

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

J \$'000	UNAUDITED		AUDITED
	Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2022
Balance as at beginning of period	20,038,638	15,779,187	15,779,187
Net income for the period	2,445,637	3,042,017	5,383,867
Remeasurement of employee benefits obligation, net of tax	-	-	202,870
Hedge reserve	(51,454)	16,446	(48,989)
Total comprehensive income for the period	2,394,183	3,058,463	5,537,748
Transaction with owners:			
Dividends	-	-	(1,279,431)
Share-based compensation	-	-	1,134
	-	-	(1,278,297)
Balance as at end of period	22,432,821	18,837,650	20,038,638

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 other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows. These condensed consolidated interim financial statements are derived from the unaudited condensed consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary ("the Group") as of and for the period ended June 30, 2023, 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 June 30, 2023, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2022. Any new accounting standards amendments or interpretations which became effective in this financial year, were adjusted on the Group's financial position or results.

3. Basic and diluted earnings per share

Basic and diluted earnings per share is computed by dividing the consolidated net income attributable to ordinary shareholders by the weighted average number of ordinary shares 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\$2.0 billion (US\$12.7 million) in CEMEX Innovation Holding Limited, which generates interest at an annual rate equal to Western Asset USD Institutional Liquid Reserves Fund rate plus 30 basis points on a daily basis of a year of 360 days.

6. Total cost of sales and operating expenses

During the six-month period ending June 30, 2023, the Company undertook the planned major maintenance of its major production equipment in January and February 2023. In this period, the Company incurred higher costs due to 1) excess inventory items consumed in "Raw material and consumables", 2) additional hired manpower in "Personnel remuneration and benefits", 3) general higher maintenance cost in "Repairs and maintenance" and 4) higher "Changes in inventories of finished goods and work in progress". Also, the Company experienced lower production levels of clinker and cement, which resulted in the importation of cement to cover the shortfall.

7. Impact of Ukraine/Russia conflict

On February 24, 2022, the geopolitical situation in Eastern Europe intensified with the invasion of Ukraine by Russia. The war continues to evolve as global sanctions were imposed, immediately impacting entities that have counter-party relationships in Russia and certain neighbouring countries. In addition, the war impacted global financial markets, which exacerbated economic challenges that already existed as a result of the global pandemic, including issues such as supply chain disruptions and rising inflation.

The Group has concluded that given the composition of our statement of financial position, its exposure to the negative impacts of these risks is not significant to its profitability and going concern. However, through its risk management function, the Group continuously assesses the impact of such risks and has an established series of early warning indicators through various

risk metric to ensure that liquidity and capital positions are in place to sufficiently support the operations of the Group. There were no material changes in valuations or impairment positions as at June 30, 2023.

8. Operating earnings before other income and other expenses [expressed in J\$'000]

"Operating earnings before other income and other expenses" by nature is as follows:

	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
Revenue	7,475,133	6,702,036	14,277,380	13,516,786	25,837,228
Expenses:					
Raw material and consumables	557,187	526,308	1,817,898	938,057	1,830,926
Fuel and electricity	1,393,671	1,496,169	2,396,407	2,747,832	5,616,001
Personnel remuneration and benefits	700,780	694,273	1,436,708	1,322,544	2,637,763
Repairs and maintenance	372,962	355,680	1,193,156	703,325	1,408,704
Equipment hire	448,629	372,120	916,447	681,521	1,448,377
Cement transportation, marketing and selling expenses	276,708	266,333	516,315	521,128	933,522
Other operating expenses	326,020	292,246	589,065	508,397	1,090,381
Depreciation, impairment and amortisation	369,057	362,663	736,376	725,216	1,446,126
Changes in inventories of finished goods and work in progress	67,385	125,568	1,075,548	615,616	746,537
Total cost of sales and operating expenses	4,512,399	4,491,360	10,677,920	8,763,636	17,158,337
Operating earnings before other income and other expenses	2,962,734	2,210,676	3,599,460	4,753,150	8,678,891

9. Other income and other expenses [expressed in J\$'000]

"Other income and other expenses" by nature is as follows:

	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
Other income:					
Insurance claim recovery	1,233	-	1,233	-	80,437
Other	5,655	4,008	5,655	6,919	21,564
Total other income	6,888	4,008	6,888	6,919	102,001
Other expenses:					
Manpower restructuring costs	-	-	-	-	2,557
(Decrease) increase in stockholding and inventory restructuring provision	(98,837)	1,987	2,010	9,101	39,495
Demolition expenses	-	26,196	-	38,948	42,591
Inventory write-off	-	446	-	1,138	2,821
Management fees	50,273	50,284	101,768	101,042	200,656
Royalty and service fees	148,559	132,301	266,005	266,164	474,529
Property, machinery and equipment write-off	-	-	-	-	6,552
Non-recoverable GCT expenses write-off	-	-	-	-	119,553
COVID-19-related expenses	-	704	-	2,210	4,982
Other	(14,794)	21,327	34,743	21,732	22,813
Total other expenses	85,201	233,245	404,526	440,335	916,549
Total other income and other expenses	78,313	229,237	397,638	433,416	814,548