

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAI



FOR THE SIX MONTHS

CONDENSED CONSOLIDATED INCOME STATEMENT						
TT \$'000		DITED	UNAU	AUDITED		
	Three Months		Six Months		Year	
	Apr to Jun		Jan to Jun 2020 2019		Jan to Dec 2019	
	2020	2019				
Revenue	360,996	440,751	775,551	867,272	1,670,883	
Cost of sales	(241,731)	, ,	(537,419)	(585,729)	(1,204,872)	
Gross profit	119,265	139,167	238,132	281,543	466,011	
Operating expenses	(54,392)	(61,554)	(117,329)	(132,757)	(243,397)	
Impairment of trade receivables	148	22	342	(321)	847	
Operating earnings before other expenses, net	65,021	77,635	121,145	148,465	223,461	
Other expenses, net	(5,985)	(16,224)	(10,741)	(27,822)	(73,702)	
Operating earnings	59,036	61,411	110,404	120,643	149,759	
Financial expense	(35,067)	(43,084)	(64,052)	(55,865)	(97,204)	
Financial income and other items, net	7	24	14	48	666	
Earnings before taxation	23,976	18,351	46,366	64,826	53,221	
Taxation charge	(23,651)	(17,330)	(35,931)	(31,439)	(38,295)	
Net earnings from continuing operations	325	1,021	10,435	33,387	14,926	
Net earnings from discontinued operations	-	-	-	-	423	
NET INCOME	325	1,021	10,435	33,387	15,349	
Non-controlling interest	(6,632)	(4,910)	(13,156)	(20,516)	(25,730)	
CONTROLLING INTEREST	(6,307)	(3,889)	(2,721)	12,871	(10,381)	
Basic and diluted (loss) earnings per share - cents						
(Note 3):	(1.7)	(1.0)	(0.7)	3.5	(2.8)	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
TT \$'000	UNAUDITED		UNAUDITED		AUDITED	
	Three Months		Six Months		Year	
	Apr to Jun		Jan to Jun		Jan to Dec	
	2020	2019	2020	2019	2019	
NET INCOME	325	1,021	10,435	33,387	15,349	
Items that will not be reclassified subsequently to the income statement						
Net actuarial gains (losses) from remeasurements of						
_ defined benefit pension plans	-	-	-	-	53,783	
Taxation recognised directly in other comprehensive income	-	-	-	-	(16,459)	
Manage About one or many be made as if and as become able	-	-	-	-	37,324	
Items that are or may be reclassified subsequently to the income statement						
Effects from derivative financial instruments	405		(0.0)		(007)	
designated as cash flow hedges	495	(10.041)	(92)	(4.7.700)	(697)	
Currency translation results of foreign subsidiaries	(15,945) (15,450)	(12,841)	(27,657)	(17,780) (17,780)	(16,774)	
Total items of other comprehensive income, net	(15,450)	(12,841) (12,841)	(27,749) (27,749)	(17,780)	(17,471) 19,853	
'	(-,,	, , ,	, , ,	, , ,		
TOTAL COMPREHENSIVE (LOSS) INCOME Non-controlling interest	(15,125) (2.467)	(11,820) (424)	(17,314)	15,607	35,202	
		` '	(5,385)	(16,541)	(52,574)	
CONTROLLING INTEREST	(17,592)	(12,244)	(22,699)	(934)	(17,372)	
Out of which:						
COMPREHENSIVE INCOME FROM DISCONTINUED						
OPERATIONS	-	-	-	-	423	
COMPREHENSIVE LOSS FROM CONTINUING						
OPERATIONS	(17,592)	(12,244)	(22,699)	(934)	(17,795)	

DIRECTORS' STATEMENT

unprecedented COVID-19 pandemic conditions: 1) ensuring the safety of our employees, their families and our communities; 2) serving our customers while implementing stringent safety protocols and 3) protecting the future of our group of companies. We are happy to report that during the second quarter (Q2) of 2020 we have made important progress with all 3 goals

During the quarter, the TCL Group has adopted 52 protocols developed by CEMEX and designed for our industry, to allow us to operate safely during the COVID-19 pandemic. These included preventative measures for workplace screening and hygiene to be followed by employees, contractors and other plant visitors. We also took action to support our stakeholders, including the communities in which we operate. The TCL Group donated personal protective equipment, thermometers and cleaning products. With the voluntary support of employees and third parties, we repurposed our ready-mix trucks to sanitise several public parks in Trinidad

In terms of financial performance for Q2 2020, the TCL Group recorded revenue of \$361 million, an 18% decline compared with Q2 2019. Revenue during the period was negatively affected by COVID-19 restrictions imposed by some governments. The TCL Group recorded operating earnings before other expenses of \$65 million in Q2 2020, a decrease of 16% compared with Q2 2019, as a result of the decline in revenues, partially offset by cost reductions implemented to align our business to the new market conditions.

In Q2 2020, financial expenses of \$35 million reflected a 19% decrease compared with Q2 2019, primarily due to the exchange rate movement of the Jamaican Dollar and reduced

The TCL Group set three main priorities in response to the USD-denominated debt. The TCL Group earned a net income from operations of \$325 thousand for Q2 2020 compared with \$1 million in Q2 2019. The TCL Group recorded a net income of \$10 million for the first half (H1) of 2020, a 69% reduction from the \$33 million recorded in H1 2019, mainly resulting from the negative impact of the pandemic.

> During Q2 2020, the TCL Group generated \$66 million in cash from operations, due to efficient working capital and stringent cash flow management. In keeping with the Group's initiative to reduce debt, a portion of these funds was allocated to repaying debt. Capital expenditure during the quarter has been restricted to unavoidable projects, with other projects deferred for the time being. The TCL Group generated \$124 million in cash from operations during H1 2020 and repaid \$89 million of debt during the same period.

The impact of the COVID-19 pandemic on the 2020 results of the TCL Group is uncertain at this time. While we believe we have seen the worst in terms of Government-mandated restrictions, the short-term outlook for the business will depend on the trajectory of the outbreak, the response of Government authorities, as well as the depth of the economic slowdown through the crisis and the timing of the recovery. The arrival of COVID-19 adds to the challenges to our business that existed prior to the start of the pandemic in the region. These include weak economic growth in many of our local economies over the last few years and imports of cement into the region. Management and the Board have developed possible scenarios and responses to what may lie ahead and are prepared to execute these plans as we get more clarity in this highly uncertain environment.

FINANCING ACTIVITIES

Repayment of debt, net

Other financial obligations, net

from continuing operations

Trade accounts receivable, net

Cash conversion effect, net

Inventories

Trade payables

Net cash flows used in financing activities

Increase (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

CASH AND CASH EQUIVALENTS AT END OF PERIOD

Changes in working capital, excluding taxation:

Changes in working capital, excluding taxation

Other accounts receivable and other assets

Other current and non-current liabilities

200/WS-David G. Inglefield

July 24, 2020

Jose L. Seijo Gonzalez Managing Director July 24, 2020

NCIAL REPORT				CE	MEX
S ENDED JUNE 30, 2020					
CONDENSED CONSOLIDATED S	ATEME	NT OF FI	NANCIA	L POSITI	ON
TT \$'000			UNAUDITED	0.11.01.11	AUDITED
ASSETS			30.06.2020	30.06.2019	31.12.2019
CURRENT ASSETS					
Cash and cash equivalents Trade accounts receivable, net			90,751	72,616	87,453
Other accounts receivable			70,833 42,638	93,384 55,402	87,940 47,284
Taxation receivable			4,560	4,042	5,871
Inventories, net Total current assets			228,778 437,560	274,243 499,687	253,103 481,651
NON-CURRENT ASSETS			437,300	499,007	401,001
Investments			5,827	1	1
Property, machinery and equipment, net Deferred taxation assets			1,711,838 127,429	1,797,150 143,064	1,826,491 251,394
Employee benefits			50,416	,	54,793
Total non-current assets			1,895,510	1,950,246	2,132,679
TOTAL ASSETS			2,333,070	2,449,933	2,614,330
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES Short-term debt			18.000	18.000	18,000
Other financial obligations			6,297	5,366	6,421
Trade payables Taxation payable			213,525 4,500	213,029 3,968	247,507 4,526
Other current liabilities			226,788	266,866	256,386
Total current liabilities			469,110	507,229	532,840
NON-CURRENT LIABILITIES Long-term debt			771,170	883,249	865,182
Other financial obligations			20,469	11,479	20,524
Employee benefits Deferred taxation liabilities			178,266 201,729	175,620 183,370	176,503 309,477
Other non-current liabilities			2,610	2,018	2,774
Total non-current liabilities			1,174,244		1,374,460
TOTAL LIABILITIES STOCKHOLDERS' EQUITY			1,643,354	1,762,965	1,907,300
Controlling interest:					
Stated capital			827,732	827,732	827,732
Unallocated ESOP shares Other equity reserves			(20,019) (311,916)		(20,019) (291,938)
Retained earnings			131,297	109,987	141,678
Net (loss) income Total controlling interest			(2,721) 624,373	12,871 668,065	(10,381)
Non-controlling interest			65,343	18,903	59,958
TOTAL STOCKHOLDERS' EQUITY			689,716	686,968	707,030
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			2,333,070	2,449,933	2,614,330
CONDENSES CONCOLIDATE	D CTATE	MENT O	E CACIL	EL OWC	
CONDENSED CONSOLIDATE		DITED		DITED	AUDITED
11 \$ 000		Months		onths	AUDITED Year
		o Jun		o Jun	Jan to Dec
OPERATING ACTIVITIES	2020	2019	2020	2019	2019
Net income Discontinued operations	325	1,021	10,435	33,387	15,349 (423)
Net income from continuing operations	325	1,021	10,435	33,387	14,926
Non-cash items: Depreciation and amortisation of assets	35,937	36,853	73,020	73,745	143.195
Financial expense, net	35,060	43,060	64,038	55,817	96,538
Pension plan and other post-retirement benefit Other items, net	6,689	4,135	13,431	15,148 (3,239)	26,298
Taxation charge	10,086 23,651	(1,871) 17,330	(3,712)	31,439	2,314 38,295
Changes in working capital, excluding taxation	(23,152)	(41,061)	(23,328)	(98,984)	(25,292)
Net cash flow provided by operating activities from continuing operations before financial expense,					
taxation and post-employment benefits paid	88,596	59,467	169,815	107,313	296,274
Financial expense paid Taxation paid	(13,485) (5,701)	(20,460) (2,533)	(24,436) (14,000)	(31,185) (3,943)	(66,422) (16,707)
Pension plan contributions and other post-retirement	, , ,	, , ,	, , ,	, , ,	
benefits paid	(3,899)	(3,968)	(7,291)	(7,185)	(15,814)
Net cash flow provided by operating activities from continuing operations	65,511	32,506	124,088	65,000	197,331
Net cash flows provided by operating activities	65,511	32,506	124,088	65,000	197,331
INVESTING ACTIVITIES					
Property, machinery and equipment, net Net cash flows used in investing activities	(19,324) (19,324)	(21,062) (21,062)	(29,762) (29,762)	(37,862) (37,862)	(139,742) (139,742)
caon norro acoa in invocang activitico	(10,027)	(=1,002)	(20,102)	(51,002)	(100,172)

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CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT



FOR THE SIX MONTHS ENDED JUNE 30, 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY							
TT \$'000	CONTR	ROLLING IN	TEREST	NON-CONTROLLING INTEREST			
	UNAUI	DITED	AUDITED	UNAUDITED		AUDITED	
	Jan to	o Jun	Jan to Dec	Jan to	Jan to Dec		
	2020	2019	2019	2020	2019	2019	
Balance at beginning of period	647,072	669,345	669,345	59,958	2,483	2,483	
Adjustment on initial application of IFRS 16	-	(346)	-	-	(121)	-	
Net income (loss)	(2,721)	12,871	(10,381)	13,156	20,516	25,730	
Total other items of comprehensive income, net	(19,978)	(13,805)	(6,991)	(7,771)	(3,975)	26,844	
Change in non-controlling interest	-	-	(4,901)	-	-	4,901	
Balance at end of period	624,373	668,065	647,072	65,343	18,903	59,958	

SEGN	IENT INFO	RMATION			
TT \$'000	CEMENT	CONCRETE	PACKAGING	CONSOLIDATION ADJUSTMENTS	TOTAL
UNAUDITED SIX MONTHS JAN TO JUN 2020					
Revenue					
Total	845,818	27,448	38,961	-	912,227
Intersegment	(98,019)	(1,579)	(37,078)	-	(136,676)
Third party	747,799	25,869	1,883	-	775,551
Earnings before taxation	42,351	3,541	474	-	46,366
Depreciation	68,231	3,693	1,096	-	73,020
Segment assets	3,031,584	102,240	98,713	(899,467)	2,333,070
Segment liabilities	2,264,304	46,409	30,383	(697,742)	1,643,354
Capital expenditure	28,146	1,608	8	-	29,762
UNAUDITED SIX MONTHS JAN TO JUN 2019					
Revenue					
Total	943,119	38,751	39,424	-	1,021,294
Intersegment	(115,412)	(1,648)	(36,962)	-	(154,022)
Third Party	827,707	37,103	2,462	-	867,272
Earnings (loss) before taxation	73,154	(13,067)	1,158	3,581	64,826
Depreciation	71,884	4,243	1,176	(3,558)	73,745
Segment assets	2,659,858	88,842	80,742	(379,509)	2,449,933
Segment liabilities	2,400,873	70,799	36,066	(744,773)	1,762,965
Capital expenditure	37,523	307	32	-	37,862
AUDITED YEAR JAN TO DEC 2019					
Revenue					
Total	1,842,551	72,807	73,483	-	1,988,841
Intersegment	(247,020)	(3,089)	(67,849)	-	(317,958)
Third Party	1,595,531	69,718	5,634	-	1,670,883
Earnings (loss) before taxation	67,079	(17,220)	880	2,482	53,221
Depreciation	136,177	7,958	2,326	(3,266)	143,195
Segment liabilities	3,104,293	111,722	97,603	(699,288)	2,614,330
Segment liabilities Capital expenditure	2,403,080 134,979	53,026 3.468	29,502 1.295	(578,308)	1,907,300 139,742
Οαριιαι σχροπαιιαι σ	134,979	5,400	1,293	_	100,742

NOTES:

1. Basis of Preparation

These condensed consolidated financial statements are prepared in accordance with established criteria developed by management and disclose the condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in stockholders' equity and condensed consolidated statement of cash flows.

2. Accounting Policies

These condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 2 of the December 31, 2019 audited consolidated financial statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1, 2020 and which are relevant to the Group's operations.

3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing the net income or loss attributable to controlling interest by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares in issue for the period has been determined by deducting from the total number of issued shares of 374.648 million, the weighted average of 2.845 million shares that were held as unallocated shares by the Employee Share Ownership Plan (ESOP).

4. Cost of Sales, Operating and Other Operating Expenses, Net

Cost of sales represents the production cost of inventories at the moment of sale. Cost of sales includes depreciation, amortisation and depletion of assets involved in production, expenses related to storage in production plants and freight expenses of raw material in plants and delivery expenses of the Group's ready-mix concrete business.

Operating expenses comprise administrative, selling, distribution and logistics expenses. Administrative expenses represent expenses related to managerial activities and back office for the Group's management. Selling expenses represent the expenses associated with sales activities. Distribution and logistics expenses refer to expenses of storage at points of sales, as well as freight expenses of finished products between plants and points of sale and freight expenses between points of sales and the customers' facilities.

Other expenses, net consist primarily of revenues and expenses not directly related to the Group's main activities, or which are of an unusual and/or non-recurring nature, including results on disposal of assets and restructuring costs, among others.