Technology or Finance - fields that are important to our core business. A total of five students were awarded JM\$400 thousand each towards their first year of study. Three students are from the University of Technology and the other two are from the University of the West Indies, Mona.

Applicants were required to be Jamaican citizens residing in communities in which Highway 2000 East-West operates. They were required to display good character and leadership qualities, actively participate in environmental or community activities and meet specific academic criteria whilst displaying a need for financial assistance. Students with immediate family ties to direct or subcontracted employees of TJH & JIO were not eligible to participate.

Recipients were treated to breakfast at the Jamaica Pegasus Hotel, where they were provided with an opportunity to network and have meaningful dialogue with members of our senior management team.

**20<sup>th</sup> Anniversary SCHOLARSHIP**

**FIRST YEAR TERTIARY LEVEL STUDENTS**  
PURSUING A BACHELOR'S DEGREE IN  
**ENGINEERING, INFORMATION TECHNOLOGY OR FINANCE**  
ARE INVITED TO APPLY FOR OUR 2023 SCHOLARSHIPS  
VALUED AT UP TO  
**J\$400,000** EACH!

**APPLICATION DEADLINE:**  
**SEPTEMBER 11, 2023**

Do you meet the criteria? Download your application form at [www.transjamaicanhighway.com](http://www.transjamaicanhighway.com) & submit via email to [tjhighway@h2k-tjh.com](mailto:tjhighway@h2k-tjh.com)!

For further information, visit our website at [www.transjar.ciainhighway.com](http://www.transjar.ciainhighway.com) or contact us at [tjhighwayeh2k-tjh.com](mailto:tjhighwayeh2k-tjh.com).



# Meeting the Needs of our Internal and External Customers

## MAXIMIZING T-TAG & HIGHWAY USAGE

Throughout the year, the team focused on a number of activities geared towards maximizing T-Tag and highway usage, improving public perception, communicating and connecting with customers and proactively gathering and using feedback. These initiatives were largely successful and were met with an increase in highway and T-Tag traffic, and a boost in the number of customers who believe we value them. Several campaigns were carried out for year 2023 including:

### “Avoid the Lag” Ad Campaign – remind the public of the time saving benefits of the Highway and the T-Tag throughout the year

This campaign reminded customers of the time-saving benefit of using the Highway (and the T-Tag lane in particular), versus using the alternative route. Under this campaign, the radio advertisement uses a relatable Jamaican male voice to reason with listeners as to why the Highway/ T-Tag saves him on time and money. The television advertisement uses a funny and realistic scenario of 2 men attempting to go home after work, one using the highway and the other using the alternative route and ends showing the highway user reaching home earlier and able to spend time doing the things he loves while the alternative road user remains stuck and frustrated in traffic.

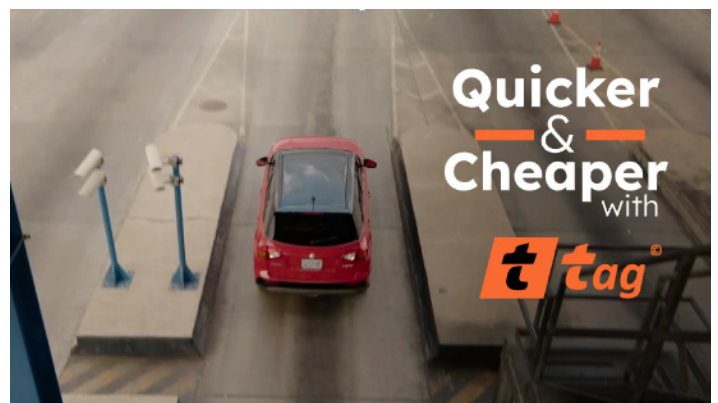


### “Guh Thru Quicker & Cheaper with a T-Tag” Campaign

This campaign aggressively advertised the implementation of lower toll rates for all Class 1 & 2 T-Tag customers effective July 2023, and the expansion of Frequent User Rewards programme to all toll plazas (Vineyards Toll Plaza and May Pen Toll Plaza now also included; Portmore and Spanish Town Toll Plazas already had the Frequent User Rewards programme) also effective July 2023.

The campaign includes:

- TV Commercials & Time Signals
- Radio Advertisements
- Newspaper Advertisements
- SMS broadcast to target market
- Flyers distributed to persons travelling through the manual lanes at all toll plazas and other drivers in the target market
- YouTube Advertisements
- Google Advertisements
- Out-of-Home (OOH) Advertisements including Digital Billboards and Video Screens at all Toll Plazas
- Toll Booth Wraps on the Toll Booths at Portmore Toll Plaza
- Social media posts and Email blasts
- Branded Giveaway Items Promoting the T-Tag and/or the “Guh Tru Quicker & Cheaper every time with a T-Tag!” Slogan
- Pop-Up Sales Blitzes



**GO THROUGH  
QUICKER & CHEAPER\*  
WITH A **

**Effective  
July 1  
2023**

All **CLASS 1**  customers will see **NO INCREASE** in toll rates!

All **CLASS 2**  customers will enjoy **REDUCED RATES!**

All **CLASS 1 & 2**  customers at all plazas get their **10th TRIP FREE\*** EACH WEEK, plus more discounts!

**NEW RATES EFFECTIVE JULY 1, 2023**

CLASS	PORTMORE		SPANISH TOWN		VINEYARDS		MAY PEN	
	WITHOUT T-TAGS	WITH 	WITHOUT T-TAGS	WITH 	WITHOUT T-TAGS	WITH 	WITHOUT T-TAGS	WITH 
 1	\$340	\$320	\$255	\$240	\$670	\$600	\$220	\$190
 2	\$610	\$580	\$430	\$400	\$990	\$960	\$350	\$320
 3	\$1020	\$1020	\$750	\$750	\$2000	\$2000	\$630	\$630

 **GET YOUR  TODAY FROM ANY MANUAL BOOTH**  
Visit [transjamaicanhighway.com](http://transjamaicanhighway.com) for more 



**Pop-Up T-Tag Sales Blitzes/ Sales Desks at key high-density locations within communities surrounding the highway – July - November 2023**

The Pop-Up T-Tag Sales Blitzes targeted drivers who reside in communities adjacent to the highway’s corridor aims to convert them into T-Tag customers and also encourage existing customers to make the T-Tag their go-to option.

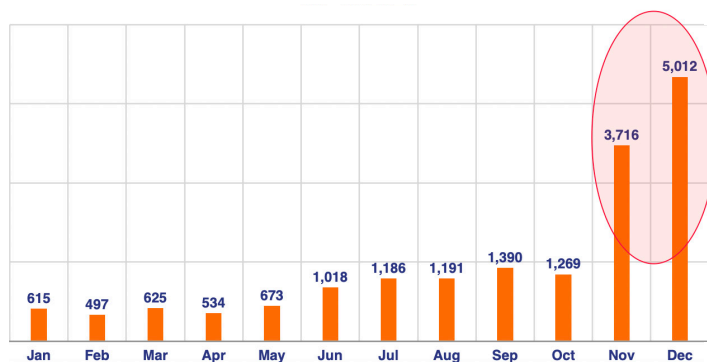


The Blitzes were held on the last Saturday of the month and were staged in the parking lots of some of the busiest plazas/shopping centres in communities near the corridor of the highway. The attractions of the day included an engaging host, family-friendly high-energy music, and a raffle wheel/prize drop board that was used to give a branded token to each person who conducted a transaction (i.e. purchased or topped-up a T-Tag). Customers also got one-on-one guidance on matters relating to the t-Tag, the My t-Tag app, and/or the Highway in general.

**50% Black Friday and Christmas Sale on T-Tag Packages**

T-Tag packages were discounted by 50% and sold for \$1,000 + \$500 opening credit. This discount commenced on November 16, 2023 and continued up until Christmas Day 2023. As a result of this promotion, T-Tag sales peaked during the months of November and December 2023 (see table below).

**Monthly T-tag Sales for YR2023**



During this period, T-Tags were also sold within the manual traffic queues. Our sales representatives would approach customers waiting in the lines and offer them a T-Tag preloaded with credit for immediate use. Sales were also conducted curbside at the customer parking area to provide those who did not have the cash to conduct transactions in the lanes with the opportunity to purchase or top up their T-Tags with their payment cards, and without having to leave their vehicles. We have since implemented the use of credit cards in the lanes at all our Toll Plazas.

**IMPROVING PUBLIC PERCEPTION through our Toll Free Easter Promotion – 40 T-Tag customers win free passages during the month of April 2023**

The promotion offered customers the chance to be 1 of 40 randomly selected winners of free passages during the month of April 2023, if they had used the T-Tag lanes at least 44 times during the month of March. One aim of this promotion was to increase goodwill following the previous implementation of costs for T-Tag packages in January of last year. The results of the 2023 customer satisfaction survey indicated a 9%-point increase in goodwill, reflected by the number of customers who believed that Highway 2000 East-West cares for its customers (52%) when compared to the results of the previous survey in 2021 (43%).



The image on the page that follows, shows the Tag usage as a percentage of traffic for years 2018 – 2023. This demonstrates the effectiveness of various campaigns and serves as strong evidence that these combined initiatives were quite successful. There is typically a seasonal decline in T-Tag usage in July and August during the months in which schools are on summer break. However, during the month of July (the first full month of campaign execution) there was a 2.4%-point increase compared to the same period in the previous year and only a 0.88% dip from June versus a 3.13% dip between June 2022 and July 2022. From the month of September when school resumed through to December, record highs were observed with a peak in November at 39% T-Tag traffic as seen in the chart.

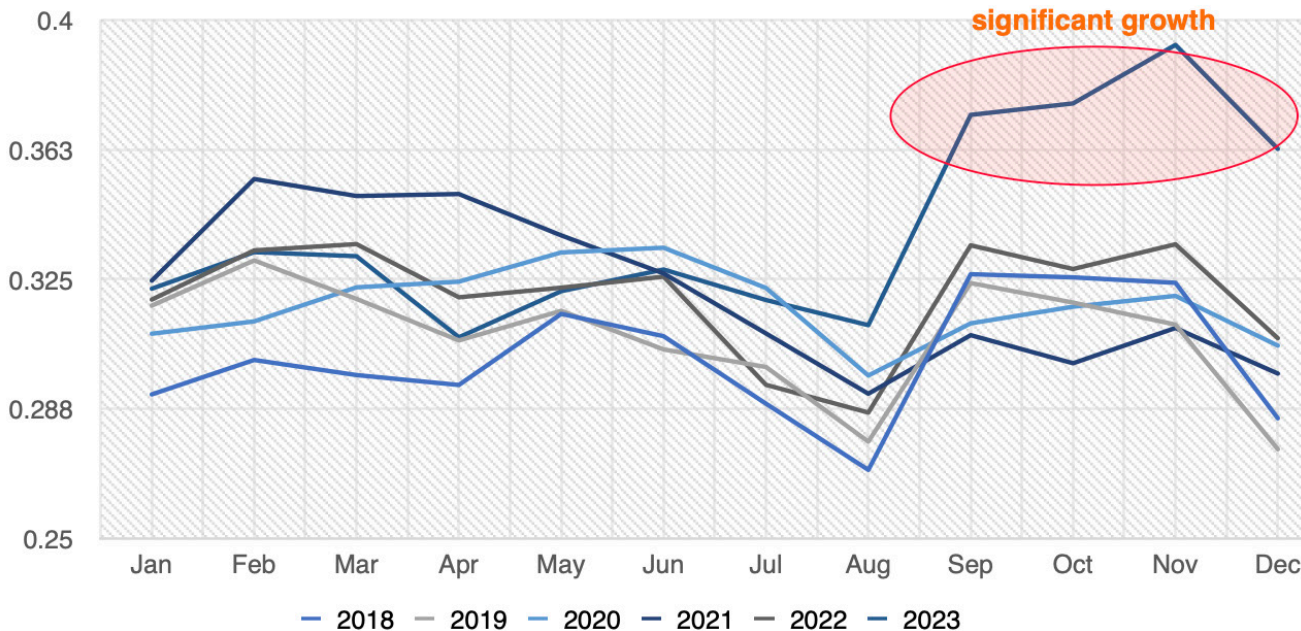


**Team Members from our May Pen Toll Plaza**



**The Group's Administrative & HR Team**

## % T-TAG TRAFFIC TRENDS (2018 - PRESENT)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	29%	30%	30%	29%	31%	31%	29%	27%	33%	33%	32%	28%
2019	32%	33%	32%	31%	32%	30%	30%	28%	32%	32%	31%	28%
2020	31%	31%	32%	32%	33%	33%	32%	30%	31%	32%	32%	31%
2021	32%	35%	35%	35%	34%	33%	31%	29%	31%	30%	31%	30%
2022	32%	33%	34%	32%	32%	33%	29%	29%	33%	33%	34%	31%
2023	32%	33%	33%	31%	32%	33%	32%	31%	37%	38%	39%	36%

### COMMUNICATING AND CONNECTING WITH OUR CUSTOMERS

#### SOCIAL MEDIA & DIGITAL SCREENS

Our social media presence increased during the year through our Facebook and Instagram accounts. Regular posts included highway and T-Tag benefits to encourage greater usage, highway safety tips to promote road safety, customer advisories on roadworks and other maintenance activities, product guidance concerning the T-Tag and the My T-Tag app, etc.



Customers were invited to share motivational quotes with us and send greetings for family and friends via social media to have them shared on our digital screens, which were installed at all toll plazas as part of the objective to find additional effective ways to communicate directly with customers.



#### ACTIVELY GATHERING & USING FEEDBACK

Our biennial Customer Satisfaction Survey was conducted during the year. A key focus area was to identify new feasible and effective incentives as well as pain-points concerning T-Tag usage. These surveys have proven to be most insightful

and the results are often used in our guiding our marketing and customer service initiatives. Some of the feedback from this included:

- 81% of respondents have a favourable (excellent or good) opinion of the tolled highway
- Top reasons for the favourable opinion were “time savings” at 64%, a “better way to travel” at 56%, and the “quality of the road” at 39%
- The top recommendation to improve our service was to add more rest stops with gas stations and shops at 18%.
- 61% of respondents said they prefer to use a debit card in the manual lane. This has subsequently been implemented at all toll plazas
- 62% of respondents said they used either the T-Tag lane only and both the T-Tag lane and the manual lane, indicating that the majority of customers have an active T-Tag.
- 98% of customers indicated a willingness to recommend the T-Tag to others.



### PEOPLE AND COMMUNITIES

Highway 2000 East-West is committed to the sustainable development of the communities we come across and improving the lives of the people within those communities. As pioneers in a developing country, we believe in the importance of offering new ideas, new concepts and adopting international best practices, that will help our employees to grow and have a brighter future. Offering opportunities to enhance the lives of citizens living in communities along the layout of the road is paramount as well.

Highway 2000 East-West wherever possible has:

- Worked with Jamaican companies to limit imports of goods or services. Local sub-contractors are also employed as much as possible.
- Fostered in-house expertise - In-house expertise is used to retrofit & maintain toll equipment and support the French developed Toll system from GEA.

- At the end of the reporting period, we had a staff count of 239. Thirty-five (35) are directly employed at JIO, nine (9) to TJH, mainly comprising management and administrative personnel and 195 are contracted with two outsourcing companies, Choice Business Solutions and United Management Services. Toll Collections and Maintenance functions are predominantly outsourced.
- We also continue to foster good relations with our surrounding communities through activities such as employing casual workers from these communities. Workers are also offered the chance to be self-sufficient by earning fair wages for different jobs such as fence repairers, road-sweepers and goat-herders. The feedback has been very positive with approximately 25 to 40 persons being employed as casual workers each month.

### GREAT EMPLOYEE EXPERIENCE

Employee performance awards and recognition are also integral for our organizations. The operations teams benefit from our Team Member of the Month Award, where a team member from each toll plaza is highlighted for their exceptional work each month. The tenure of our direct staff members is acknowledged by giving them seniority awards after 10 years, 20 years and 30 years with the company.

The Group is always looking at ways to improve our benefit offerings. In 2023, Paternity Leave was added to our suite of existing benefits, offering three (3) weeks leave with full pay to our fathers.

2023 saw us celebrating a significant milestone, that being our 20th anniversary, marking 20 years since we opened our first Toll Plaza in Vineyards St. Catherine. We took the opportunity to honour and acknowledge our staff who have been an integral part of our journey for the past 15 to 20 years. Their dedication and hard work have played a significant role in the continued success of the Group. Various activities were carried out to mark this special occasion, including postings on our social media platforms, and on our digital display screens that highlighted the staff, celebrating their long-standing commitment to our team. We culminated the event with an Awards Ceremony and staff party in December 2023.





20 year recipient Damion Brooks receiving Award. Mr. Brooks was also one of the first toll collectors hired. Handing out the Award is Mrs. Susan Brown who is also another 20 years recipient.

## RIGHT PEOPLE, RIGHT PLACE, RIGHT SKILLS

Great Customer Service is essential to providing optimal service to our customers. At Highway 2000 East-West we pride ourselves on a recruitment process that places emphasis on employing team members that embodies these traits. Internal customer service training also forms a part of our induction training, with refresher courses done annually for some categories of staff.

### Staff Satisfaction Survey 2023

In February, Highway 2000 East-West engaged our team member's participation in our first Team Member Satisfaction Survey. This survey focused on Staff Morale, Working Conditions and overall - Team Member's Satisfaction and had an overall participation rate of 44%. Though this was considered a low participation rate, we were still able to garner insights from the team to address issues highlighted via an action plan which was carried out through the year.

### Training of Staff

The Group continually seeks to improve our labour force and working conditions for all categories of workers through our performance management process. Last year, internal and external training was facilitated for staff as it relates to their specific job functions, career growth path and for their personal development. Some persons are also currently attending tertiary level institutions for which we provide financial assistance in line with our new educational assistance policy.

### Sexual Harassment Act Policy

The Sexual Harassment (Protection and Prevention) Act 2021 of Jamaica was implemented in July 2023. The Act contains provisions for dealing with sexual harassment in the workplace, schools, place of safety, among other places. In September of last year the Group hosted several vibrant and thought provoking sessions on *Understanding Sexual Harassment in the Workplace* throughout our various locations. This was done to sensitize employees of the implementation of the law and for them to have a better understanding of how this new law relates to them.

The Group has also implemented its own sexual harassment policy that safeguards the mental, physical and emotional well-being of all employees, and other third parties conducting business with the Group. The policy was also shared with each employee and has become a part of our onboarding procedure.

## REINVIGORATING STAFF GET TOGETHERS

The Group hosted a town hall meeting in September 2023, at Portmore Toll Plaza to include all direct and outsourced employees. This was to facilitate the sharing of some vital updates with the team including the progress of the restructuring exercise and plans for Phase 1C. These large meetings also serves as a great opportunity to gain priceless feedback from the team.

Our efforts to revamp our staff lymes following the end of the Covid-19 pandemic have been successful as 3 quarterly staff socials were held at our Portmore and Vineyards Toll plazas. These events continue to foster the togetherness culture the Group is committed to building.

Our Commitment to staff welfare is a key priority for management, during year we undertook several projects with this in mind:

### Project 1 - Rehabilitation of the playfield at the Portmore Toll Plaza

Now known as the "Portmore Multiple Purpose Sports Centre," the project included the rehabilitation of an unmaintained field that had been plagued by drought and water restrictions. It was therefore necessary to find a more long-term, sustainable solution. For this artificial turf was chosen as the best solution. The key advantages of choosing this alternative are its low maintenance costs and its versatility for hosting functions, sporting events etc.

See photos below from our official handover ceremony in September last year.



### Project 2 - Improving Staff Facilities

We have committed to doing major rehabilitation works on the Toll Plaza buildings. The project has started at Portmore toll plaza and will move on to the other plazas in the coming year. Works being done include refurbishing and retiling bathrooms, conference rooms and kitchens, general repainting, refurbishing of locker rooms as well as installation of and expansion of the sick bays at all locations.



**Renovated kitchen and dining area at the Portmore Toll Plaza**



**New Lounge area created as part of the renovation of the Portmore Toll Plaza**



**Members of the Patrol Team**



**Our Group's Accounts & Finance Team**



**Toll Collectors & Customer Service Team Members**



Our Maintenance Resource Unit (MRU) Team

**ENGAGED AND MOTIVATED COLLEAGUES**

As seen above, we encourage the participation of team members in our Corporate Social Initiatives. Over the years, the participation levels have been steadily increasing despite the limitations of a 24-hour operation. For this, the shifts are at times synchronized to allow members the opportunity to share in these rewarding activities. Some of the activities for last year were:

**SIGMA CORPORATE RUN - 25th Staging**

Team Highway 2000 East-West was once again elated to participate in the Sigma Run held on February 12th, 2023.



A team of over 70 persons registered for the landmark Legacy run where all levels of fitness could run, walk, or wheelchair themselves to victory across the finish line. JIO and TransJamaican Highway have always been strong supporters of the positive social fabric fostered at such events and have been proudly participating in the event since 2012.

We have also continued to push our campaigns to show our support to our frontline staff by highlighting issues of disrespect that they are faced with by some customers. Our “Respect me, Respect you, Respect due” theme can be seen at all our locations and on social media platforms. We have also included in our team meetings professional counselling to assist with the motivation and mental wellness of our team members.



Team members from our Vineyards Toll Plaza



Team members from our Spanish Town Toll Plaza

Other noteworthy activities as mentioned above in our ESG section:

- Safety Awareness
- JIO Annual Health & Wellness Fair 2023

# Managing our Risks

## RISK MANAGEMENT

As a Group, we have established guidelines aimed at managing our risks. This allows us to maintain high standards, support the continual achievement of our corporate and operational objectives and also ensure our financial sustainability. Risks are identified by the anticipated potential impact on the organization, operations and our stakeholders. They are managed through an integrated process which ensures that they are clearly defined, measured, monitored and understood. Risk assessment and evaluation is also included to determine the threat level, potential impact, and the degree of mitigatory or control measures required.

Managers have the responsibility for identifying, assessing and managing the risks within the scope of their assigned responsibilities. This is achieved through the active involvement of all employees with strong oversight by the executive management team

The group has a full-fledged risk management process aligned to the dictates of ISO 9001:2015. The Subsidiary/Operator also maintains the ISO 14001:2015 certification.

## PRIORITIZING OUR RISKS

Risks are analyzed by categorizing and ranking the identified risks based on the likelihood/probability of occurrence and potential consequence if the event does occur and using a risk rating matrix with both to assign a ranking of High or Medium.

A Risk Register is used to record identified risks, their severity, the probability of occurrence and the actions to be taken to control the risk.

## MITIGATING OUR MAJOR RISKS

Reducing the probability of risks is of high importance and the companies work closely together with our stakeholders to mitigate the impact of risks at both the operational and strategic levels. The companies have implemented various strategies to minimize and eliminate any adverse consequences of the risks such as:

- business continuity & contingency plans
- maintaining adequate insurance

## MONITORING OUR RISKS

We fully understand that few if any risk will remain static. As such periodic reviews form an integral part of the risk management plan employed. High-rated risks together with some of the medium rated ones are monitored and reported on monthly in various forums, including weekly and monthly internal and external stakeholder meetings.

Monthly contractual reports issued by JIO and through quarterly IMS Management Review sittings.

These reviews not only monitor our existing risks but also contemplates new ones which may have arisen, thus allowing for continuous updates of the Risk Registers.

## MAJOR RISKS

Our risk management principles are anchored on the theme that the Group will ensure any risks undertaken are clearly understood, measured and managed. Risks are prioritized based on the likelihood of occurrence and the potential impact. The responsibility of Business Unit managers to recognize their role as the owners of risk is also important, as is their accountability for effective risk management practices within their respective business units.

The determined risks are assigned a rating from four categories ranging from Low to Critical collectively for the Group and are calculated with respect to the likelihood of occurrence and the potential consequences or impacts. The nature of further action that is required, and the urgency with which further action should be undertaken, are also taken into careful consideration.

## FINANCIAL RISKS

These risks can be diverse in nature and can occur based on the influence of internal or external factors. Financial risks typically can result in a loss of capital for stakeholders and failure of the Group to meet its debt repayment obligations. The Group takes a strong approach in identifying these potential risks and safeguarding the Group as much as possible from such occurrences, by implementing and monitoring strong mitigating activities.

## OPERATIONAL RISKS

Operational risks can be either direct or indirect and can result from disruptions to the operations as a result of a failure in internal processes, people, systems or from external events. Operational risks refer to both the risks in operating the toll road and the processes management uses when implementing, training, and enforcing policies.

# Management Discussion & Analysis

The following discussion contains an analysis of our results of operations for the twelve-month period ended December 31, 2023, and financial position as at December 31, 2023, and should be read in conjunction with the Audited Financial Statements for the year, together with the notes thereto, which have been prepared in accordance with IFRS as adopted by the International Accounting Standards Board.

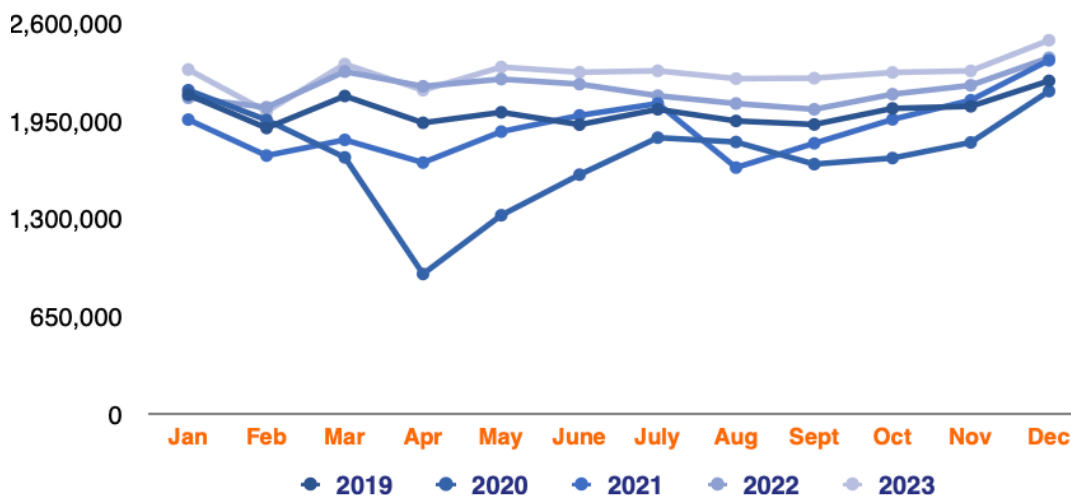
## KEY FACTORS AFFECTING THE GROUP'S FINANCIAL PERFORMANCE

The following are some significant factors affecting the Group's results of operations:

- Traffic growth and recovery,
- Post acquisition modification of the operator's fees,
- Amortization of the Intangibles,
- Staff Cost, and
- Major maintenance.

## TRAFFIC GROWTH AND RECOVERY

Traffic for year 2023 not only surpassed our post Mandela widening and post Covid-19 numbers but was the highest we have experienced this far on the project. For this we thank our customers for their years of dedicated patronage as we strive to serve you better in everything we do.



See pages 25-29 for a breakdown of the traffic and revenue by Toll Plaza

## POST ACQUISITION MODIFICATION OF OPERATOR'S FEE

As mentioned last year, the acquisition was to also allow for certain modifications of the Operations and Maintenance (O&M) Agreement with Operator. This included the modification of the previous fee structure, which included a Fixed and Variable component. The Monthly Variable Fee corresponded to 3% of our revenues as such increases in yearly revenues also result in an increase to the Monthly Variable Fee. The Monthly Fixed Fee was subject to monthly indexation in accordance with the prescribed formula and fluctuated based on the movement in CPI and in the U.S. dollar/J\$ exchange rates. This level of fluctuation saw the fees increasing at an average of 32% over the last five years.

**The new fee is now based on:**

a monthly lump sum fee of US\$447,500 (August 2022 values) and escalates on the basis of the US CPI only; a monthly variable fee corresponding to 5% of the Theoretical Toll Revenues ("Variable Operational Fee").

This new fee structure transfers a greater risk of the traffic variations to the Operator and has resulted in cost savings of over 50% to the Group.

**INTANGIBLES AMORTIZATION**

Intangible assets represent the Company's rights under the Concession Agreement and includes the costs of design, site installation, earthworks and construction of bridges, structures and pavements.

Amortization is charged so as to write off these costs over the concession period based on external projections of traffic on the highway. These projections are based on various estimates and assumptions surrounding, among other things, growth in gross domestic product, inflation and the Toll Road traffic demand.

These estimates and assumptions were recast in May 2021 by STEER, an independent traffic consultant with expertise in these matters, to incorporate the projected impact of the

COVID-19 pandemic. The current year's cost is based on these projections in addition to actual traffic for the year. A new traffic study has also been commissioned for FY2024.

**STAFF COST**

Staff cost makes up the largest component of the Operator's cost. The Group Employees a total of 239 employees. Our team is comprised of a dynamic and multi-talented workforce who are committed to serving our commuters and other stakeholders on a daily basis. The Group's cost for 2023 includes a full year of salaries for the employees of the Operator compared to only 11 days for FY2022. It also includes the cost associated with the restructuring exercise as mentioned on pages 31-32.

**MAJOR MAINTENANCE**

As part of the Company's obligations under the Operation & Maintenance Agreement, we conduct major maintenance repairs based on specific projections and assumptions developed under a maintenance program reviewed by the Independent Engineer. Major maintenance includes corrective and rehabilitative works, including renewal of toll road pavements, toll road equipment, ancillary structures and network control equipment. Actual cash outflows may vary from year-to-year due to repair obligations under the O&M Agreement based on the length of operation of the Toll Road.

**5 YEAR FINANCIAL STATEMENTS REVIEW**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
FOR THE YEAR ENDED DECEMBER 31 (U.S.\$ IN THOUSANDS)					
Income Statement Data	2023	2022	2021	2020	2019
Revenue	75,204	65,006	52,755	45,382	53,285
Other Gains & Losses	2,364	1,047	3,140	1,638	3,859
Operating Expenses	(22,435)	(39,909)	(34,057)	(31,078)	(36,008)
Administrative Expenses	(8,423)	(1,749)	(1,213)	(1,303)	(1,292)
Finance Costs	(14,538)	(14,798)	(15,284)	(17,123)	(11,469)
One Time/ Exceptional Cost		(13,883)*			(21,518)
Profit/(Loss) Before Tax	32,172	(4,286)	5,341	(2,484)	(13,143)
Taxation	(8,209)	(2,854)	(1,350)	613	21,443
Net Profit/(Loss) Being Total	23,963	(7,140)	3,991	(1,871)	8,300
EPS	0.002	(0.0006)	0.0003	(0.0001)	0.0007
EBITDA	78.8%	35.8% *	56.8%	53.9%	62.2%

\*2022 EBITDA adjusted for One-Time Exceptional Cost 57.2%.

## REVENUE

The Group's revenue consists mainly of collections from Toll operation and is recognized in accordance with IFRS15. 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. It also includes exchange gains realized on the revaluation of the 8.0% (JMD) Cumulative Redeemable Preference Shares.

For the year ended December 31, 2023, the Group had other gains of US\$2.4 million, reflecting an increase of US\$1.3 million, 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 emanating from the revaluation of the 8.0% (JMD) Cumulative Redeemable Preference Shares

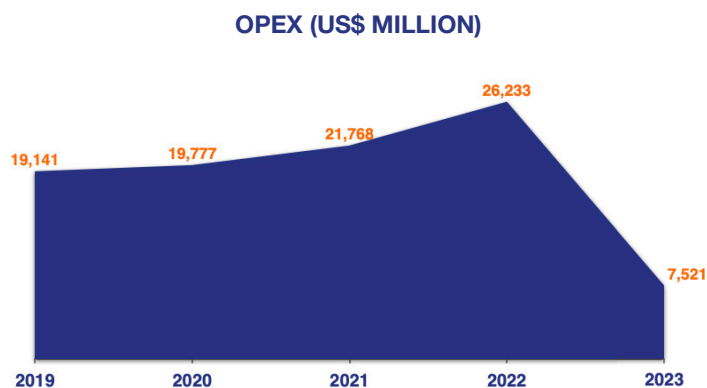
## OPERATING EXPENSES

Operating expenses consist of the costs of operation and maintenance of the Toll Road. For FY 2023, the costs primarily include the amortization of intangible assets which varies based on the actual and projected traffic during the concession period. It also includes the cost for repairs and maintenance, marketing, insurance and other expenses.

For the year ended December 31, 2023, the Group's Operating expenses were US\$22.4 million, reflecting a decrease of US\$17.5 million of (44%) when compared to US\$39.9 million for the same period in 2022. This decrease was primarily attributable 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 year included the cost associated with the acquisition. This was also partially offset by:

- Higher maintenance cost including spares/equipment purchased to improve the services offered in the Tag lanes and our My t-Tag App.
- Higher amortization of the Intangible Asset based on the actual traffic for the quarter.
- Higher insurance cost associated with the annual premium renewal.
- Bank and security charges incurred for the Group.

The chart below shows our Operational Cost over the last 5 years (excluding amortization of intangibles and last year's settlement loss). The impact of the post acquisition cost savings is reflected in our 2023 numbers.



## 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 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 as mentioned above.

## SETTLEMENT LOSS ON ACQUISITION

As reported last year, the settlement loss of US\$13.9 million relating to the previous relationship between the Company and Subsidiary was a onetime occurrence and has no impact on our results for FY2024.

## FINANCE COST

The US\$225 million Senior Notes issued in February 2020, pays interest on a quarterly basis at a rate of 5.75% and matures in 2036. For FY2023, finance costs were 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 (see note 19 the 2023 Financial Statements).

## PROFIT BEFORE TAX

A before tax profit of US\$32.2 million was realized for the year ending December 31, 2023. This reflects an increase of US\$36.5 million, when compared to the before tax loss of US\$4.3 million for the same period 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 period. This was partially offset by the cost factors mentioned above.

## TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

The Group's tax charge for FY2023 comprised of corporate tax of corporate and deferred tax charges of US\$8.2 million which allowed for total comprehensive profit for the year of US\$24 million. This was an increase of US\$31.1 million, when compared to a loss of US\$7.1 million for the prior year. Corporate and deferred tax charges of US\$2.9 million were recognized for the comparative period in 2022.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

As of December 31, 2023, total assets for the Group comprised of:

#### Intangible Assets

US\$198 million and represents the Group's primary asset relating to our rights under the Concession Agreement. This is reported at cost less accumulated amortization and accumulated impairment losses.

#### Restricted Cash

US\$68 million and refers to funds held in reserve accounts specifically for Debt Servicing, Major Maintenance, Operational Cost and for approved distributions.

#### Deferred Tax Assets

US\$15 million and is recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

#### Other Assets

US\$10 million and includes Cash and Bank, Receivables, Inventories, Property and Equipment and our Right of use relating to the leasing of our Head Office Building and other current assets.

### LIABILITIES

As of December 31, 2023, the Group's liabilities primarily comprised of:

#### Borrowings

US\$203 million, representing the carrying value of the secured notes issued to repay the cost of developing the Highway.

#### Cumulative Redeemable Preference Shares

US\$25 million, representing (in USD) the Cumulative Redeemable Preference Shares which are subordinated to the secured Notes in all respects, including without limitation, as to any right of payment (other than dividends paid). These 8.0% Preference Shares are denominated (JM\$3.8 billion) in Jamaican dollars and pay interest quarterly.

#### Provisions for Renewals

US\$9 million, this provision for Toll Road repairs represents estimated costs for scheduled repairs ranging from three (3) years to the end of the concession period based on

certain projections made over the course of the concession period. This provision is based on the same estimates and assumptions included in the Company's annual operations and maintenance plan (the "O&M Plan") which is reviewed by the Independent Engineer - ARUP.

#### Other Liabilities

US\$5 million and includes Lease, Trade and Other Payables, Contract liabilities, Tax payable for FY 2023 and short-term operational related payables.

#### Equity

As at December 31, 2023, share capital remained at US\$27 million. Retained Earnings however, increased to US\$22 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.

# Audited Consolidated Financial Statements

TRANSJAMAICAN HIGHWAY LIMITED  
AND ITS SUBSIDIARY CONSOLIDATED  
AND SEPARATE FINANCIAL STATEMENTS

For the Year Ended December 31, 2023  
(Expressed in United States dollars)

**TRANSJAMAICAN HIGHWAY LIMITED AND ITS SUBSIDIARY**

**YEAR ENDED DECEMBER 31, 2023**

**(Expressed in United States dollars)**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Transjamaican Highway Limited

Report on the Audit of the Consolidated and Separate Financial Statements

### **Opinion**

We have audited the consolidated financial statements of Transjamaican Highway Limited and its subsidiary ("the Group"), and the separate financial statements of Transjamaican Highway Limited ("the Company"), which comprise the Group's and Company's statements of financial position as at December 31, 2023, the statements of comprehensive income/(loss), changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group as at December 31, 2023, and of the consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaican Companies Act.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

To the Members of Transjamaican Highway Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

*Key Audit Matters (continued)*

Key audit matter	How our audit addressed the key audit matter
<b>Intangible assets relating to Service Concession Agreements (IFRIC 12) and related impairment assessment</b>	
<p>Intangible assets amounted to \$197.57 million as of December 31, 2023 and accounted for 70% of the total non-current assets for the Group.</p> <p>As discussed in Note 4, amortization is charged so as to write off the cost of intangible assets over the period of concession using a projection of traffic on the highway over this period. This projection was reassessed in May 2021 by Steer, an external consultant from the United Kingdom and further amended at the end of the 2021 reporting period. The projection is based on various estimates and assumptions surrounding, among other things, macroeconomic variables and toll road traffic demand. These assumptions can vary in practice and the actual outcome depends on such factors as population growth and the development of other sections of the highway. The policy of the Board of Directors and management is to update the forecast periodically based on the actual traffic.</p> <p>At the end of the reporting period, management performed an impairment assessment on the intangible assets which were within the scope of IFRIC 12. The recoverability of these assets was verified through a comparison between the carrying amount and the recoverable amount, being the higher of fair value and value in use.</p>	<p>As part of our audit procedures, we have:</p> <ul style="list-style-type: none"> <li>- obtained an understanding and evaluated the design and implementation of the Group's internal control over processes related to the intangible assets;</li> <li>- verified the reconciliation of the sub-ledger to the general ledger values, verified the completeness of the actual traffic data and recalculated amortization charges for the year;</li> <li>- placed reliance on the external consultant's traffic projection report over the concession period and therefore assessed the external consultant's qualifications (i.e. professional certification, membership in an appropriate professional body), experience and reputation in the field. We also assessed the external consultant's objectivity and with the assistance of EY specialists, evaluated the work performed (including reviewing the assumptions and inputs used in the report) in accordance with ISA 620 "Using the Work of an Expert";</li> <li>- examined the method adopted by management to identify and assess possible indicators of impairment of the intangible assets with the assistance of EY specialists;</li> <li>- re-performed the impairment assessment; and</li> <li>- assessed the accuracy and completeness of the disclosures presented in the consolidated financial statements.</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Transjamaican Highway Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

### *Other information included in the Annual Report*

Other information consists of the information included in the Group's annual report other than the consolidated and separate financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### *Responsibilities of Management and the Board of Directors for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Transjamaican Highway Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (continued)*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Transjamaican Highway Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial Statements (Continued)

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (continued)*

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the consolidated and separate financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditor's report is Rochelle Stephenson.

A handwritten signature in blue ink that reads 'Ernest &amp; Young'.

Chartered Accountants  
Kingston, Jamaica

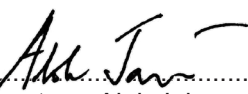
March 14, 2024

**TRANSJAMAICAN HIGHWAY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**  
(Expressed in United States dollars)

	Notes	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	1,147	1,034
Right of use asset	6	92	196
Intangible assets	7	197,573	212,091
Deferred tax assets	8	15,317	19,214
Restricted cash	14	67,501	49,344
<b>Total non-current assets</b>		<b>281,630</b>	<b>281,879</b>
<b>Current assets</b>			
Inventories		198	159
Other receivables	10	1,124	678
Cash and bank balances	11	7,153	5,421
<b>Total current assets</b>		<b>8,475</b>	<b>6,258</b>
<b>Total assets</b>		<b>290,105</b>	<b>288,137</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	12	27,000	27,000
Foreign currency translation reserve		8	-
Accumulated profit		21,954	12,991
<b>Total shareholders' equity</b>		<b>48,962</b>	<b>39,991</b>
<b>Non-current liabilities</b>			
Cumulative redeemable preference shares	13	24,096	24,449
Borrowings	14	191,810	199,921
Provisions	15	9,101	7,186
Lease liability	6	-	103
<b>Total non-current liabilities</b>		<b>225,007</b>	<b>231,659</b>
<b>Current liabilities</b>			
Cumulative redeemable preference shares	13	486	493
Borrowings	14	10,852	9,848
Provisions	15	39	1,859
Lease liability	6	106	98
Tax payable		2,915	1,714
Contract liabilities	16	674	829
Trade and other payables	17	1,064	1,646
<b>Total current liabilities</b>		<b>16,136</b>	<b>16,487</b>
<b>Total equity and liabilities</b>		<b>290,105</b>	<b>288,137</b>

The accompanying notes form an integral part of these consolidated and separate financial statements.

These consolidated and separate financial statements were approved and authorized for issue by the Board of Directors on March 14, 2024 and are signed on its behalf by:

  
.....  
Director – Alok Jain

  
.....  
Director – Steven Gooden

**TRANSJAMAICAN HIGHWAY LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	<b>Notes</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Revenue - toll rates		75,204	65,006
Other gains	18	2,364	1,047
Operating expenses	19	(22,435)	(39,909)
Administrative expenses	19	(8,423)	(1,749)
Finance costs	19	(14,538)	(14,798)
Net loss on acquisition of subsidiary	9	-	(13,883)
Net profit/(loss) before taxation		32,172	(4,286)
Taxation	20	(8,209)	(2,854)
<b>Net profit/(loss)</b>	21	23,963	(7,140)
<b>Other comprehensive income:</b>			
Currency translation		8	-
<b>Total comprehensive income/(loss) for the year</b>		<u>23,971</u>	<u>(7,140)</u>
<b>Earnings/(Loss) per share</b>	22	<u>\$0.002</u>	<u>\$(0.0006)</u>

The accompanying notes form an integral part of these consolidated and separate financial statements.

**TRANSJAMAICAN HIGHWAY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	<b>Share Capital \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Accumulated Profit \$'000</b>	<b>Total \$'000</b>
Balance at January 1, 2022	27,000	-	27,131	54,131
Net loss being Total comprehensive loss for the year	-	-	(7,140)	(7,140)
Dividends (Note 23)	-	-	(7,000)	(7,000)
Balance at December 31, 2022	27,000	-	12,991	39,991
Net profit for the year	-	-	23,963	23,963
Other comprehensive income	-	8	-	8
Total comprehensive income	-	8	23,963	23,971
Dividends (Note 23)	-	-	(15,000)	(15,000)
Balance at December 31, 2023	27,000	8	21,954	48,962

The accompanying notes form an integral part of these consolidated and separate financial statements.

**TRANSJAMAICAN HIGHWAY LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the year		23,963	(7,140)
Adjustments for:			
Depreciation of property and equipment	5	304	123
Depreciation of right of use asset	6	92	35
Gain on disposal of property and equipment	18	(57)	-
Unrealized foreign exchange (gains)/(losses)		(112)	268
Amortization of intangible assets	7	14,518	13,676
Interest income	18	(1,450)	(708)
Income tax charge	20	8,209	2,854
Finance cost recognized in profit or loss	19	14,538	14,798
Increase in provisions	15	1,859	868
Operating cash flows before movements in working capital		61,864	24,774
(Increase)/Decrease in other receivables		(446)	1,716
(Increase)/Decrease in inventories		(39)	3
Provisions utilized during the year	15	(1,764)	(2,216)
Decrease in trade and other payables		(582)	(2,435)
(Decrease)/Increase in contract liabilities		(155)	50
Cash generated from operations		58,878	21,892
Income tax paid		(3,111)	(162)
Interest paid		(14,071)	(14,477)
Lease liability payments – interest	6	(23)	-
Net cash provided by operating activities		41,673	7,253
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property and equipment		89	1
Interest received		1,450	708
Payments for property and equipment	5	(455)	(70)
Acquisition of subsidiary, net of cash acquired		-	(799)
(Increase)/Decrease in restricted cash		(18,157)	5,277
Net cash (used in)/provided by investing activities		(17,073)	5,117
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability payments - principal	6	(90)	-
Borrowings repaid	14	(7,558)	(6,631)
Dividends paid	23	(15,000)	(7,000)
Net cash used in financing activities		(22,648)	(13,631)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		1,952	1,261
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		5,421	6,720
Effect of foreign exchange rate changes		(220)	(38)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	11	7,153	5,421
<b>Non-cash items:</b>			
Amortization of upfront and commitment fees	14	448	436

The accompanying notes form an integral part of these consolidated and separate financial statements.

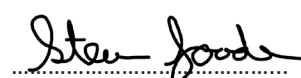
**TRANSJAMAICAN HIGHWAY LIMITED**  
**SEPARATE STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	Notes	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	652	624
Intangible assets	7	197,573	212,091
Deferred tax assets	8	15,288	19,164
Investment in subsidiary	9	2,437	2,437
Restricted cash	14	67,501	49,344
<b>Total non-current assets</b>		<b>283,451</b>	<b>283,660</b>
<b>Current assets</b>			
Other receivables	10	937	455
Cash and bank balances	11	5,071	3,798
<b>Total current assets</b>		<b>6,008</b>	<b>4,253</b>
<b>Total assets</b>		<b>289,459</b>	<b>287,913</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	12	27,000	27,000
Accumulated profit		21,804	12,947
<b>Total shareholders' equity</b>		<b>48,804</b>	<b>39,947</b>
<b>Non-current liabilities</b>			
Cumulative redeemable preference shares	13	24,096	24,449
Borrowings	14	191,810	199,921
Provisions	15	9,101	7,186
<b>Total non-current liabilities</b>		<b>225,007</b>	<b>231,556</b>
<b>Current liabilities</b>			
Owed to related party	9	115	1,205
Cumulative redeemable preference shares	13	486	493
Borrowings	14	10,852	9,848
Provisions	15	39	1,859
Tax payable		2,912	1,226
Contract liabilities	16	674	829
Trade and other payables	17	570	950
<b>Total current liabilities</b>		<b>15,648</b>	<b>16,410</b>
<b>Total equity and liabilities</b>		<b>289,459</b>	<b>287,913</b>

The accompanying notes form an integral part of these consolidated and separate financial statements.

These consolidated and separate financial statements were approved and authorized for issue by the Board of Directors on March 14, 2024 and are signed on its behalf by:

  
 Director – Alok Jain

  
 Director – Steven Gooden

**TRANSJAMAICAN HIGHWAY LIMITED**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME/(LOSS)**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	<b>Notes</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Revenue - toll rates		75,204	65,006
Other gains	18	2,261	901
Operating expenses	19	(29,607)	(40,350)
Administrative expenses	19	(1,325)	(1,432)
Finance costs	19	(14,515)	(14,798)
Net loss on acquisition of subsidiary	9	<u>-</u>	<u>(13,663)</u>
Net profit/(loss) before tax		32,018	(4,336)
Taxation	20	<u>(8,161)</u>	<u>(2,848)</u>
<b>NET PROFIT/(LOSS) BEING TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>21</b>	<b><u>23,857</u></b>	<b><u>(7,184)</u></b>

The accompanying notes form an integral part of these consolidated and separate financial statements.

**TRANSJAMAICAN HIGHWAY LIMITED**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	<b>Share Capital \$'000</b>	<b>Accumulated Profit \$'000</b>	<b>Total \$'000</b>
Balance at January 1, 2022	27,000	27,131	54,131
Net loss being Total comprehensive loss for the year	-	(7,184)	(7,184)
Dividends (Note 23)	-	(7,000)	(7,000)
Balance at December 31, 2022	27,000	12,947	39,947
Net profit being Total comprehensive income for the year	-	23,857	23,857
Dividends (Note 23)	-	(15,000)	(15,000)
Balance at December 31, 2023	27,000	21,804	48,804

The accompanying notes form an integral part of these consolidated and separate financial statements.

**TRANSJAMAICAN HIGHWAY LIMITED**  
**SEPARATE STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

	Notes	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the year		23,857	(7,184)
Adjustments for:			
Depreciation of property and equipment	5	119	119
Loss on disposal of property and equipment	18	1	-
Unrealized foreign exchange gains		(136)	274
Amortization of intangible assets	7	14,518	13,676
Interest income	18	(1,405)	(708)
Income tax charge	20	8,161	2,848
Finance cost recognized in profit or loss	19	14,515	14,798
Settlement loss on acquisition of subsidiary	9	-	13,883
Negative goodwill on acquisition of subsidiary	9	-	(220)
Increase in provisions	15	1,859	868
Operating cash flows before movements in working capital		61,489	38,354
(Increase)/Decrease in other receivables		(482)	295
Provisions utilized during the year	15	(1,764)	(2,216)
Decrease in trade and other payables		(380)	(2,194)
(Decrease)/Increase in contract liabilities		(155)	50
(Decrease)/Increase in owed to related party		(1,090)	1,205
Cash generated from operations		57,618	35,494
Income tax paid		(2,599)	(80)
Interest paid		(14,071)	(14,477)
Net cash provided by operating activities		40,948	20,937
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on acquisition of subsidiary	9	-	(16,100)
Proceeds from disposal of property and equipment		1	1
Interest received		1,405	708
Payments for property and equipment	5	(149)	(70)
(Increase)/Decrease in restricted cash		(18,157)	5,277
Net cash used in investing activities		(16,900)	(10,184)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowings repaid	14	(7,558)	(6,631)
Dividends paid	23	(15,000)	(7,000)
Net cash used in financing activities		(22,558)	(13,631)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		1,490	(2,878)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		3,798	6,720
Effect of foreign exchange rate changes		(217)	(44)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	11	5,071	3,798
<b>Non-cash items:</b>			
Amortization of upfront and commitment fees	14	448	436

The accompanying notes form an integral part of these consolidated and separate financial statements.

**TRANSJAMAICAN HIGHWAY LIMITED**  
**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**  
**(Expressed in United States dollars)**

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**1 IDENTIFICATION AND PRINCIPAL ACTIVITIES**

- (a) Transjamaican Highway Limited (the “Company”) is a public 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 owing 20% of its shares and the remaining 80% being traded on the Jamaica Stock Exchange. Its business activity is the development, operation and maintenance of a tolled roadway known as “Highway 2000 East-West” under a Concession Agreement with the National Road Operating & Constructing Company (“NROCC”) (the “Grantor”) made on November 21, 2001 (Amended and Restated on January 28, 2011 and January 20, 2020). The concession is for a period of 35 years.

The Company also has Senior Secured Debt Notes which are listed at the Singapore Exchange Securities Trading Limited.

The Company’s subsidiary company is as follows:

<u>Subsidiary</u>	<u>Place of incorporation, operation and domicile</u>	<u>Proportion of ownership interest and voting rights</u>	<u>Principal Activity</u>
Jamaican Infrastructure Operators Limited	Jamaica	51% (See Note 9)	Performance of all functions and responsibilities of the Operator of a tolled roadway

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.

- (b) The Project Arrangement

*Description of project*

The Highway 2000 Project (the “Project”) comprises a 35-year concession for the design, finance, construction, operation and maintenance of a tolled motorway.

The Project implementation is in two steps.

The first step (“Phase 1A”) is split into 3 sub-phases which comprise 39.6 km from Kingston to Sandy Bay including:

- (i) the dualization of the Old Harbour Bypass (11km) for which financial close was achieved on February 22, 2002, (also called Early Financial Close 1 (“EFC 1”)). This section was opened in September 2003.
- (ii) the construction of a dual carriageway (22km) linking the Mandela Highway to the Old Harbour Bypass and termed Early Financial Close 2 (“EFC 2”) (which together constitute the Early Construction Works). The carriageway was opened in December 2004.
- (iii) the construction of a new Portmore Causeway (6.4km) (2 x 3 lanes) and the upgrading of the Dyke Road (handed over to the National Works Agency). The two roads link the capital city, Kingston with south-western suburbs. This segment is termed Financial Closing 1A (“FC1A”) and was opened in July 2006.

The second step (“Phase 1B”) links Sandy Bay to May Pen and consists of a 2x2 lane carriageway for a length of 10.5km. This carriageway was opened in August 2012.

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**1 IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONTINUED)**

(b) The Project Arrangement (Continued)

*The Concession Agreement*

NROCC and the Company entered into the Concession Agreement on November 21, 2001 (Revised January 28, 2011). The Concession Agreement grants the Concession for Phase 1 of the Project to the Company and establishes the terms for the design, construction, operation, maintenance and financing of Phase 1. It has a term of 35 years. The Concession Agreement grants the Company the ability to charge toll road users and a right of first refusal to undertake Phase 2B of the Project, which would extend the toll road between Williamsfield and Montego Bay with the exception of the Montego Bay bypass. The Company has not since undertaken Phase 2B. The Concession Agreement is governed by the Laws of Jamaica.

Pursuant to a Jamaican cabinet decision dated November 25, 2019, NROCC granted the Company and the Operator a right of first refusal to own, operate and maintain the Phase 1C portion of the Toll Road (a 28.0-km-long road between the cities of May Pen and Williamsfield which will include a new link from the Highway 2000 East-West to the town of Porus located in the parish of Manchester). The decision also granted the Company an exclusive option to extend the existing term of the Concession Agreement for an additional 35 years, the price of which will be determined at that time. Each of these Jamaican Cabinet approvals has been incorporated as part of the amended Concession Agreement.

Key Elements of the Concession Agreement:

*The Guarantee*

In consideration of the Company's entering into the Concession Agreement with the Grantor, the Government of Jamaica has irrevocably and unconditionally guaranteed to the Company, the due and punctual observance and performance of the payment obligations of the Grantor contained in the Concession Agreement and enforcement costs in relation to preservation of its rights by the Company or an assignee of the Company. If the Government of Jamaica should hereafter grant to any third-party security for its external indebtedness the Government of Jamaica as Grantor is obliged to provide to the Company equivalent security for the performance of its obligations.

*Assignment and Security*

The Company has been given the right to assign its rights under the Concession Agreement to Lenders and to create other forms of security over it or over any property provided those rights shall cease upon termination of the concession agreement after 35 years.

*Variations*

NROCC has the power to propose variations to the core design, construction, operation and maintenance requirements by notice to the Company, at which time the Company has the ability to state its opinion as to whether the adjustment is necessary, the estimated cost which will be met by the Grantor, the steps to implement the proposed variation and its objection, if any.

*Termination Clauses*

The Company may terminate all or part of the Concession Agreement, if NROCC is in breach of its obligations, if the Government of Jamaica expropriates or takes similar action in relation to the Highway 2000 Project, if NROCC is no longer able to act as Grantor and if a change in law were to make it illegal or impossible for the Company to perform substantially all of its obligations under the Concession Agreement.

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**1 IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONTINUED)**

(b) The Project Arrangement (Continued)

Key Elements of the Concession Agreement: (continued)

*Termination Clauses (continued)*

NROCC may terminate all or part of the Concession Agreement by giving no less than 12 months and no more than 18 months' notice to the Company, if the Company does not satisfy the conditions subsequent regarding Financial Close for Phase 1A or Phase 1B, if an insolvency event occurs, if the Company commits a corrupt activity or if certain types of breaches of the Concession Agreement occur.

Either party may terminate the Concession agreement in the event of Force Majeure Occurrences.

*Grantor Responsibility Termination*

If a Grantor Responsibility Termination occurs prior to early financial close, on or after financial close, the Grantor shall pay the Company, a capital sum equal to the aggregate of the Company's debt, its shareholder contribution and an equity compensation amount calculated to yield the shareholders an internal rate of return of 16%.

*Compensation Amounts*

The Grantor, NROCC, is required to pay compensation amounts to the Company upon the occurrence of certain events that lead to an increase in the design, construction, operation or maintenance costs or to a loss of revenue for the Company. These events include: a breach by the Grantor of its obligations under the Concession Agreement, breach of the NROCC Direct Agreement, the occurrence of a Qualifying Force Majeure Event, a prolonged Force Majeure Event, a Grantor Variation or a qualifying change of law, or a competing road to reflect reduction in traffic levels arising from the carrying out of works by or on behalf of the Government of Jamaica.

*Capped Toll Levels*

The Concession Agreement allows for an escalation of toll rates up to a maximum authorised limit. The allowed escalation is a function of the proportion of debt outstanding, inflation rates and exchange rates such that toll rates will be allowed to increase proportionately with depreciations in the Jamaican dollar and increases in inflation. If the Toll Regulator of the Government of Jamaica were to require the Company to set a toll below the Capped Toll level then the Grantor is required to provide compensation.

*Operation and Maintenance ("O&M") Agreement*

On December 9, 2019, the O&M Agreement was amended and restated to, among other things, (i) extend its term until December 20, 2024 and (ii) modify the calculation of the fees payable to the Operator. The O&M Agreement has a term of five years from December 9, 2019. Upon its expiration, the Company plans to renew the O&M Agreement with the Operator or otherwise contract another highly experienced and reputable international toll road operator. The fees payable to the Operator under the O&M Agreement include (i) a pre-operating lump-sum fee (the "Pre-Operating Fee"), (ii) a monthly fixed operational fee (the "Monthly Fixed Fee") and (iii) a monthly variable fee (the "Monthly Variable Fee") corresponding to 3.0% of the theoretical toll revenues, which are calculated by multiplying the number of vehicles that physically passed through each Toll Plaza (including any vehicles exempt from tolls under the O&M Agreement) by the applicable toll rate for each such vehicle in any given month.

During December 2022, following the exercise of the Vinci Concessions S.A.s' call option, the second amended and restated Operation and Maintenance Agreement was amended to affect changes including the fees as follows:

- (a) a monthly lump sum fee of US\$447,500 payable in arrears;
- (b) a monthly variable fee corresponding to 5% of the Theoretical Toll Revenues ("Variable Operational Fee").

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**1 IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONTINUED)**

(b) The Project Arrangement (Continued)

Key Elements of the Concession Agreement: (continued)

*Amendment to agreements*

The following are the significant amendments to the agreements:

(i) Improvements to Marcus Garvey Drive

The Company agreed to carry out rehabilitation works at Marcus Garvey Drive in order to facilitate the traffic flow on the Portmore Causeway during peak hours.

The cost of improvement works to Marcus Garvey Drive was initially advanced by the Grantor. The Company was to include this cost as part of the borrowed funds contemplated for the Financial Close 1B (i.e., the date on which financing on terms reflected in the Financial Model becomes unconditional and is made available to the Company for the Phase 1B construction works). The total cost of the works carried out amounted to \$9.03 million and pursuant to the Loan Conversion Agreement between the Company and NROCC, the parties agreed that this sum would form part of the converted amount.

(ii) Equity Participation in Phase 1B

The Grantor, NROCC, agreed that then existing shareholders of the Company had no obligation to invest equity in Phase 1B.

(iii) Concession Agreement

On January 20, 2020, the Board of Directors, approved an amendment to the Concession Agreement. The Concession Agreement was amended and restated to, among other things,

- eliminate references related to the ECA Financing,
- allow the Company to incur indebtedness under Debt Notes and assign the Company's rights under the Concession Agreement as Collateral in favor of the Noteholders,
- grant the Company the exclusive option to renew the term of the Concession Agreement for an additional period of 35 years,
- grant the Company the right of first refusal to own, operate and maintain Phase 1C of the Toll Road (A 28.0 Km long road between the cities of May Pen and Williamsfield which will include a new link from Highway 2000 East-West to the town of Porus in the parish of Manchester),
- include the widening of the Nelson Mandela Highway and the construction of the North South Highway as part of the list of projects that do not entitle the Company to receive a competing roads compensation payment from NROCC,
- specify that periodic maintenance works on the transport corridor served by the Toll Road (even if such maintenance is intended to increase the road's speed limit) will not entitle the Company to receive compensation payments from NROCC unless such road is widened to increase the number of traffic lanes,
- make certain changes to the amounts payable by NROCC to the Company as a consequence of an early termination of the Concession Agreement and
- modify the Company's share retention provisions to allow NROCC to consummate the Offer for Sale in the Initial Public Offering.

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**2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**(a) Statement of compliance**

The consolidated and separate financial statements have been prepared in accordance and comply with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and the requirements of the Jamaican Companies Act.

**(b) Basis of preparation**

The consolidated and separate financial statements have been prepared on the historical cost basis. Historical cost is generally based on fair value of the consideration given in exchange for assets. These financial statements are expressed in thousands of United States of America dollars, which is the Group’s functional currency.

**(c) Judgments**

The preparation of consolidated and separate 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

**(d) Adoption of new and revised International Financial Reporting Standards**

**(i) *Standards, interpretations and amendments to existing standards effective during the year***

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023. These new standards and amendments applied for the first time in 2023. The nature and the impact of each new standard or amendment is described below.

• **IFRS 17 Insurance Contracts (effective January 1, 2023)**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (“IFRS 17”), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation, and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance, and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The Group does not have insurance contracts therefore the amendments did not have an impact on the consolidated and separate financial statements.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(d) Adoption of new and revised International Financial Reporting Standards (continued)

(i) *Standards, interpretations and amendments to existing standards effective during the year (continued)*

• **Amendments to IAS 8 - Definition of Accounting Estimates (effective January 1, 2023)**

In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the consolidated and separate financial statements.

• **Amendments to IAS 1 and IFRS Practice statement 2 - Disclosure of Accounting Policies (effective January 1, 2023)**

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information', and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies in the consolidated and separate financial statements.

• **Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective January 1, 2023)**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments had no impact on the consolidated and separate financial statements.

• **Amendments to IAS 12 International Tax Reform- Pillar Two Model Rules (effective January 1, 2023)**

The amendments to IAS 12 have been introduced in response to the OECD's BEPs Pillar Two Rules and includes:

- a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two Model rules; and
- disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

(d) Adoption of new and revised International Financial Reporting Standards (continued)

(i) *Standards, interpretations and amendments to existing standards effective during the year (continued)*

- ***Amendments to IAS 12 International Tax Reform- Pillar Two Model Rules (effective January 1, 2023) (continued)***

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no impact on the consolidated and separate financial statements as the Group and Company are not in scope of the Pillar Two Model rules.

(ii) ***Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group***

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the consolidated and separate financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- ***Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback (effective January 1, 2024)***

In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions entered into prior to the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Group is currently assessing the impact of adopting these amendments.

## 2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

### (d) Adoption of new and revised International Financial Reporting Standards (continued)

#### (ii) *Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- ***Amendments to IAS 1 - Classification of Liabilities as Current and Non-current with Covenants (effective January 1, 2024)***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

- ***Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements (effective January 1, 2024)***

In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than on which the finance providers pay the entity's suppliers.

The Group is currently assessing the impact of adopting these amendments.

- ***Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred indefinitely)***

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

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**2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)**

**(d) Adoption of new and revised International Financial Reporting Standards (continued)**

**(ii) *Standards, interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group (continued)***

• ***Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred indefinitely) (continued)***

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interest in the associate or joint venture.

The amendments must be applied prospectively. The Group will assess the impact of adopting these amendments, once finalised.

• ***Amendments to IAS 21 – Lack of exchangeability (effective January 1, 2025)***

In August 2023, the Board issued Lack of Exchangeability (Amendments to IAS 21). The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

The Group is currently assessing the impact of adopting these amendments.

**3 MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3.1 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

### **3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **3.1 Basis of consolidation (continued)**

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

#### **3.2 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.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

### **3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **3.2 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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised 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 recognised 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 recognised 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.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### **3.3 Current versus non-current classification**

The Group presents assets and liabilities in the consolidated and separate statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.3 Current versus non-current classification (continued)**

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**3.4 Fair value measurement**

Fair values of financial instruments measured at amortized cost are disclosed in Note 24.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated and separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.4 Fair value measurement (continued)**

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**3.5 Property and equipment**

All property and equipment held for use in the production or supply of goods or services, or for administrative purposes, are recorded at historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets using the straight-line method over a period being the shorter of their estimated useful lives and the remaining concession period. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Property and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such items are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**3.6 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). The right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognized, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.6 Leases (continued)**

***Group as a lessee (continued)***

Right-of-use assets (continued)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies at 3.8 "Impairment of non-financial assets".

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term leases and leases of low-value assets

The Group applies the short term lease recognition exemption to its short term leases (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**3.7 Intangible assets**

Intangible assets acquired separately that represent the Group's rights under the concession agreement and are reported at cost less accumulated amortization and accumulated impairment losses. Historical cost includes costs of design, site installation, earthworks and construction of bridges, structures and pavements. Amortization is charged so as to write off these costs over the concession period based on external projections of traffic on the highway. The charge for the year is based on the proportion of traffic for that year to the total traffic projected for the concession period. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of these intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.8 Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**3.9 Taxation**

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated and separate statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted, or subsequently enacted at the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.9 Taxation (continued)**

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are re-assessed at each reporting period date and are recognized to the extent that it has become probable that future profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax assets and deferred tax liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Current and deferred tax for the year

Deferred tax is recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

**3.10 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (other than financial assets and liabilities at fair value through profit or loss), as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**3.11 Financial assets**

*a) Initial recognition and measurement*

Financial assets are classified, at initial recognition and subsequently measured at amortized cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.11 Financial assets (continued)**

*a) Initial recognition and measurement (continued)*

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

*b) Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

*c) Financial assets at amortized cost (debt instruments)*

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and bank, restricted cash, other and receivables.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.11 Financial assets (continued)**

*d) Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated and separate statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

*e) Impairment of financial assets*

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.12 Financial liabilities and equity instruments**

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement, and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

*Effective interest rate ("EIR") method*

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

*a) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, contract liabilities, cumulative redeemable preference shares, lease liability, owed to related parties and borrowings including bank overdrafts.

*b) Subsequent measurement*

Financial liabilities are subsequently measure at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis except for short-term liabilities when the recognition of interest would be immaterial.

Interest bearing borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.12 Financial liabilities and equity instruments (continued)**

*c) Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

*d) Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated and separate statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**3.13 Investment in subsidiary**

This is stated at cost in the separate financial statements of the Company.

**3.14 Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

**3.15 Related party identification**

A party is related to the Group if:

- (i) directly, or indirectly through one or more intermediaries, the party:
  - controls, is controlled by, or is under common control with, the Group (this includes parent, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives it significant influence over the Group; or
  - has joint control over the Group;
- (ii) the party is an associate of the Group;
- (iii) the party is a joint venture in which the Group is a venturer;
- (iv) the party is a member of the key management personnel of the Group or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Related party transactions and balances are recognized and disclosed in the consolidated and separate financial statements. Transactions with related parties are accounted for in accordance with the normal policies of the Group.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.16 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**3.17 Revenue recognition**

Toll revenue

The Group provides a toll road via the Highway 2000 East West network. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the usage of the toll road. The contract with the customer is established with the Group once the customer enters the highway and the contract ends upon the customer's exit of the highway. The performance obligation is satisfied at the point of time with an immediate right to payment. The transaction price is determined by the stand-alone selling price exchange by the customer by the class vehicle utilizing the toll road. There is no cost, implicit or otherwise, recognized for obtaining and fulfilling a contract with a customer.

(i) *Variable consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts that are purchased through toll tag (T-Tag) accounts provide customers with volume rebates if certain criteria are met. These volume rebates may give rise to a variable consideration.

(ii) *Significant financing component*

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Interest income

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.18 Foreign currencies**

Transactions in currencies other than the United States of America dollars, the Group's functional currency, are recognized at the rates of exchange prevailing on the dates of the transactions. The United States of America dollar is deemed the functional currency as the toll rates charged by the Group are linked to the value of the United States dollar and the majority of borrowings and other expenditure are denominated in this currency. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising in translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value (in other comprehensive income). Other exchange differences are recognized in profit or loss for the period in which they arise.

Group entities

On consolidation, the assets and liabilities of operations at a functional currency other than the United States of America Dollars are translated into United States of America Dollars at the rate of exchange prevailing at the reporting date and their statements of comprehensive income/(loss) are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

**3.19 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

**3.20 Employee benefits**

(a) Individual Retirement Scheme ("IRS") – the Company

Since January 2012, the Company makes contributions to an Individual Retirement Scheme ("IRS") on behalf of employees (Note 25). The regular contributions constitute costs for the year in which they are due and are included in staff costs. The Company has no legal or constructive obligation to pay further pension benefits.

(b) Contributory Pension Scheme – the Subsidiary

The subsidiary's employees are members of a Contributory Pension Scheme. Pension is determined on the basis of contributions made by both the employee and the employer and the accumulated earnings of the fund. Contributions to the fund are accounted for on the accruals basis as an expense when employees have rendered services entitling them to the contributions and the assets are held and managed separately from those of the subsidiary in an independently administered fund.

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**3 MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.20 Employee benefits (continued)**

(c) Leave entitlements

Employee entitlements to annual leave are recognized when they accrue to the employees. A provision is made for the estimated liability for annual leave for services rendered by the employee up to the end of the reporting period.

(d) Termination benefits

The Group recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

**3.21 Cash dividend**

The Group recognises a liability to make cash distributions to equity-holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. Under the Jamaican Companies Act a distribution is authorised when it is approved by the shareholders.

**3.22 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.

**4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgement in applying the Group's accounting policies**

Management is of the opinion that apart from those involving estimations (see below), the following is the critical judgement made in the process of applying the Group's accounting policies:

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**4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

**Critical judgement in applying the Group's accounting policies (continued)**

*Recoverability of deferred tax assets*

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning activities. As indicated in Note 20, the Group has unused tax losses of \$83.83 million (2022: \$100.55 million) in respect of the Company. Based on the forecasted projections, management believes its probable that taxable profits will be available against which these tax losses can be utilized and has recognized a deferred tax asset in respect of these losses.

**Key sources of estimation uncertainty**

The key assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

*Amortization expense*

Amortization is charged so as to write off the cost of intangible assets over the period of concession using a projection of traffic on the highway over this period. This projection was reassessed in May 2021 and further amended by the end of the 2021 reporting period by Steer, an external consultant from the United Kingdom, to incorporate the projected impact of the Coronavirus ("COVID-19") pandemic (2022: Projection was reassessed In May 2021 and further amended by the end of the 2021 financial period by Steer, an external consultant from the United Kingdom to incorporate the projected impact of the Coronavirus ("COVID-19") pandemic). The projection is based on various estimates and assumptions surrounding, among other things, growth in gross domestic product, inflation and toll road traffic demand. These assumptions can vary in practice and the actual outcome depends on such factors as population growth and the development of other sections of the highway. The policy of the Board and management is to update the forecast periodically based on the actual traffic. A reassessment of the projections post COVID-19 has been commissioned and is expected to be incorporated during 2024.

Management has estimated that had the projected traffic from 2023 (2022: 2022) onwards differed by  $\pm 10\%$  the amortization charge for the current year would have decreased/increased by approximately \$2.35 million/\$0.36 million (2022: \$1.99 million/\$0.59 million) respectively. (See Note 7)

*Provision for heavy repairs*

The provision for highway repairs relates to the estimated costs for scheduled repairs for periods ranging from 7 years to the end of the concession period based on projections made on the duration of the concession. The provision is based on the same estimates and assumptions included in the Group's Operations and Maintenance Plan, done biannually for the next 6 semi-annual periods and reviewed by the Group's Independent Engineer, ARUP. Actual cash outflows will depend on the timing of the maintenance programme based on annual approved budgets, the condition of road as determined by ongoing surveys, deterioration and the phasing of major works to meet these obligations (See Note 15).

*Income taxes*

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current or deferred tax provisions in the period in which such determination is made. A change of  $\pm 10\%$  in the final tax outcome of these estimates would have the effect of approximately \$0.82 million (2022: \$0.28 million) increase/decrease for the Group and approximately \$0.82 million (2022: \$0.28 million) increase/decrease for the Company in the current and deferred tax provisions. (See Notes 8 and 20).

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**5 PROPERTY AND EQUIPMENT**

	The Group									
	Tolling Equipment \$'000	Machinery & Equipment \$'000	Solar Equipment \$'000	Leasehold Improvements \$'000	Furniture & Fixtures \$'000	Motor Vehicles \$'000	Computers Equipment \$'000	Office Equipment \$'000	Capital Work-in- Progress \$'000	Total \$'000
<b>Cost</b>										
At January 1, 2022	217	-	-	-	1,599	154	104	321	-	2,395
Additions	-	-	-	-	12	-	11	-	47	70
On acquisition of subsidiary (Note 9(a))	-	179	352	24	230	792	206	-	-	1,783
Reclassification	-	-	-	-	(4)	-	-	-	4	-
Disposals	-	-	-	-	-	-	(1)	(3)	-	(4)
At December 31, 2022	217	179	352	24	1,837	946	320	318	51	4,244
Additions	-	23	-	16	51	250	24	1	90	455
Disposals	-	(5)	-	-	(12)	(158)	(28)	(22)	-	(225)
Foreign exchange adjustment	-	(2)	(6)	-	(10)	(12)	2	-	-	(28)
At December 31, 2023	217	195	346	40	1,866	1,026	318	297	141	4,446
<b>Accumulated depreciation</b>										
At January 1, 2022	198	-	-	-	1,071	40	97	315	-	1,721
On acquisition of subsidiary (Note 9(a))	-	161	197	24	203	595	189	-	-	1,369
Charge for the year (Note 19)	4	-	-	-	80	27	7	5	-	123
On disposal	-	-	-	-	-	-	(1)	(2)	-	(3)
At December 31, 2022	202	161	197	24	1,354	662	292	318	-	3,210
Charge for the year (Note 19)	4	8	43	1	88	131	28	1	-	304
On disposal	-	(5)	-	-	(10)	(128)	(28)	(22)	-	(193)
Foreign exchange adjustment	-	(1)	(3)	-	(11)	(10)	3	-	-	(22)
At December 31, 2023	206	163	237	25	1,421	655	295	297	-	3,299
<b>Carrying amount</b>										
At December 31, 2023	11	32	109	15	445	371	23	-	141	1,147
At December 31, 2022	15	18	155	-	483	284	28	-	51	1,034

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**5 PROPERTY AND EQUIPMENT (CONTINUED)**

	The Company							Total \$'000
	Tolling Equipment \$'000	Furniture & Fixtures \$'000	Motor Vehicles \$'000	Computers \$'000	Office Equipment \$'000	Capital Work-in- Progress \$'000	Total \$'000	
<b>Cost</b>								
At January 1, 2022	217	1,599	154	104	321	-	2,395	
Additions	-	12	-	11	-	47	70	
Reclassification	-	(4)	-	-	-	4	-	
Disposals	-	-	-	(1)	(3)	-	(4)	
At December 31, 2022	217	1,607	154	114	318	51	2,461	
Additions	-	44	-	14	1	90	149	
Disposals	-	(3)	-	(1)	(22)	-	(26)	
At December 31, 2023	217	1,648	154	127	297	141	2,584	
<b>Accumulated depreciation</b>								
At January 1, 2022	198	1,071	40	97	315	-	1,721	
Charge for the year (Note 19)	4	80	24	6	5	-	119	
On disposal	-	-	-	(1)	(2)	-	(3)	
At December 31, 2022	202	1,151	64	102	318	-	1,837	
Charge for the year (Note 19)	4	82	25	7	1	-	119	
On disposal	-	(1)	-	(1)	(22)	-	(24)	
At December 31, 2023	206	1,232	89	108	297	-	1,932	
<b>Carrying amount</b>								
At December 31, 2023	11	416	65	19	-	141	652	
At December 31, 2022	15	456	90	12	-	51	624	

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**5 PROPERTY AND EQUIPMENT (CONTINUED)**

The following useful lives are used in the calculation of depreciation:

Tolling equipment	5 - 10	years
Machinery and equipment	5	"
Solar equipment	8	"
Leasehold improvements	5	"
Furniture and fixtures	3 - 10	"
Motor vehicles	5	"
Computer equipment	3 - 7	"
Office equipment	3 - 10	"

Certain assets of the Group are pledged as security in respect of the borrowings (Note 14).

**6. LEASES**

The Company had a lease contract for property used in its operations. The lease term was for 3 years and ended during 2021. At December 31, 2021, no lease contract was in place and the rental amount was being negotiated on a month by month basis.

The subsidiary has a lease contract for property used for the Group's operations. The lease is for 3 years and ends during 2024.

Set out below is the carrying amount of the right of use asset recognized and the movement during the year:

	<u>The Group</u>		<u>The Company</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
As at January 1	196	-	-	-
On acquisition of subsidiary (Note 9(a))	-	231	-	-
Lease adjustment	(9)	-	-	-
Foreign exchange adjustment	(3)	-	-	-
Depreciation	(92)	(35)	-	-
As at December 31	<u>92</u>	<u>196</u>	<u>-</u>	<u>-</u>

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**6. LEASES**

Set out below is the carrying amount of the lease liability and the movement during the period:

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
As at January 1	201	-	-	-
On acquisition of subsidiary (Note 9(a))	-	201	-	-
Lease adjustment	(9)	-	-	-
Foreign exchange adjustment	4	-	-	-
Accretion of interest	23	-	-	-
Payments	(113)	-	-	-
As at December 31	<u>106</u>	<u>201</u>	<u>-</u>	<u>-</u>
Classified as:				
Current	106	98	-	-
Non-current	-	103	-	-
	<u>106</u>	<u>201</u>	<u>-</u>	<u>-</u>

The following are the amounts recognized in profit or loss:

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Depreciation expense of right of use asset (Note 19)	92	35	-	-
Interest expense on lease liabilities (Note 19)	23	-	-	-
Total amount recognized in profit or loss	<u>115</u>	<u>35</u>	<u>-</u>	<u>-</u>

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**7 INTANGIBLE ASSETS**

	<b>The Group and the Company</b>			
	<b>EFC asset in concession \$'000</b>	<b>FC1A asset in concession \$'000</b>	<b>FC1B asset in concession \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>				
Balance, January 1, 2022, December 31, 2022 and December 31, 2023	159,676	92,196	135,128	387,000
<b>Amortization</b>				
Balance, January 1, 2022	68,122	37,857	55,254	161,233
Amortization for the year (Note 19)	5,436	3,088	5,152	13,676
Balance, December 31, 2022	73,558	40,945	60,406	174,909
Amortization for the year (Note 19)	6,013	3,098	5,407	14,518
Balance, December 31, 2023	79,571	44,043	65,813	189,427
<b>Carrying amount:</b>				
December 31, 2023	80,105	48,153	69,315	197,573
December 31, 2022	86,118	51,251	74,722	212,091

The amortization expense has been included in operating expenses in the consolidated and separate statement of comprehensive income/(loss).

- (a) The amortization of intangible assets is based on projected usage of the highway during the concession period. In May 2021, an external consultant from the United Kingdom, Steer, reassessed the projections to incorporate the projected impact of Coronavirus ("COVID -19"). A reassessment of the projections post COVID-19 has been commissioned and is expected to be incorporated during 2024.

The annual rate applied to the carrying amount as at the start of the year is as follows:

	<b>2023</b>	<b>2022</b>
	%	%
EFC	6.98	5.94
FC1A	6.05	5.68
FC1B	7.24	6.45

The Company's assets are pledged as security in respect of borrowings (Note 14).

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**8 DEFERRED TAX ASSETS (LIABILITIES)**

The Group is taxed at rates applicable to unregulated entities being 25% (2022: 25%).

Deferred tax liabilities are calculated on all temporary differences under the liability method using a tax 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;

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Deferred tax assets	22,445	26,633	22,399	26,560
Deferred tax liabilities	<u>(7,128)</u>	<u>(7,419)</u>	<u>(7,111)</u>	<u>(7,396)</u>
Net	<u>15,317</u>	<u>19,214</u>	<u>15,288</u>	<u>19,164</u>

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Opening balance	19,214	20,706	19,164	20,706
On acquisition of subsidiary (Note 9(a))	-	25	-	-
Charged to income for the year (Note 20)	<u>(3,897)</u>	<u>(1,517)</u>	<u>(3,876)</u>	<u>(1,542)</u>
Closing balance	<u>15,317</u>	<u>19,214</u>	<u>15,288</u>	<u>19,164</u>

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**8 DEFERRED TAX ASSETS (LIABILITIES) (CONTINUED)**

(c) The following are the main deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting period:

	The Group							
	Accrued vacation \$'000	Interest payable \$'000	Provision for heavy repairs \$'000	Tax losses \$'000	Lease liability \$'000	Bonus accrual \$'000	Litigation provision \$'000	Total \$'000
Balance, January 1, 2022	3	837	918	26,507	-	18	-	28,283
On acquisition of subsidiary (Note 9(a))	11	-	-	-	-	-	12	23
(Charged)/Credited to income for the year	4	(29)	(336)	(1,369)	50	7	-	(1,673)
Balance, December 31, 2022	18	808	582	25,138	50	25	12	26,633
(Charged)/Credited to income for the year	-	(1)	24	(4,180)	(24)	(3)	(4)	(4,188)
Balance, December 31, 2023	18	807	606	20,958	26	22	8	22,445

**Deferred tax liabilities**

	The Group				
	Right of use asset \$'000	Accelerated depreciation \$'000	Interest receivable \$'000	Unrealised foreign exchange gains \$'000	Total \$'000
Balance, January 1, 2022	-	(6,857)	(25)	(695)	(7,577)
On acquisition of subsidiary (Note 9 (a))	-	2	-	-	2
Credited/(Charged) to income for the year	(49)	128	(2)	79	156
Balance, December 31, 2022	(49)	(6,727)	(27)	(616)	(7,419)
Credited/(Charged) to income for the year	26	392	(14)	(113)	291
Balance, December 31, 2023	(23)	(6,335)	(41)	(729)	(7,128)

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**8 DEFERRED TAX ASSETS (LIABILITIES) (CONTINUED)**

(c) The following are the main deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting period:  
(continued)

**Deferred tax assets**

	The Company					
	Accrued vacation \$'000	Interest payable \$'000	Provision for heavy repairs \$'000	Tax losses \$'000	Bonus accrual \$'000	Total \$'000
Balance, January 1, 2022 (Charged)/Credited to income for the year	3	837	918	26,507	18	28,283
	4	(29)	(336)	(1,369)	7	(1,723)
Balance, December 31, 2022	7	808	582	25,138	25	26,560
(Charged)/Credited to income for the year	(1)	(1)	24	(4,180)	(3)	(4,161)
Balance, December 31, 2022	6	807	606	20,958	22	22,399

**Deferred tax liabilities**

	The Company			
	Accelerated tax depreciation \$'000	Interest receivable \$'000	Unrealised foreign exchange gains \$'000	Total \$'000
Balance, January 1, 2022 Credited/(Charged) to income for the year	(6,857)	(25)	(695)	(7,577)
	126	(2)	57	181
Balance, December 31, 2022	(6,731)	(27)	(638)	(7,396)
Credited/(Charged) to income for the year	387	(14)	(88)	285
Balance, December 31, 2023	(6,344)	(41)	(726)	(7,111)

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**9 RELATED PARTY BALANCES AND TRANSACTIONS**

(a) Investment in subsidiary

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:

- 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
- 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).

At the end of the reporting period, the investment in subsidiary was as follows:

	<b>The Company</b> <b>\$'000</b>
Proceeds on acquisition of shares during 2022	16,100
Settlement loss charged to income (Note 9(a)(ii))	(13,883)
Negative goodwill credited to income	220
Net loss charged to income during 2022	(13,663)
Net assets acquired at December 31, 2022 and December 31, 2023 (Note 9(a)(i))	<u>2,437</u>
Net assets acquired represented by:	
Property and equipment (Note 5)	414
Right of use asset (Note 6)	231
Deferred tax assets (Note 8)	25
Inventories	162
Other receivables	1,644
Cash and bank balances	1,638
Lease liability (Note 6)	(201)
Tax payable	(539)
Trade and other payables	(937)
	<u>2,437</u>

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**9 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)**

(a) Investment in subsidiary (continued)

(i) 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 recognised 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;
- Although the Contractor is entitled to 49% of future dividends, 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.

(ii) This represents amounts paid for settlement of the pre-existing contractual relationship with the Operator on the business combination.

(b) Owed to related company

	<b>The Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Jamaican Infrastructure Operator Limited	115	1,205

The above balance is interest free and will be settled in cash. No guarantees were given or received in respect of this entity.

(c) Material transactions with related parties were as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Key management compensation	1,348	587	376	561
Board of directors – fees	202	180	202	180

**10 OTHER RECEIVABLES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Receivables	320	240	228	36
Prepayments	804	438	709	419
	1,124	678	937	455

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**11 CASH AND BANK BALANCES**

Cash and cash equivalents at the end of the financial year as shown in the consolidated and separate cash flow statement can be reconciled to the related items in the consolidated and separate statement of financial position as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
US\$ savings accounts (Note 11(a))	2,055	2,210	1,945	2,059
US\$ current accounts (Note 11(b))	275	58	223	9
J\$ savings accounts (Note 11(c))	2,110	1,081	1,881	935
J\$ current accounts (Note 11(d))	464	186	-	-
J\$ current accounts - non-interest bearing	621	961	259	49
J\$ Short-term deposit (Note 11(e))	257	-	-	-
US\$ Short-term deposit (Note 11(f))	400	-	-	-
Cash in transit and cash on hand	971	925	763	746
	<u>7,153</u>	<u>5,421</u>	<u>5,071</u>	<u>3,798</u>

- These accounts bear interest at rates of 0.05% - 1.00% (2022: 0.05% and 0.15%) per annum for the Group.
- These accounts bear interest at a rates of 0.10% and 0.30% (2022: 0.30%) per annum for the Group.
- These accounts bear interest at a rate of 1.20% (2022: 0.70%) per annum for the Group.
- These accounts bear interest at a rate of 0.15% - 0.60% (2022: 0.15% - 0.60%) per annum for the Group.
- This deposit bears interest at a rate of 7.80% per annum and matures in January 2024 for the Group.
- This deposit bears interest at a rate of 3.50% per annum and matures in January 2024 for the Group.

**12 SHARE CAPITAL**

	<b>The Company</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>No. of shares '000</b>	<b>No. of shares '000</b>	<b>No. of shares '000</b>	<b>No. of shares '000</b>
<b>Authorized</b>				
Ordinary shares - no par value				
Balance at the beginning and end of the year			<u>Unlimited</u>	<u>Unlimited</u>
	<b>No. of shares '000</b>	<b>2023 \$'000</b>	<b>No. of shares '000</b>	<b>2022 \$'000</b>
<b>Stated capital:</b>				
Issued and fully paid ordinary shares				
Balance at the beginning and end of the year	<u>12,501,000</u>	<u>27,000</u>	<u>12,501,000</u>	<u>27,000</u>

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

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**13 CUMULATIVE REDEEMABLE PREFERENCE SHARES**

	<u>The Group and the Company</u>	
	No. of shares '000	No. of shares '000
Balance at the beginning and end of the year	2,700,000	2,700,000
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Restructured preference share (Note 13(a))	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>

- (a) On January 22, 2020, an extraordinary shareholders' meeting of the Company passed a resolution to issue 2.70 billion 8.0% Cumulative Redeemable Preference Shares (denominated and paid in Jamaican dollars) which mature in 8 years, provided that these preference shares shall be subordinated to the Debt Notes (Note 14(a)) in all respects, including without limitation, as to any right of payment (other than dividends paid).

These preference shares were listed on the Jamaica Stock Exchange on September 30, 2020.

The following is a summary of the principal rights, privileges and other applicable terms attaching or relating to the cumulative redeemable preference shares:

(i) As to income

- 8% per annum fixed cumulative dividend payable quarterly in arrears within fourteen (14) days after each dividend payment date to the extent of the preference shares distributable amount standing to the credit of the JMD distribution account. The dividend accrual dates are March 30, June 30, September 30 and December 31 but to accord priority to the Debt Notes, so long as such Notes are outstanding, the dividend payment date shall instead be four (4) business days after each quarterly interest payment dates under the Debt Notes. The dividends will accrue to the holders of the preference shares until the redemption of the said shares as set out in the Schedule at Note (iv) below.

(ii) As to capital

- On a winding up or other return of capital, the holders of the preference shares will be entitled, in priority to, and before any provision for, or any repayment to the holder of any other class of shares in the capital of the Company which does not rank pari passu with the preference shares, to receive in full the capital paid upon the shares and any arrears of dividend (whether declared or not) calculated down to the date immediately preceding the payment date.

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**13 CUMULATIVE REDEEMABLE PREFERENCE SHARES (CONTINUED)**

(a) (continued)

(iii) As to voting

- The shares do not carry voting rights except upon a resolution proposed:
  - to wind up the Company; or
  - to modify or abrogate any of the rights or privileges attaching to the shares

The holder of shares may vote not only on the resolution to wind up the Company but also upon motions to appoint the chairman of the meeting and to adjourn the meeting.

On a show of hands, every holder of shares will have one vote but on a poll each holder shall have one (1) vote for each share held. The holder of shares may vote in person or by proxy.

(iv) As to redemption

- *Scheduled Mandatory Redemption*  
 On the 8<sup>th</sup> anniversary of the issue date, the Shares will be redeemed in full. If redemption is then not permissible in full, it shall take place to the extent permitted pro rata across all holdings of the shares and the unredeemed Shares shall be redeemed as soon as the Company is lawfully able to do so.
- *Redemption triggered by Mandatory Redemption Event*  
 If a Mandatory Redemption Event occurs, then the Company will be mandatorily obliged to redeem all the Shares as if the scheduled mandatory redemption date had arrived. A mandatory redemption date is: (i) occurrence of an act of bankruptcy with respect to Company; and (ii) the commencement of enforcement proceedings against the Company by a senior secured creditor.
- *Optional Redemption*  
 At any time from the 6<sup>th</sup> anniversary of the issue date, the Company may, upon giving not less than 30 days' written notice, effect a partial redemption of the shares as shown in the table below:

<b>Partial Redemption Date</b>	<b>Max. number of Preference Share which may be redeemed</b>
6 <sup>th</sup> Anniversary of the Issue Date	20% of the Preference Shares in issue
7 <sup>th</sup> Anniversary of the Issue Date	20% of the Preference Shares in issue
8 <sup>th</sup> Anniversary of the Issue Date	20% of the Preference Shares in issue
9 <sup>th</sup> Anniversary of the Issue Date	20% of the Preference Shares in issue

If on any partial redemption date, the Company does not redeem the full number of shares which it is permitted to redeem under the table above then the shares which could have been but were not redeemed according to the table may be carried forward to the next partial redemption date and added to the number of shares which are redeemable under the table as at that date. This will occur cumulatively year after year until the 10<sup>th</sup> anniversary of the issue date.

On redemption of any shares all accrued dividend must be paid along in addition to the capital redemption sum. Partial redemption shall be for a minimum of 50,000 preference shares in integral multiples of 1,000.

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**13 CUMULATIVE REDEEMABLE PREFERENCE SHARES (CONTINUED)**

(a) (continued)

(v) As to information rights

- A holder of preference shares is entitled to receive from the Company
  - within 60 days after the first three (3) financial quarters a set of the Company's in-house unaudited financial statements; and
  - within 120 days after the close of its financial year of set of its annual audited financial statements together with the auditor's report.

**14 BORROWINGS**

	<b>The Group and the Company</b>					
	<b>Current</b>		<b>Non-current</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Secured – at amortized cost</b>						
Long term financing – Debt Notes (Note 14(a))	8,572	7,558	198,161	206,733	206,733	214,291
Accrued interest	2,741	2,738	-	-	2,741	2,738
Unamortized borrowing cost (Note 14(b))	(461)	(448)	(6,351)	(6,812)	(6,812)	(7,260)
<b>Total liabilities</b>	<b>10,852</b>	<b>9,848</b>	<b>191,810</b>	<b>199,921</b>	<b>202,662</b>	<b>209,769</b>

(a) Long term financing – Debt Notes

On February 18, 2020, the Company issued \$225 million Senior Secured Debt Notes which are listed on the Singapore Exchange Securities Trading Limited. The Notes pay interest on a quarterly basis at a rate of 5.75% per annum and mature in October 2036.

The security for the Debt Notes is as follows:

- Assignment of rights under the Concession Agreement;
- Assignment of certain insurance policies;
- Charge over all deposit accounts, securities accounts or other accounts held at any financial institution outside of Jamaica, including the Secured Offshore Accounts;
- Charge granted under a debenture over all the assets of the Company (both present and future); and
- Charge and control rights over the Debt Service Accrual and Reserve, Major Maintenance Reserve, Operation and Maintenance Reserve Accounts to be maintained during the life of the facility. At the end of the reporting period US\$67.50 million (2022: US\$49.34 million) was held in these reserve accounts in accordance with the terms of the Debt Notes.

(b) Unamortized borrowing cost

	<b>The Group and the Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance, beginning of the year	7,260	7,696
Amortised during the year	(448)	(436)
Balance, end of the year	<b>6,812</b>	<b>7,260</b>

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**14 BORROWINGS (CONTINUED)**

(c) Changes in borrowings arising from financing activities

	<u>The Group and the Company</u>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance, beginning of year	209,769	216,084
Repayment of borrowings	(7,558)	(6,631)
Amortization of upfront and commitment fees	448	436
Change in interest payable	3	(120)
	<u>202,662</u>	<u>209,769</u>

(d) Compliance with debt covenants

At December 31, 2023 and 2022, the Company complied with all debt covenants associated with Debt Notes.

**15 PROVISIONS**

	<u>The Group and the Company</u>	
	<b>Provisions for</b>	
	<b>highway repairs</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at January 1	9,045	10,393
Additional provisions recognized (Note 21)	1,859	868
Utilized during the year	(1,764)	(2,216)
Balance at December 31	<u>9,140</u>	<u>9,045</u>
Denoted as:		
Current	39	1,859
Non-current	9,101	7,186
	<u>9,140</u>	<u>9,045</u>

The provisions for highway repairs relate to estimated costs for scheduled repairs at various periods during the life of the concession agreement. These periods range from 7 years to the end of the concession period. The provision is based on the same estimates and assumptions included in the Operations and Maintenance Plan, done biannually for the next 6 semi-annual periods and reviewed by the Group's Independent Engineer, Arup North America Limited. The underlying assumptions for the provision include the US and JM CPI, exchange rate variation, forecasted traffic and lenders' interest rate.

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**16 CONTRACT LIABILITIES**

	<u>The Group and the Company</u>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance, beginning of the year	829	779
Incurred during the year	26,695	22,326
Included in income during the year	<u>(26,850)</u>	<u>(22,276)</u>
Balance, end of the year	<u><u>674</u></u>	<u><u>829</u></u>

This represents the advance payment for toll tags.

**17 TRADE AND OTHER PAYABLES**

	<u>The Group</u>		<u>The Company</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade and other payables comprise:				
Trade payables	594	525	132	299
Accrued expenses	<u>470</u>	<u>1,121</u>	<u>438</u>	<u>651</u>
	<u><u>1,064</u></u>	<u><u>1,646</u></u>	<u><u>570</u></u>	<u><u>950</u></u>

**18 OTHER GAINS**

	<u>The Group</u>		<u>The Company</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of property and equipment	57	-	(1)	-
Net (loss)/gain on foreign exchange	79	(268)	134	(274)
Interest income – bank deposits at amortized cost (Note 21)	1,450	708	1,405	708
Other operating gains	<u>778</u>	<u>607</u>	<u>723</u>	<u>467</u>
	<u><u>2,364</u></u>	<u><u>1,047</u></u>	<u><u>2,261</u></u>	<u><u>901</u></u>

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**19 EXPENSES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating expenses</b>				
Insurance	1,826	1,483	1,768	1,481
Marketing and advertising	358	333	358	333
Utilities	14	16	14	16
Legal and professional fees	666	2,575	481	2,574
Repairs and maintenance	3,590	1,688	3,118	1,675
Operator fixed fees	-	17,729	5,510	18,187
Operator variable fees	-	1,959	3,752	2,010
Bank charges	607	408	82	392
Amortization of intangible assets (Note 7)	14,518	13,676	14,518	13,676
Safety and sanitation	54	2	-	-
Security expenses	662	12	-	-
T Tag & Swipe Cards	22	18	-	-
Other operating expenses	118	10	6	6
	<b>22,435</b>	<b>39,909</b>	<b>29,607</b>	<b>40,350</b>
<b>Administrative expenses</b>				
Staff costs (Note 21)	6,337	1,053	763	885
Staff welfare	367	49	74	41
Office rental	81	21	58	55
Accounting, audit and consultancy fees	199	220	167	219
Repairs and maintenance	130	18	11	14
Subscriptions and donations	55	23	54	23
Travel expenses	508	29	20	13
Utilities	189	30	26	25
Management fees	38	103	-	-
Depreciation on property and equipment (Note 5)	304	123	119	119
Depreciation of right of use asset (Note 6)	92	35	-	-
Other administrative expenses	123	45	33	38
	<b>8,423</b>	<b>1,749</b>	<b>1,325</b>	<b>1,432</b>
<b>Finance costs</b>				
Interest on long-term loans	12,574	12,838	12,574	12,838
Interest on cumulative redeemable preference shares	1,941	1,960	1,941	1,960
Interest on lease liability (Note 6)	23	-	-	-
	<b>14,538</b>	<b>14,798</b>	<b>14,515</b>	<b>14,798</b>

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**20 TAXATION**

(a) The tax charge for the year represents:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Current tax - current year	4,297	1,297	4,285	1,266
- prior year	15	40	-	40
Deferred tax charge (Note 8)	<u>3,897</u>	<u>1,517</u>	<u>3,876</u>	<u>1,542</u>
	<u>8,209</u>	<u>2,854</u>	<u>8,161</u>	<u>2,848</u>

(b) Subject to agreement of the Commissioner General, Tax Administration Jamaica, at the reporting date, the Company had tax losses of approximately \$83.83 million (2022: \$100.55 million) available for set-off against future taxable profits. Prior year tax losses that may be deducted in any tax year are capped at 50% of the aggregate taxable income for that year after taking into consideration the appropriate tax deductions and exemptions. At December 31, 2023 and 2022, a deferred tax asset was recognized in respect of these tax losses. (Note 8).

(c) The tax adjustment for the year can be reconciled to the profit/(loss) per the consolidated and separate statement of comprehensive income as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Profit/(Loss) before tax	<u>32,172</u>	<u>(4,286)</u>	<u>32,018</u>	<u>(4,336)</u>
Tax at domestic income tax rate of 25% (2022: 25%)	8,043	(1,071)	8,005	(1,084)
Tax effect of expenses that are not deductible for tax purposes	137	4,128	137	4,128
Tax effect of non-taxable income	(1)	(50)	(1)	(50)
Tax effect of tax losses utilised	(4,182)	(1,369)	(4,182)	(1,369)
Tax effect of employment tax credit	101	(103)	102	(103)
Other	<u>4,111</u>	<u>1,319</u>	<u>4,100</u>	<u>326</u>
Total tax charge for the year	<u>8,209</u>	<u>2,854</u>	<u>8,161</u>	<u>2,848</u>

**21 NET PROFIT/(LOSS)**

The following are included in the determination of net profit/(loss):

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>Income</b>				
Interest income – at amortized cost (Note 18)	1,450	708	1,405	708
<b>Expenses</b>				
Directors' emoluments - fees	202	180	202	180
Audit fees	70	67	38	66
Depreciation and amortization (Note 19)	14,914	13,834	14,637	13,795
Provision for heavy repairs (Note 15)	1,859	868	1,859	868
Staff costs (Note 19)	6,337	1,053	763	885
Finance costs (Note 19)	14,538	14,798	14,515	14,798

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**21 NET PROFIT/(LOSS) (CONTINUED)**

The following are included in the determination of net (loss)/profit: (continued)

	<u>The Group</u>		<u>The Company</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Staff costs included in administrative expenses comprise:				
Salaries and wages	5,580	895	658	760
Statutory deductions	549	101	60	73
Pension contributions	208	57	45	52
	<u>6,337</u>	<u>1,053</u>	<u>763</u>	<u>885</u>

**22 EARNINGS/(LOSS) PER SHARE**

The earnings (2022: loss) per share is based on the profit after taxation of \$23.97 million (2022: loss after taxation of \$7.14 million) for the Group and the number of shares in issue during the period of 12,501,000,000 (2022: 12,501,000,000).

**23 DIVIDENDS**

2023

The Board of Directors at a meeting held on September 26, 2023, proposed an interim dividend of \$15.00 million (\$1.20 per 1,000 share) which was paid on October 25, 2023.

2022

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.

**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT**

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

***Categories of financial instruments***

The following table sets out the financial instruments as at the end of the reporting period:

	<b>The Group</b>		<b>The Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
<i>Financial assets at amortized cost</i>				
Cash and bank balances	7,153	5,421	5,071	3,798
Restricted cash	67,501	49,344	67,501	49,344
Other receivables	320	240	228	36
	<u>74,974</u>	<u>55,005</u>	<u>72,800</u>	<u>53,178</u>
<b>Financial liabilities</b>				
<i>Financial liabilities at amortized cost</i>				
Owed to related company	-	-	115	1,205
Lease liability	106	201	-	-
Cumulative redeemable preference shares	24,582	24,942	24,582	24,942
Borrowings	202,662	209,769	202,662	209,769
Trade payables	594	525	132	299
Contract liabilities	674	829	674	829
	<u>228,618</u>	<u>236,266</u>	<u>228,165</u>	<u>237,044</u>

***Financial risk management policies and objectives***

The financial risk management seeks to minimize potential adverse effects of financial performance of the Group and covers specific areas, such as market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

The activities of the Group consist of the design, construction, financing and operation of tolled motorways in Jamaica.

The financial liabilities of the Group mainly consist of borrowings and cumulative redeemable preference shares.

The financial risk of the Group is mainly in respect of its ability to meet its commitments to its lenders. Any changes to these commitments have to be approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk during the year.

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

*Financial risk management policies and objectives (continued)*

Exposures are measured using sensitivity analyses indicated below.

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Market risk with respect to foreign currencies and interest rates are disclosed in Note 24(a)(i) and Note 24(a)(ii) below.

(i) Foreign exchange risk management

The Group undertakes certain transactions denominated in currencies other than the United States dollar resulting in exposures to exchange rate fluctuations.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management consistently monitors the Group's exposure in this regard.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities arising in the ordinary course of business at the reporting date are as follows:

	<b>The Group</b>					
	<b>(Liabilities)</b>		<b>Assets</b>		<b>Net assets/ (liabilities)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Jamaican dollars	(23,396)	(25,420)	3,246	2,251	(20,150)	(23,169)
Euros (€)	(62)	(299)	-	-	(62)	(299)
	<b>The Company</b>					
	<b>(Liabilities)</b>		<b>Assets</b>		<b>Net assets/ (liabilities)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Jamaican dollars	(23,396)	(25,420)	2,655	1,319	(20,741)	(24,101)
Euros (€)	(56)	(38)	-	-	(56)	(38)

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

***Financial risk management policies and objectives (continued)***

(a) Market risk (continued)

(i) Foreign exchange risk management (continued)

Foreign currency sensitivity

The following table details the sensitivity to an 1% increase and 4% decrease (2022: 4% increase and 1% decrease) in the United States dollar against the Jamaican dollar and a 5% increase and decrease (2022: 5% increase and decrease) against the Euro. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for an 1% increase and 4% decrease (2022: 4% increase and 1% decrease) in United States dollar against the Jamaican dollar and a 5% increase and decrease (2022: 5% increase and decrease) in the Euro.

If the United States dollar strengthens by 1% or weakens by 4% (2022: strengthens by 4% or weakens by 1%) against the Jamaican dollar or strengthens or weakens by 5% (2022: strengthens or weakens by 5%) against the Euro, net profit/(loss) will:

	<b>The Group</b>							
					<b>(increase/(decrease))</b>			
	<b>Jamaican dollar</b>		<b>Euro (€)</b>		<b>Jamaican Dollar</b>		<b>Euro (€)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
%	%	%	%	\$'000	\$'000	\$'000	\$'000	
Revaluation	+1	+4	+5	+5	(202)	(927)	(3)	(15)
Devaluation	-4	-1	-5	-5	806	232	3	15

	<b>The Company</b>							
					<b>(increase/(decrease))</b>			
	<b>Jamaican dollar</b>		<b>Euro (€)</b>		<b>Jamaican Dollar</b>		<b>Euro (€)</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
%	%	%	%	\$'000	\$'000	\$'000	\$'000	
Revaluation	+1	+4	+5	+5	(207)	(964)	(3)	(2)
Devaluation	-4	-1	-5	-5	830	241	3	2

The movements in sensitivity are mainly attributable to the exposure outstanding on bank balances, receivables, payables and cumulative redeemable preference shares in the respective foreign currency at year end in the Group.

(ii) Interest rate risk management

Interest rate risk is the potential that the value of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow risk. The borrowings are subject to fixed interest rates.

The Group's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section at Note 24(c) below.

The Group manages its interest rate risk by monitoring the movements in the market interest rates closely.

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

***Financial risk management policies and objectives (continued)***

(a) Market risk (continued)

(ii) Interest rate risk management (continued)

*Interest rate sensitivity*

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period.

The analysis has been prepared on the assumption that the variable rate assets at the end of the reporting period have been outstanding for the whole year.

In respect of Jamaican dollar balances (net financial liabilities), if interest rates had been 25 basis points higher or 25 basis points lower (2022: 100 basis points higher or 50 basis points lower) and all other variables were held constant:

- Net profit (2022: Net loss) for the year would increase/decrease by \$0.01 million (2022: decrease/increase by \$0.01 million) for the Group.
- Net profit (2022: Net loss) for the year would increase/decrease by \$0.01 million (2022: decrease/increase by \$0.01 million) for the Company.

In respect of United States dollar balances (net financial liabilities), if interest rates had been 25 basis points higher or 25 basis points lower (2022: 100 basis points higher or 50 basis points lower) and all other variables were held constant:

- Net profit (2022: Net loss) for the year would increase/decrease by \$0.01 million (2022: decrease by \$0.02 million or increase by \$0.01 million) for the Group.
- Net profit (2022: Net loss) for the year would increase/decrease by \$0.01 million (2022: decrease by \$0.02 million or increase by \$0.01 million) for the Company.

This is mainly attributable to the Group's exposure to variable interest rates on its bank balances.

The Group's sensitivity to variable interest rates has increased during the year due to increased holdings of variable rate interest bearing financial assets.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Financial assets that potentially subject the Group to concentration of credit risk consist principally of cash and cash equivalents, other receivables and amounts owed by related parties. The maximum exposure to credit risk is the amount of approximately \$74.97 million (2022: \$55.01 million) for the Group and approximately \$72.80 million (2022: \$53.18 million) for the Company disclosed under 'categories of financial instruments' above and the Company holds no collateral in this regard. The directors believe that the credit risks associated with these financial instruments are minimal.

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

*Financial risk management policies and objectives (continued)*

(b) Credit risk management (continued)

Cash and bank deposits

The credit risk on liquid funds is limited because the counterparties are major banks with high credit ratings. The carrying amount of cash and bank balances totalling \$74.65 million (2022: \$54.76 million) for the Group and \$72.57 million (2022: \$53.14 million) for the Company at the reporting date represents the maximum exposure to this class of financial assets.

Other receivables

The Board of Directors believe that the credit risks associated with this financial instrument is minimal due to the immateriality of the balance carried.

(c) Liquidity risk management

Liquidity risk, also referred to as funding risk, is the risk that the Group will encounter difficulty in meeting commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities. Due to the nature of the underlying business, the management of the Group maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

Liquidity and interest risk analyses in respect of non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	The Group				
	Average Effective Interest Rate	On Demand or Within 1 Year	1 – 5 Years	5+ Years	Total
		\$'000	\$'000	\$'000	\$'000
<u>2023</u>					
Non-interest bearing	Nil	1,268	-	-	1,268
Fixed interest rate instruments:					
- Cumulative redeemable preference shares	8%	1,933	23,251	6,366	31,550
- Lease liability	5.75%	106	-	-	106
- Borrowings	5.75%	20,273	87,374	191,178	298,825
		23,580	110,625	197,544	331,749

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

*Financial risk management policies and objectives (continued)*

(c) Liquidity risk management (continued)

Liquidity and interest risk analyses in respect of non-derivative financial liabilities (continued)

	The Company				
	Average Effective Interest Rate	On Demand or Within 1 Year	1 – 5 Years	5+ Years	Total
		\$'000	\$'000	\$'000	\$'000
<u>2023</u>					
Non-interest bearing	Nil	921	-	-	921
Fixed interest rate instruments:					
- Cumulative redeemable preference shares	8%	1,933	23,251	6,366	31,550
- Borrowings	5.75%	20,273	87,374	191,178	298,825
		23,127	110,625	197,544	331,296

	The Group				
	Average Effective Interest Rate	On Demand or Within 1 Year	1 – 5 Years	5+ Years	Total
		\$'000	\$'000	\$'000	\$'000
<u>2022</u>					
Non-interest bearing	Nil	1,354	-	-	1,354
Fixed interest rate instruments:					
- Cumulative redeemable preference shares	8%	1,956	19,928	18,097	39,981
- Lease liability	5.75%	110	110	-	220
- Borrowings	5.75%	19,715	84,781	214,043	318,539
		23,135	104,819	232,140	360,094

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

*Financial risk management policies and objectives (continued)*

(c) Liquidity risk management (continued)

Liquidity and interest risk analyses in respect of non-derivative financial liabilities (continued)

	The Company				
	Average Effective Interest Rate	On Demand or Within 1 Year	1 – 5 Years	5+ Years	Total
		\$'000	\$'000	\$'000	\$'000
<u>2022</u>					
Non-interest bearing	Nil	2,333	-	-	2,333
Fixed interest rate instruments:					
- Cumulative redeemable preference shares	8%	1,956	19,928	18,097	39,981
- Borrowings	5.75%	19,715	84,781	214,043	318,539
		<u>24,004</u>	<u>104,709</u>	<u>232,140</u>	<u>360,853</u>

(d) Fair value of financial assets and financial liabilities

The following provides an analysis of financial instruments held as at the reporting date, subsequent to initial recognition that are measured or disclosed at fair value. Financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable as described in Note 3.2.

- There are no financial instruments measured at fair value classified as Level 1 and Level 3 at the end of the reporting period.
- The fair value of fixed interest rate borrowings disclosed in the financial statements are classified as Level 2.

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

***Financial risk management policies and objectives (continued)***

(d) Fair value of financial assets and financial liabilities (continued)

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analyses or other valuation models.

- The carrying amounts of cash and bank balances, receivables and payables and other assets and liabilities maturing within twelve months are assumed to approximate their fair values because of the short-term maturity of these instruments.
- The fair values of fixed rate borrowings and lease liability are calculated using discounted cash flow techniques using a discount rate applicable to the borrowings and lease liability outstanding at the end of the reporting period.
- The fair value of the preference shares is determined using the quoted price on the Jamaica Stock Exchange.

A comparison of the fixed rate financial liabilities at carrying amount and fair value is as follows:

	<b>The Group</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Carrying amount</b>	<b>Fair Value</b>	<b>Carrying amount</b>	<b>Fair Value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed rate financial liabilities:				
- Borrowings	202,662	241,708	209,769	278,628
- Cumulative redeemable preference shares	24,582	46,749	24,942	34,960
- Lease liability	106	106	201	197
	<u>227,350</u>	<u>288,563</u>	<u>234,912</u>	<u>313,785</u>

	<b>The Company</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Carrying amount</b>	<b>Fair Value</b>	<b>Carrying amount</b>	<b>Fair Value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fixed rate financial liabilities:				
- Borrowings	202,662	241,708	209,769	278,628
- Cumulative redeemable preference shares	24,582	46,749	24,942	34,960
	<u>227,244</u>	<u>288,457</u>	<u>234,711</u>	<u>313,588</u>

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

*Financial risk management policies and objectives (continued)*

(d) Fair value of financial assets and financial liabilities (continued)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities.

As at December 31, 2023:

<b>The Group</b>				
<b>Date of valuation</b>	<b>Quoted prices in active markets (Level 1) \$'000</b>	<b>Significant Observable inputs (Level 2) \$'000</b>	<b>Significant Unobservable inputs (Level 3) \$'000</b>	<b>Total \$'000</b>
<b>Liabilities for which fair values are disclosed</b>				
Borrowings, preference shares and leases	-	288,563	-	288,563

<b>The Company</b>				
<b>Date of valuation</b>	<b>Quoted prices in active markets (Level 1) \$'000</b>	<b>Significant Observable inputs (Level 2) \$'000</b>	<b>Significant Unobservable inputs (Level 3) \$'000</b>	<b>Total \$'000</b>
<b>Liabilities for which fair values are disclosed</b>				
Borrowings	-	288,457	-	288,457

As at December 31, 2022:

<b>The Group</b>				
<b>Date of valuation</b>	<b>Quoted prices in active markets (Level 1) \$'000</b>	<b>Significant Observable inputs (Level 2) \$'000</b>	<b>Significant Unobservable inputs (Level 3) \$'000</b>	<b>Total \$'000</b>
<b>Liabilities for which fair values are disclosed</b>				
Borrowings, preference shares and leases	-	313,785	-	313,785

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**24 FINANCIAL INSTRUMENTS, FINANCIAL AND CAPITAL RISKS MANAGEMENT (CONTINUED)**

***Financial risk management policies and objectives (continued)***

(d) Fair value of financial assets and financial liabilities (continued)

As at December 31, 2022 (continued):

	The Company			Total \$'000
	Quoted prices in active markets (Level 1) \$'000	Significant Observable inputs (Level 2) \$'000	Significant Unobservable inputs (Level 3) \$'000	
Date of valuation				
<b>Liabilities for which fair values are disclosed</b>				
Borrowings, preference shares and leases	December 31, 2022	-	313,588	- 313,588

There have been no transfers between Level 1 and Level 2 during the financial year.

***Capital management***

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of equity.

The capital structure of the Group consists of net debt (borrowings as disclosed in Note 14, offset by cash and cash equivalents) and equity of the Group (comprising issued capital and retained earnings). There was no breach of covenants attached to borrowings at December 31, 2023 and 2022. (Note 14).

The capital structure strategy of the Group was defined when Phase 1A financial closing was reached in February 2004. There was no change in the overall strategy of the Company during the year.

The Group's Board of Directors reviews the capital structure on an annual basis. As a part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital.

**25 INDIVIDUAL RETIREMENT SCHEME**

The Company

An Individual Retirement Scheme ("IRS") has been in operation since January 1, 2012 due to the discontinuation of the defined contribution plan that was previously in place. During the course of 2013, the employees' accumulated contributions from the previous plan were paid over by Guardian Life Limited to the newly established IRS accounts of each of the members at the point of winding up. The surplus, however, was not distributed and has since been approved for distribution to the remaining members (pending the submission of a progress report by Guardian Life Limited).

The Company has opted to continue its contribution of 10% of basic salaries on behalf of the employees while the employees contribute up to 10% of their pensionable salaries.

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**25 INDIVIDUAL RETIREMENT SCHEME (CONTINUED)**

The Company (continued)

Retirement benefits payable will be based on the contributions made to scheme together with investment earnings thereon. The total expense recognized in the profit or loss in respect of the plan is \$45,160 (2022: \$51,999).

The Subsidiary

The subsidiary operates a defined contribution plan for all qualifying employees. The assets of the defined contribution plans are held separately from those of the subsidiary. Where employees leave the plan prior to vesting fully in the contributions, the contributions payable by the subsidiary are reduced by the amount of forfeited contributions.

The total expense recognised in the statement of comprehensive income of \$0.163 million (2022: \$0.004 million) represents contributions payable to the defined contribution plan by the subsidiary at the rate of 10% (2022: 10%) of pensionable salaries of the qualifying employees.

The Scheme is funded by contributions from employees at the rate of 5% of pensionable salaries (as defined), as a basic contribution. The employees also have the option to contribute an additional amount of 5% of pensionable salaries. As at 31 December 2023 and 2022, all contributions due in respect of the reporting period were paid over to the Plan.

**26 CONTINGENCIES**

In the normal course of business, situations could arise where the Group may be the defendant in certain litigation matters, claims and other legal proceedings. In such instances provisions will be established for such matters where it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

The Group would remain contingently liable in respect of other litigation matters which are considered to be possible but not probable and thus would not make provision in these financial statements.

# Notes



# Form of Proxy

I/We \_\_\_\_\_

Of \_\_\_\_\_

Being a member(s) of TRANSJAMAICAN HIGHWAY LIMITED hereby appoint \_\_\_\_\_

or failing him or her \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote on my/our behalf at the 23rd Annual General Meeting of the above-named Company to be held at The Jamaica Pegasus Hotel, 81 Knutsford Boulevard, Kingston 5 on Thursday, July 4, 2024 at 10:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy to vote on the under-mentioned resolutions as indicated below. In the absence of such direction, the proxy may vote as he/she sees fit.

<u>ORDINARY BUSINESS</u>	<u>FOR</u>	<u>AGAINST</u>
RESOLUTION 1 - To receive the audited accounts for the year ended December 31, 2023.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 2 - To ratify interim dividend payments and declare them final.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3(i) - To re-elect Julie Thompson-James to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3(ii) - To re-elect Stephen Edwards to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3(iii) - To re-elect Ventley Brown to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3(iv) - To elect John Bell to the Board of Directors.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 4 - To approve the remuneration of the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 5 - To re-appoint the Auditors and to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024.



## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place. Such proxy should be chosen from the following list of Directors (and Company Secretary) who have indicated that they intend to attend the AGM:

- a) Ivan Anderson, Managing Director and Group CEO
- b) Susan Brown, Company Secretary

or alternatively, a member may appoint a person of his/her choice who has been granted right to attend the meeting physically.

- 2. If the appointer is a corporation, this form must be signed under its common seal or under the hand of some officer or attorney duly authorized in writing.
- 3. Any alteration made in this Form of Proxy should be initialed by the person who signs it.
- 4. A member must complete and return his/her Form of Proxy to the Registrar of the Company, the Jamaica Central Securities Depository ("JCSD"), using one of the following methods, not less than 48 hours before the Meeting:
  - a) by hand delivery to JCSD Trustee Services Limited at 40 Harbour Street, Kingston; or
  - b) by post addressed to JCSD Trustee Services Limited at 40 Harbour Street, Kingston.
  - c) by facsimile at (876) 969-3730; or
  - d) by email: [tjhighway@h2k-tjh.com](mailto:tjhighway@h2k-tjh.com)
- 5. In the case of joint holders, the vote of the senior joint holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders(s), and for this purpose seniority will be determined by the order in which the names appear in the books of the Company.
- 6. If the proxy form is returned without any indication as to how the proxy must vote, he may exercise his discretion as to how he votes or whether he abstains from voting.
- 7. The proxy form is subject to stamp duty of J\$100.00. The stamp duty may be denoted by adhesive stamps.  
**The Company reserves the right to stamp unstamped proxy forms.**
- 8. **The person to whom this Proxy is given need not be a holder of shares in the Company but must attend the Meeting in person to represent you.**





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