READYMIX (WEST INDIES) LIMITED

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

TCL GROUP
Building a Brighter Future

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

TT$'000	UNAUDITED Three Months Oct to Dec 2017	UNAUDITED Three Months Oct to Dec 2016	AUDITED Year Jan to Dec 2017	AUDITED Year Jan to Dec 2016
Continuing Operations				
Revenue	**19,171**	**32,864**	**120,541**	**139,936**
(Loss)/earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment and restructuring costs	**(2,971)**	**1,727**	**10,490**	**10,543**
Depreciation	(1,254)	(2,191)	(5,239)	(6,859)
Gain on disposal of property, plant and equipment	1	(65)	92	67
Stockholding and inventory restructuring costs (Note 5)	(2,118)	-	(2,118)	(2,567)
Manpower restructuring costs (Note 6)	(3)	(5,548)	(190)	(10,753)
Integration restructuring expenses (Note 7)	(29,818)	-	(30,276)	-
Operating loss from continuing operations	**(36,163)**	**(6,077)**	**(27,241)**	**(9,569))**
Finance costs (net)	188	(13)	(85)	(138)
Loss before taxation from continuing operations	**(35,975)**	**(6,090)**	**(27,326)**	**(9,707)**
Taxation charge	9,702	(330)	7,260	785
Loss for the period from continuing operations	**(26,273)**	**(6,420)**	**(20,066)**	**(8,922)**
Discontinued operations:				
Loss before taxation from discontinued operations	**-**	**(39)**	**-**	**(23)**
Taxation charge	-	-	-	-
Loss for the period from discontinued operations	**-**	**(39)**	**-**	**(23)**
Loss for the period	**(26,273)**	**(6,459)**	**(20,066)**	**(8,945)**
Attributable to:				
Equity holders of the Parent	(26,273)	(6,443)	(20,066)	(8,936)
Non-controlling interests	-	(16)	-	(9)
	(26,273)	**(6,459)**	**(20,066)**	**(8,945)**
Basic and diluted earnings/(loss) per share - cents (Note 3):				
From continuing operations	**(218.9)**	**(53.5)**	**(167.2)**	**(74.4)**
From discontinued operations	**-**	**(0.2)**	**-**	**(0.1)**
Total	**(218.9)**	**(53.7)**	**(167.2)**	**(74.5)**

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT$'000	UNAUDITED Three Months Oct to Dec 2017	UNAUDITED Three Months Oct to Dec 2016	AUDITED Year Jan to Dec 2017	AUDITED Year Jan to Dec 2016
Loss for the period	**(26,273)**	**(6,459)**	**(20,066)**	**(8,945)**
Other comprehensive income/(loss):				
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:				
Exchange differences on translation of foreign operations	-	(7)	-	(40)
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:	**-**	**(7)**	**-**	**(40)**
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods				
Re-measurement profit/(losses) on pension plans and other post-retirement benefits	4,946	(6,140)	4,946	(6,140)
Income tax effect	(1,483)	2,090	(1,483)	2,090
Net other comprehensive profit/(loss) not to be reclassified to profit and loss in subsequent periods:	**3,463**	**(4,050)**	**3,463**	**(4,050)**
Other comprehensive income/(loss) for the period net of tax	**3,463**	**(4,057)**	**3,463**	**(4,090)**
Total comprehensive loss for the period net of tax	**(22,810)**	**(10,516)**	**(16,603)**	**(13,035)**
Attributable to:				
Equity holders of the Parent	(22,812)	(10,484)	(16,603)	(13,010)
Non-controlling interests	2	(32)	-	(25)
	(22,810)	**(10,516)**	**(16,603)**	**(13,035)**

DIRECTORS' STATEMENT

RML remains committed to investing in the health and safety of its employees and contractors. Strong testimony to this was the achievement of no lost time incidents (LTIs) nor environmental breaches in 2017. Particular focus was placed on investments aimed at improving housekeeping and traffic management.

Overall economic activity, in particular within the construction sector, continued to be depressed in Q4 of 2017 causing a significant decline in concrete and aggregate volumes compared to Q4 of 2016. This, together with declining prices, resulted in 42% lower revenue. Arising from this large decline in revenue, adjusted EBITDA (earnings before interest, tax, depreciation, gain on disposal and restructuring costs) was negative $3.0 million, compared to $1.7 million in Q4 2016.

Following CEMEX's acquisition of a majority shareholding in Trinidad Cement Limited in 2017, the Company engaged in a comprehensive review and restructuring of its operations to align its policies, procedures and systems with those of CEMEX.

Coming out of this process, accounting provisions were recorded in relation to trade receivables, inventory and contingencies with respect to legal and employee-related matters. Provisions recorded in the Quarter amounted to $31.9 million, resulting in a loss after tax of $26.3 million.

In 2017, revenue declined by 14% while adjusted EBITDA declined by less than 1%. Loss after tax was $20.1 million, due largely to the provisions recorded. Despite this loss, cash generated from operations was $15.1 million, an improvement of 23.6% over 2016.

The company continues to focus heavily on cost reduction programmes, together with the exploration of various strategies to grow revenue. A strategic partnership with a third party for development and sale of housing units on unutilized land owned by RML is progressing well and is expected to bring significant benefit to the business. However, the expectation for construction sector activity continues to be restrained.

Nigel Edwards
Chairman
February 9, 2018

Jose Luis Seijo Gonzalez
Director
February 9, 2018

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT$'000	AUDITED 31.12.2017	AUDITED 31.12.2016
Assets		
Non-current assets		
Property, plant and equipment	56,561	53,936
Receivables	-	1,458
Deferred tax assets	12,950	7,127
	69,511	62,521
Current assets		
Inventories	11,940	14,814
Receivables and prepayments	13,049	31,165
Cash at bank and on hand	51,722	47,330
	76,711	93,309
Total assets	**146,222**	**155,830**
Equity and Liabilities		
Equity		
Share capital	12,000	12,000
Retained earnings	62,833	79,436
Equity attributable to the Parent	**74,833**	**91,436**
Non-controlling interests	(4,899)	(4,899)
Total equity	**69,934**	**86,537**
Non-current Liabilities		
Pension plan liabilities	12,210	15,004
Deferred tax liabilities	4,715	5,768
	16,925	20,772
Current Liabilities		
Payables and accruals	58,942	48,100
Liabilities directly associated with the discontinued operations	421	421
	59,363	48,521
Total equity and liabilities	**146,222**	**155,830**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

TT$'000	UNAUDITED Three Months Oct to Dec 2017	UNAUDITED Three Months Oct to Dec 2016	AUDITED Year Jan to Dec 2017	AUDITED Year Jan to Dec 2016
Operating activities				
Loss before taxation from continuing operations	(35,975)	(6,090)	(27,326)	(9,707)
Loss before taxation from discontinued operations	-	(39)	-	(23)
Loss before taxation	**(35,975)**	**(6,129)**	**(27,326)**	**(9,730)**
Adjustments to reconcile loss before taxation to net cash generated by operating activities:				
Depreciation	1,254	2,191	5,239	6,859
Employee benefits expenses	2,792	3,571	3,845	4,111
(Gain)/loss on disposal of long term assets and other movements	-	41	(92)	(57)
Finance costs (net)	329	202	423	327
	(31,600)	(124)	(17,911)	1,510
Decrease in net receivables and prepayments	7,855	108	19,324	1,592
Decrease in inventories	2,643	1,231	2,874	137
Increase in payables and accruals	21,020	8,462	10,842	9,002
Cash (used in)/generated by operations	(82)	9,677	15,129	12,241
Taxation paid	(64)	(105)	(1,909)	(2,175)
Tax refund	1,060	–	1,060	-
Pension contributions paid	(497)	(484)	(1,693)	(2,000)
Net interest paid	(94)	(80)	(423)	(327)
Net cash generated by operating activities	**322**	**9,008**	**12,164**	**7,739**
Investing activities				
Additions to property,plant and equipment	(4,259)	(14,717)	(8,181)	(20,282)
(Increase)/decrease in investment in short-term deposits	(5,141)	4,000	(9,096)	4,000
Proceeds from the disposal of property,plant and equipment	408	(66)	409	67
Net cash used in investing activities	**(8,992)**	**(10,783)**	**(16,868)**	**(16,215)**
Decrease in cash and cash equivalents	**(8,669)**	**(1,775)**	**(4,704)**	**(8,476)**
Net cash - beginning of period	14,295	12,383	10,330	18,806
Net cash - end of period	**5,626**	**10,608**	**5,626**	**10,330**

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT AUDITED Year Jan to Dec 2017	PARENT AUDITED Year Jan to Dec 2016	NON-CONTROLLING INTERESTS AUDITED Year Jan to Dec 2017	NON-CONTROLLING INTERESTS AUDITED Year Jan to Dec 2016
Balance at beginning of period	**91,436**	**104,446**	**(4,899)**	**(4,874)**
Currency translation loss	-	(24)	-	(16)
Other comprehensive Income/(loss)	3,463	(4,050)	-	-
Loss after taxation	(20,066)	(8,936)	-	(9)
Balance at end of period	**74,833**	**91,436**	**(4,899)**	**(4,899)**

SUMMARY CONSOLIDATED AUDITED FINANCIAL REPORT

READYMIX (WEST INDIES) LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2017

GROUP
Building a Brighter Future

SEGMENT INFORMATION

TT$'000	CONCRETE	AGGREGATE	TOTAL
AUDITED YEAR JAN TO DEC 2017			
Revenue	76,355	44,186	120,541
Loss before taxation	(23,050)	(4,276)	(27,326)
AUDITED YEAR JAN TO DEC 2016			
Revenue	94,570	45,366	139,936
(Loss)/profit before taxation	(14,521)	4,791	(9,730)

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Readymix (West Indies) Limited

Opinion
The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2017, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Readymix (West Indies) Limited and its subsidiaries ("the Group") for the year ended December 31, 2017.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in the notes to the summary consolidated financial statements.

Summary Consolidated Financial Statements
The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 9, 2018. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period.

Management's Responsibility for the Summary Consolidated Financial Statements
Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the notes to the summary consolidated financial statements.

Auditors' Responsibility
Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."

KPMG

Chartered Accountants
February 9, 2018
Port of Spain
Trinidad, West Indies

NOTES

1. **Basis of Preparation**
   The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of income, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows.

2. **Accounting Policies**
   Accounting policies used in the preparation of these summary consolidated financial statements are consistent with those set out in Note 2 of the December 31, 2017 Audited Consolidated Financial Statements consistently applied from period to period. The Group has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after January 01, 2017 and which are relevant to the Group's operations.

3. **Earnings Per Share**
   Earnings per share (EPS) is calculated by dividing the net profit attributable to Shareholders by the weighted average number of ordinary shares outstanding during the period.

4. **Segment Information**
   The Group derived 63% (2016 - 70%) of its revenue from the sale of pre-mixed concrete and 37% (2016 - 30%) from the sale of aggregates. The Group's Sales strategy is associated with these two product lines, accordingly the segment information is so presented.

5. **Stockholding and inventory restructuring costs**
   Stockholding and inventory restructuring costs comprises write down of overstocked items identified in a comprehensive review of inventory quantities on hand which was undertaken in 2016 and 2017.

6. **Manpower restructuring costs**
   Manpower restructuring costs mainly comprise severance costs incurred during the implementation of restructuring programmes. The objective of the restructuring programmes is to improve cost efficiency.

7. **Integration restructuring expenses**
   Integration restructuring expenses comprise the expenses incurred to align the operations and integrate the processes with the ultimate parent company.