

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Financial Information

30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

Office copy to be signed
By the directors and returned to
PricewaterhouseCoopers

Point Lisas Industrial Port Development Corporation Limited

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Point Lisas Industrial Port Development Corporation Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying condensed consolidated interim financial information of Point Lisas Industrial Port Development Corporation Limited and its subsidiary (the 'Group'), which comprise the condensed consolidated interim statement of financial position as at 30 September 2022, the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act and Section 66 of the Securities Act Chap. 83:02; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing this condensed consolidated interim financial information, management utilised the International Accounting Standard 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago and Section 66 of the Securities Act Chap. 83:02. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying condensed consolidated interim financial information have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



President
10 November 2022



Vice President – Business Services
10 November 2022



Report on review of interim financial information

To the Board of Directors of
Point Lisas Industrial Port Development Corporation Limited

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Point Lisas Industrial Port Development Corporation Limited and its subsidiary (the 'Group') as of 30 September 2022 and the related condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and Section 66 of the Securities Act Chap. 83:02. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and Section 66 of the Securities Act Chap.83:02.

Report on other regulatory requirements

In accordance with Section 66 of the Securities Act Chap. 83:02, the Group also prepared condensed consolidated interim financial information for the nine-month period from the commencement of the current financial year together with the comparative statement to the end of the corresponding period in the previous financial year.

PricewaterhouseCoopers

San Fernando
Trinidad, West Indies
10 November 2022

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Financial Position

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	30 September 2022 \$	2021 \$	31 December 2021 \$
Assets				
<i>Non-current assets</i>				
Property, plant and equipment	5	728,179	741,368	741,865
Investment properties	6	2,236,515	2,212,815	2,218,580
Deferred income tax assets		11,407	19,415	10,529
Retirement benefit asset	7 a.	3,367	--	1,863
Financial assets at amortised cost		897	897	897
Financial assets at fair value through other comprehensive income		<u>1,688</u>	<u>1,618</u>	<u>1,994</u>
		<u>2,982,053</u>	<u>2,976,113</u>	<u>2,975,728</u>
<i>Current assets</i>		<u>216,397</u>	<u>206,662</u>	<u>211,034</u>
Total assets		<u>3,198,450</u>	<u>3,182,775</u>	<u>3,186,762</u>
Equity and liabilities				
<i>Equity attributable to owners of the parent</i>				
Stated capital		139,968	139,968	139,968
Treasury shares		(32)	(32)	(32)
Investment revaluation reserve		750	680	1,056
Revaluation reserves		251,073	253,064	252,566
Retained earnings		<u>2,465,485</u>	<u>2,409,223</u>	<u>2,438,985</u>
		<u>2,857,244</u>	<u>2,802,903</u>	<u>2,832,543</u>
<i>Non-current liabilities</i>				
Borrowings	8	90,723	103,719	97,222
Retirement benefit obligation	7 a.	--	27,672	--
Casual employee retirement benefit obligation	7 b.	37,561	36,122	34,639
Deferred income tax liabilities		94,784	95,468	96,317
Deferred lease rental income		<u>54,322</u>	<u>55,298</u>	<u>55,051</u>
		<u>277,390</u>	<u>318,279</u>	<u>283,229</u>
<i>Current liabilities</i>		<u>63,816</u>	<u>61,593</u>	<u>70,990</u>
Total liabilities		<u>341,206</u>	<u>379,872</u>	<u>354,219</u>
Total equity and liabilities		<u>3,198,450</u>	<u>3,182,775</u>	<u>3,186,762</u>

The notes on pages 7 to 18 are an integral part of this condensed consolidated interim financial information.

On 10 November 2022, the Board of Directors of Point Lisas Industrial Port Development Corporation Limited authorised this condensed consolidated interim financial information for issue.

 Director

 Director

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Thousands of Trinidad and Tobago Dollars)

		Three months ended 30 September		Nine months ended 30 September	
	Note	2022 \$	2021 \$	2022 \$	2021 \$
Revenue		87,796	80,724	264,674	236,362
Cost of providing services		<u>(30,455)</u>	<u>(25,176)</u>	<u>(86,887)</u>	<u>(71,394)</u>
Gross profit		57,341	55,548	177,787	164,968
Unrealised fair value gain on investment properties		2,840	2,675	17,935	18,985
Administrative expenses		(31,859)	(28,222)	(93,458)	(84,534)
Other operating expenses		(22,783)	(20,086)	(64,330)	(59,495)
Other income		<u>172</u>	<u>179</u>	<u>1,513</u>	<u>407</u>
Operating profit		5,711	10,094	39,447	40,331
Investment income		235	199	631	564
Finance costs		<u>(1,211)</u>	<u>(843)</u>	<u>(2,606)</u>	<u>(2,085)</u>
Profit before taxation		4,735	9,450	37,472	38,810
Income tax expense		<u>(1,395)</u>	<u>(2,751)</u>	<u>(7,640)</u>	<u>(5,220)</u>
Profit for the period		3,340	6,699	29,832	33,590
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Deferred tax on accelerated tax depreciation - property, plant and equipment and site improvements revalued		373	373	1,119	1,119
Change in the fair value of equity investments at fair value through other comprehensive income		<u>15</u>	<u>4</u>	<u>(306)</u>	<u>193</u>
Total comprehensive income for the period		<u><u>3,728</u></u>	<u><u>7,076</u></u>	<u><u>30,645</u></u>	<u><u>34,902</u></u>
Earnings per share					
Basic earnings per share	10	<u><u>8¢</u></u>	<u><u>17¢</u></u>	<u><u>76¢</u></u>	<u><u>85¢</u></u>
Diluted earnings per share	10	<u><u>8¢</u></u>	<u><u>17¢</u></u>	<u><u>75¢</u></u>	<u><u>85¢</u></u>

The notes on pages 7 to 18 are an integral part of this condensed consolidated interim financial information.

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Changes in Equity

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Note	Stated capital \$	Revaluation reserves \$	Investment revaluation reserve \$	Treasury shares \$	Retained earnings \$	Shareholders' equity \$
Nine months ended 30 September 2022							
Balance as at 1 January 2022		139,968	252,566	1,056	(32)	2,438,985	2,832,543
Comprehensive income							
- Profit for the period		--	--	--	--	29,832	29,832
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings, net of tax		--	(2,612)	--	--	2,612	--
- Change in the fair value of equity investments at fair value through other comprehensive income		--	--	(306)	--	--	(306)
- Deferred tax on accelerated tax depreciation-property, plant and equipment and site improvements revalued		--	1,119	--	--	--	1,119
Transactions with owners							
- Dividends	15	--	--	--	--	(5,944)	(5,944)
Balance as at 30 September 2022		<u>139,968</u>	<u>251,073</u>	<u>750</u>	<u>(32)</u>	<u>2,465,485</u>	<u>2,857,244</u>
Nine months ended 30 September 2021							
Balance as at 1 January 2021		139,968	254,556	487	(32)	2,377,381	2,772,360
Comprehensive income							
- Profit for the period		--	--	--	--	33,590	33,590
Other comprehensive income							
- Transfer of revaluation reserve to retained earnings, net of tax		--	(2,611)	--	--	2,611	--
- Change in the fair value of equity investments at fair value through other comprehensive income		--	--	193	--	--	193
- Deferred tax on accelerated tax depreciation-property, plant and equipment revalued and site improvements		--	1,119	--	--	--	1,119
Transactions with owners							
- Dividends	15	--	--	--	--	(4,359)	(4,359)
Balance as at 30 September 2021		<u>139,968</u>	<u>253,064</u>	<u>680</u>	<u>(32)</u>	<u>2,409,223</u>	<u>2,802,903</u>

The notes on pages 7 to 18 are an integral part of this condensed consolidated interim financial information.

Point Lisas Industrial Port Development Corporation Limited

Condensed Consolidated Interim Statement of Cash Flows

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Nine months ended 30 September	
	2022	2021
	\$	\$
Cash flows from operating activities		
Cash generated from operations	29,609	42,227
Interest paid	(1,671)	(1,864)
Income tax paid	(11,076)	(5,283)
Net cash generated from operating activities	<u>16,862</u>	<u>35,080</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(12,893)	(22,870)
Interest received	497	525
Net cash used in investing activities	<u>(12,396)</u>	<u>(22,345)</u>
Cash flows from financing activities		
Dividends paid	(5,944)	(4,359)
Proceeds from long and medium-term liabilities	449	--
Repayment of long and medium-term liabilities	(6,802)	(6,675)
Net cash used in financing activities	<u>(12,297)</u>	<u>(11,034)</u>
Net (decrease)/increase in cash and cash equivalents	(7,831)	1,701
Cash and cash equivalents, beginning of period	150,330	146,090
Effects of exchange rate changes on cash and cash equivalents	(417)	(245)
Cash and cash equivalents, end of period	<u>142,082</u>	<u>147,546</u>
Cash and cash equivalents		
Short-term deposits	74,844	84,495
Cash at bank and on hand	67,238	63,051
	<u>142,082</u>	<u>147,546</u>

The notes on pages 7 to 18 are an integral part of this condensed consolidated interim financial information.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

1 General information

Point Lisas Industrial Port Development Corporation Limited ("the Corporation" or "the Group") was incorporated on 16 September 1966 under the laws of the Republic of Trinidad and Tobago and has a primary listing on the Trinidad and Tobago Stock Exchange. Its registered office is located at PLIPDECO House, Orinoco Drive, Point Lisas Industrial Estate, Point Lisas, Couva, Trinidad, West Indies. The Corporation Sole (Government of the Republic of Trinidad and Tobago) is owner of 51% of the issued share capital.

Point Lisas Terminals Limited, a wholly owned subsidiary, was incorporated in the Republic of Trinidad and Tobago in 1981 and is involved in the supply of labour to the parent company for its cargo handling operations at the port.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 10 November 2022.

This condensed consolidated interim financial information was reviewed, not audited.

2 Accounting policies

a. Basis of preparation

This condensed consolidated interim financial information for the three-month and nine-month periods ended 30 September 2022, has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and Section 66 of the Securities Act Chap. 83:02. The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below

(i) Historical cost convention

This condensed consolidated interim financial information have been prepared on a historical cost basis, except for the following:

- the revaluation of land, buildings and own site improvements – measured at fair value,
- investment properties – measured at fair value,
- financial assets at fair value through other comprehensive income – measured at fair value, and
- defined benefit pension plans – plan assets measured at fair value.

(ii) New standards, amendments and interpretations adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) New standards, amendments and interpretations not yet adopted by the Group

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

The areas involving significant estimates or judgments are:

- Estimation of fair values of land and buildings and investment properties – Notes 5 and 6
- Estimation of retirement benefit pension asset/obligation – Note 7 a.
- Estimation of casual employee retirement benefit – Note 7 b.
- Estimation of forward looking assumptions under IFRS 9
- Estimates in the assessment of impairment of property, plant and equipment.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Impairment assessment of non-financial assets of the Group

Estimates are required in determining the recoverable amount of assets to assess whether an impairment exists. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. An asset is impaired when its carrying amount exceeds its recoverable amount. IAS 36 'Impairment of non-financial assets' describes some indicators that an impairment loss may have occurred. If any of those indicators are present, the Group will make a formal estimate of recoverable amount. At the condensed consolidated interim statement of financial position date, the market capitalisation of the Group was significantly less than the net assets of the Group. As such, management determined that an impairment assessment was required to determine if the net assets of the Group were impaired.

In light of the Covid 19 pandemic, the Corporation has noted that estimates and judgments which influence the amount reported in the condensed consolidated interim financial information may be impacted. As a result, the Corporation has undertaken a review of the estimates and assumptions made and noted the following:

- Fair Values of Land & Building and Investment Properties – In an effort to determine whether COVID 19 has any impact on the fair values of land and buildings and investment properties, discussions were held with the independent valuers, Raymond & Pierre Chartered Valuation Surveyors. These discussions revealed that they do not see any impact on the 3 quarters of 2022. They do not see any effect on the portfolio as a significant element of the portfolio is based on annual ground rents and represent a minimal outflow when compared to their other outlays. For this reason, ground rents are seen in the property industry as safe or very low risk investments. Further, the annual income to PLIPDECO from the 29 long term leases is under \$2,000. Additionally, the annual rent to capital value ratio of the 30-year leases are mainly below 3%.
- Estimation of fair values of Retirement benefit pension obligation and Casual employee retirement benefit – These balances have been determined based on a report obtained as at December 2021 from external independent actuaries, Bacon Woodrow and De Souza Ltd which included projections for 2022. The amounts reported in this condensed consolidated interim financial information incorporate the effect of several assumptions including discount rates, inflation, salary, promotional and pension increase and life expectancy.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

3 Estimates (continued)

Impairment assessment of non-financial assets of the Group (continued)

- Estimation of forward looking assumption under IFRS 9. In the determination of these balances, we considered whether there was a need to include in our IFRS calculation a default rate influenced by forward looking assumptions. In our assessment, this was not considered relevant as the process by which the Corporation operates remains the same. With regards to our estate tenants, balances due from them are contractually based and as such considered to be at a low risk of default. Additionally, the majority of the tenants are large entities, whose ability to pay the rent due may not be as heavily impacted as those of smaller businesses. Further, on the port operations side of the business, advance deposits are required before any vessels are serviced. There is no intention to change this policy.

The Corporation has revised and will continue to re-project its financials, capital expenditure program and adjust expenditure accordingly in order to maintain comfortable working capital levels. The Corporation continues to monitor the environment and the impact that it may have on our operations and ultimately our reporting obligations.

4 Financial risk management and financial instruments

a. *Financial risk factors*

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2021. There have been no changes in any risk management policies since the year end.

b. *Liquidity risk*

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

c. *Fair value estimation*

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows.

The following shows the Group's financial assets measured and recognised at fair value at 30 September 2022, 30 September 2021 and 31 December 2021 on a recurring basis.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

4 Financial risk management and financial instruments (continued)

c. Fair value estimation (continued)

	Level 1	Level 2	Level 3
	\$	\$	\$
As at 30 September 2022			
Financial assets at fair value through other comprehensive income	1,688	--	--
As at 30 September 2021			
Financial assets at fair value through other comprehensive income	1,618	--	--
As at 31 December 2021			
Financial assets at fair value through other comprehensive income	1,994	--	--

The different levels have been defined as follows:

- The fair value of financial instruments traded in active markets is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There were no transfers between levels during the period.

d. Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Financial asset at amortised cost
- Trade and other receivables
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables
- Borrowings

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

5 Property, plant and equipment

Nine months ended 30 September 2022		\$
Opening net book amount as at 1 January 2022		741,865
Additions		12,893
Disposals		(1,204)
Depreciation		<u>(25,375)</u>
Closing net book amount as at 30 September 2022		<u>728,179</u>
Nine months ended 30 September 2021		
Opening net book amount as at 1 January 2021		743,297
Additions		22,870
Disposals		(91)
Depreciation		<u>(24,708)</u>
Closing net book amount as at 30 September 2021		<u>741,368</u>
Year ended 31 December 2021		
Opening net book amount as at 1 January 2021		743,297
Additions		34,337
Disposals		(2,628)
Depreciation		<u>(33,141)</u>
Closing net book amount as at 31 December 2021		<u>741,865</u>

6 Investment properties

	30 September		31 December
	2022	2021	2021
	\$	\$	\$
At the beginning of year	2,218,580	2,193,830	2,193,830
Unrealised fair value gains	<u>17,935</u>	<u>18,985</u>	<u>24,750</u>
At the end of period/year	<u>2,236,515</u>	<u>2,212,815</u>	<u>2,218,580</u>

The Group's investment properties were valued at 30 September 2022 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. A full valuation report is received as at the end of the financial year and a summary report is received at the end of each quarter.

The Group's Finance department reviews the valuations performed by the independent valuers for financial reporting purposes. This department reports directly to the Vice President of Business Services. Discussions of valuations processes and results are held between the Vice President of Business Services, the Estate department, the Finance department and the independent valuers at least once every quarter, in line with the Group's quarterly reporting dates.

At each financial reporting date the Finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior valuation report;
- holds discussions with the independent valuator.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Investment properties (continued)

The market value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. For all investment properties, their current use equates to the highest and best use. The valuation is based on both the Income Method for leased properties and Market Approach for land.

Under the Income Approach, the estimated net rental income from a property by a year's purchase (multiplier) is calculated to arrive at a capital value for the property. The net income is derived from an estimated gross income less outgoings i.e. rates, insurance, repairs and management allowance. The present value is obtained by discounting at the risk free rates of 2.5%, 3.5% and 5%. The valuation for the 30 year leases also assumes that all tenants have renewal clauses in their current leases which will extend the lease for an additional 30 years. Under the Market Approach, the sales of comparable acreage of the properties are analysed to determine a value for the leased land under consideration.

The following table analyses the non-financial assets carried at fair value. The different levels have been defined as follows in Note 4c.

Fair value measurements using

	Level 1	Level 2	Level 3
	\$	\$	\$
As at 30 September 2022			
Recurring fair value measurements			
- Investment Properties	--	--	2,236,515
As at 30 September 2021			
Recurring fair value measurements			
- Investment Properties	--	--	2,212,815
As at 31 December 2021			
Recurring fair value measurements			
- Investment Properties	--	--	2,218,580

There were no transfers between levels during the year.

Level 3 fair values have been derived using the Income Approach Method for leased properties and Market Approach Method for land. Evidence of arm's length open market transactions of similar lands were analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors. The most significant input into this valuation approach is future rental cash inflows based on the actual location and quality of the properties and supported by the terms of any existing leases and market prices of land.

The methods used in the valuation of land, building and own site improvement have been classified as level 3 as the inputs used in the methods are not readily available to the public and assumptions applied are based on the experience and judgement of the valuers prior to being reviewed and adopted by Management.

	30 September	
	2022	2021
	\$	\$
Rental income	78,722	78,991
Costs arising from investment properties	1,059	1,080

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

6 Investment properties (continued)

Notification of vesting or lease of state land

The Group was informed by the Ministry of Agriculture, Lands and Fisheries of the vesting or lease by the State of a parcel of approximately 530 acres of State land subject to verification of title and encumbrances and management by the Group of unauthorised occupants and parties claiming an interest in the parcel. The terms and conditions are subject to approval by the cabinet of the Government of Trinidad and Tobago. Title has not been transferred, consideration not yet agreed and approval of terms and conditions by Cabinet not yet obtained. As such fair value was not included in this financial information.

7 a. Retirement benefit (asset)/obligation

The figures in the table below have been pro-rated from the projected actuarial valuation for 2022.

The amounts recognised within administrative expenses in the condensed consolidated interim statement of profit or loss and other comprehensive income are as follows:

	30 September	
	2022	2021
	\$	\$
Current service costs	8,660	9,677
Net interest on defined benefit liability	(125)	1,104
Administrative expense allowance	463	472
Pension expense	<u>8,998</u>	<u>11,253</u>

The amounts recognised in the condensed consolidated interim statement of financial position were as follows:

	30 September		31 December
	2022	2021	2021
	\$	\$	\$
Present value of defined benefit obligation	266,997	270,221	257,999
Fair value of assets	<u>(270,364)</u>	<u>(242,549)</u>	<u>(259,862)</u>
Defined benefit (asset)/obligation	<u>(3,367)</u>	<u>27,672</u>	<u>(1,863)</u>

A defined contribution plan is currently in the process of being established. The rules of this plan was drafted and submitted to the Board of Inland Revenue (BIR) in March 2022 and the Group is awaiting approval. Deductions from employees commenced on 1 April 2022. All new eligible members now join the defined contribution plan.

7 b. Casual employee retirement benefit obligation

The figures in the table below have been pro-rated from the projected actuarial valuation for 2022.

The amounts recognised within administrative expenses in the condensed consolidated interim statement of profit or loss and other comprehensive income are as follows:

	30 September	
	2022	2021
	\$	\$
Current service costs	1,734	1,842
Net interest on defined benefit liability	<u>1,577</u>	<u>1,414</u>
Pension expense	<u>3,311</u>	<u>3,256</u>

(13)

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

7 b. Casual employee retirement benefit obligation (continued)

The amounts recognised in the condensed consolidated interim statement of financial position were as follows:

	30 September 2022	30 September 2021	31 December 2021
	\$	\$	\$
Present value of benefit obligation	<u>37,561</u>	<u>36,122</u>	<u>34,639</u>

8 Borrowings

	30 September 2022	30 September 2021	31 December 2021
	\$	\$	\$
Non-current	90,723	103,719	97,222
Current	<u>13,239</u>	<u>13,251</u>	<u>13,264</u>
	<u>103,962</u>	<u>116,970</u>	<u>110,486</u>

Movements in borrowings are analysed as follows:

Nine months ended 30 September 2022

	\$
Opening amount as at 1 January 2022	110,486
Loan proceeds	449
Repayments of borrowings	(6,802)
Foreign exchange gain on borrowings	<u>(171)</u>
Closing amount as at 30 September 2022	<u>103,962</u>

Nine months ended 30 September 2021

Opening amount as at 1 January 2021	123,741
Repayments of borrowings	(6,675)
Foreign exchange gain on borrowings	<u>(96)</u>
Closing amount as at 30 September 2021	<u>116,970</u>

Year ended 31 December 2021

Opening amount as at 1 January 2021	123,741
Repayments of borrowings	<u>(13,255)</u>
Closing amount as at 31 December 2021	<u>110,486</u>

9 Income taxes

Income tax expense is recognised based on management's estimate of the statutory income tax rates applicable to the different categories of income. Unrealised fair value gains on investment properties are not subject to tax.

The statutory tax rate used for the year to 31 December 2021 and for the three-month and nine-month periods to 30 September 2022 was 30%.

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

10 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing the profit for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year plus allocated shares held by the ESOP Trustee.

	Three months ended 30 September		Nine months ended 30 September	
	2022	2021	2022	2021
Basic earnings per share	8¢	17¢	76¢	85¢
Diluted earnings per share	8¢	17¢	75¢	85¢

11 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the President and the management team, which is the team responsible for allocating resources and assessing performance of the operating segments and is also responsible for making strategic decisions. The Group's executive management team, consisting of the President, the Vice Presidents of Business Services, Port and Technical, examines the Group's performance from an operations perspective and has identified two reportable segments of its business.

- (i) Port operations – This covers services supplied for the import, export and transshipment of containers and general cargo. The fees for these services include handling charges, storage rents, stuffing/unstuffing and other miscellaneous services. These are all based on an established tariff.
- (ii) Estate operations – This covers operations involved in the development, maintenance and supply of onshore infrastructure which are leased to tenants at contracted rates as charged for occupancy, wayleaves and common service charges.

These are the reportable segments of the Group as they form the basis used by the President and management team, as the chief operating decision makers, for assessing performance and allocating resources.

These reported segments are closely integrated as the viability of one segment depends on the continued operations of the other. As such, the operation comprises one cash generating unit, which is taxed as one unit and for which other expenses do not relate entirely to one segment.

	Port and related activities \$	Estate \$	Other \$	Total \$
Nine months ended 30 September 2022				
Revenue	184,545	78,722	1,407	264,674
Gross profit	97,658	78,722	1,407	177,787
Unrealised fair value gains on investment properties	--	17,935	--	17,935
Depreciation	(22,617)	(1,059)	(1,699)	(25,375)
Repairs and maintenance	(22,901)	(410)	(1,099)	(24,410)
Other expenses - net	(46,161)	(11,450)	(48,248)	(105,859)
Finance costs - net	(2,017)	--	(589)	(2,606)
Profit before taxation				37,472

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Segment information (continued)

	Port and related activities \$	Estate \$	Other \$	Total \$
Nine months ended 30 September 2021				
Revenue	156,056	78,991	1,315	236,362
Gross profit	84,662	78,991	1,315	164,968
Unrealised fair value gains on investment properties	--	18,985	--	18,985
Depreciation	(22,270)	(1,080)	(1,358)	(24,708)
Repairs and maintenance	(17,518)	(245)	(2,897)	(20,660)
Other expenses - net	(41,601)	(11,930)	(44,159)	(97,690)
Finance costs - net	(1,684)	--	(401)	(2,085)
Profit before taxation				38,810

The revenue reported to the chief operating decision makers is measured in a manner consistent with that in the condensed consolidated statement of profit or loss and other comprehensive income.

	Port and related activities \$	Estate \$	Other \$	Total \$
Total segment assets				
30 September 2022	525,000	2,447,687	46,391	3,019,078
30 September 2021	536,287	2,416,967	42,032	2,995,286
31 December 2021	536,966	2,421,882	44,398	3,003,246

Total assets are measured in a manner consistent with that of the condensed consolidated interim financial information. These assets are allocated based on the operations of the segment.

Reportable segments' assets are reconciled to total assets as follows:

	30 September 2022 \$	30 September 2021 \$	31 December 2021 \$
Total segment assets	3,019,078	2,995,286	3,003,246
Cash at bank and on hand	142,082	147,546	150,330
Deferred income tax asset	11,407	19,415	10,529
Other assets	25,883	20,528	22,657
Total assets as per statement of financial position	3,198,450	3,182,775	3,186,762

Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

11 Segment information (continued)

Total segment assets include additions to property, plant and equipment as follows:

	Port and related activities \$	Estate \$	Other \$	Total \$
- 30 September 2022	7,163	3,663	2,067	12,893
- 30 September 2021	20,954	36	1,880	22,870
- 31 December 2021	32,114	40	2,183	34,337

Total liabilities are centrally managed and are not allocated by segments.

There are no differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

12 Transactions with related parties

	30 September 2022 \$	2021 \$
Key management compensation	<u>2,804</u>	<u>2,725</u>

13 Contingent liabilities

- | | | | |
|-----|---------------|--------------|--------------|
| (i) | Customs bonds | <u>4,000</u> | <u>2,250</u> |
|-----|---------------|--------------|--------------|
- (a) The Group has approved bond facilities with First Citizens Bank of \$3,000 and with Republic Bank Limited of \$2,000.
- (b) The bonds held with Scotiabank Trinidad and Tobago Limited are secured in the amount of \$3,200.
- (ii) The Corporation is a party to various legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities. Provisions have been made in this condensed consolidated interim financial information, where applicable.
- (iii) The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on 30 September 2017. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

14 Capital commitments

Authorised and contracted for and not provided for in this condensed consolidated interim financial information	<u>5,342</u>	<u>8,383</u>
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Point Lisas Industrial Port Development Corporation Limited

Notes to the Condensed Consolidated Interim Financial Information (continued) 30 September 2022

(Expressed in Thousands of Trinidad and Tobago Dollars)

15 Dividends

On 24 March 2022, the Board of Directors approved a final dividend of 15¢ per share, amounting to \$5,944 in respect of the year ended 31 December 2021. On 25 March 2021, the Board of Directors approved a final dividend of 11¢ per share, amounting to \$4,359 in respect of the year ended 31 December 2020.

16 Subsequent events

Subsequent to the period end, there were no events requiring adjustments or disclosures.

17 Impact of COVID 19

While there has been a significant disruption in general international and local trading conditions as a result of the Coronavirus (COVID-19) pandemic, COVID 19 did not have material impact on the Group as the Group's activities are considered essential services in Trinidad and Tobago. Restrictions were reduced in 2022 compared to the prior period.

18 Impact of Russia's invasion of Ukraine

In January 2022, Russia began mobilising military forces around Ukraine's border. Escalation continued and on February 24, 2022, Russia launched a full-scale invasion on three fronts: on the north from Belarus, on the east from Russia, and on the south from Crimea. Currently, more than a dozen cities across Ukraine have been attacked by air strikes and ground offensives.

Russia's invasion of Ukraine has and may continue to have a substantial impact on several industries which can impact imports and exports as well as energy prices.

Capital markets are reacting to the economic effects of economic and other sanctions, which include a material increase in commodity prices, which could add to already high inflationary pressures, challenging efforts by the global central banks to curb inflation.

The extent and duration of the impact of Russia's invasion of Ukraine, including the resulting sanctions levied against Russia, on global and local economies, financial markets is uncertain and ever evolving and has the potential to adversely affect the Group's operations.

