

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

JS\$'000	Note	UNAUDITED		AUDITED
		Nine Months Jan to Sep		Year Jan to Dec
		2022	2021	2021
Balance as at beginning of period		15,779,187	11,531,922	11,531,922
Net income for the period		4,252,289	3,134,475	4,341,632
Remeasurement of employee benefits obligation, net of tax		-	-	(134,722)
Dividend	9	(1,279,431)	-	-
Hedge reserve		(3,607)	101,328	40,355
Total comprehensive income for the period		2,969,251	3,235,803	4,247,265
Balance as at end of period		18,748,438	14,767,725	15,779,187

NOTES:

1. Basis of Preparation

The condensed consolidated interim financial statements are prepared in accordance with Practice Statement 2016 – 1, Summary Financial Statements issued by the Institute of Chartered Accountants of Jamaica (ICAJ). Management discloses the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in stockholders' equity and consolidated statement of cash flows. These condensed consolidated interim financial statements are derived from the unaudited consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary (Group) as of and for the period ended September 30, 2022, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Jamaican Companies Act.

2. Accounting Policies

These condensed consolidated interim financial statements as of and for the period ended September 30, 2022, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2021. The new and amended standards and interpretations which became effective in this financial year, did not have a material impact on the Group's financial position or results.

3. Earnings Per Stock Unit

Earnings per stock unit is computed by dividing the consolidated net income attributable to ordinary stockholders by the weighted average number of ordinary stock units in issue during the period.

4. Comparative Information

Where necessary, the comparative figures are reclassified to conform with the current year's presentation.

5. Accounts receivable from related parties

Accounts receivable from related parties includes a deposit investment account of J\$1.1 billion (US\$7.2 million) in CEMEX Innovation Holding Limited, which generates interest at a rate equal to the Western Asset Institutional Liquid Reserves Fund rate minus 30 basis points on a daily basis of a year of 360 days.

6. Operating Earnings Before Other Expenses, Net [expressed in J\$'000]

The details of the line item "Operating earnings before other expenses, net" are as follows:

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2022	2021	2022	2021	2021
Revenue	6,166,996	5,494,611	19,683,782	17,802,473	23,840,001
Expenses:					
Raw material and consumables	479,874	636,649	1,417,931	1,316,678	1,683,894
Fuel and electricity	1,341,409	858,149	4,089,241	2,910,352	4,109,623
Personnel remuneration and benefits	668,655	650,926	1,991,199	1,882,466	2,502,444
Repairs and maintenance	353,699	696,372	1,057,024	1,295,725	1,484,856
Equipment hire	284,713	303,055	966,234	904,555	1,277,774
Cement transportation, marketing and selling expenses	195,598	213,588	716,726	667,091	893,060
Other operating expenses	280,138	218,306	788,535	703,509	1,019,885
Depreciation	360,802	379,083	1,086,018	1,137,573	1,515,255
Changes in inventories of finished goods and work in progress	157,678	1,042,233	773,294	1,867,893	2,022,477
Total expenses	4,122,566	4,998,361	12,886,202	12,685,842	16,509,268
Operating earnings before other expenses, net	2,044,430	496,250	6,797,580	5,116,631	7,330,733

7. Other Expenses, Net [expressed in J\$'000]

The details of the line item "Other expenses, net" are as follows:

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2022	2021	2022	2021	2021
Manpower restructuring costs	-	-	-	61,925	102,832
Stockholding and inventory restructuring provision (reversal)	6,312	-	15,413	1,511	(4,977)
Demolition expenses	-	24,542	38,948	26,150	39,594
Inventory (write-back) write-off	(579)	-	559	23	184
Environmental costs	-	-	-	13,461	13,461
Management fees	49,693	49,757	150,735	145,524	194,949
Royalty and service fee	135,477	-	401,641	-	-
COVID-19-related expenses	1,188	1,224	3,398	1,224	75,800
Other (income) expense, net	(26,210)	9,954	(11,397)	27,922	22,087
	165,881	85,477	599,297	277,740	443,930

8. Impact of COVID-19

In March 2022, authorities removed the COVID-19 protocols from the Disaster Risk Management Act.

Management continues to review the effect of developments arising from the pandemic on the risks faced by the Company. Management believes the Group is in a sufficiently strong position to deal with the possible significant economic downturn. However, management is aware that the long duration of the pandemic and the associated containment measures could have a material adverse effect on the Group, its customers, employees and suppliers.

9. Dividend

At the Annual General Meeting of Caribbean Cement Company Limited (CCCL) held on July 19, 2022, the shareholders of CCCL declared a final dividend of \$1.5032 per share, which was paid on September 9, 2022, to shareholders on record as at August 4, 2022, with an ex-dividend date of August 3, 2022.