READYMIX (WEST INDIES) LIMITED

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2018

TCL GROUP
Building a Brighter Future

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

TT $'000	UNAUDITED Three Months Jan to Mar 2018	UNAUDITED Three Months Jan to Mar 2017	AUDITED Year Jan to Dec 2017
Revenue	**19,790**	**35,523**	**120,541**
Loss/(earnings) before interest, tax, depreciation, loss on disposal of property, plant and equipment and restructuring costs	**(608)**	**3,616**	**10,490**
Depreciation	(1,313)	(1,401)	(5,239)
Gain on disposal of property, plant and equipment	-	21	92
Stockholding and inventory restructuring costs (Note 5)	-	-	(2,118)
Manpower restructuring costs (Note 6)	(1,609)	(187)	(190)
Integration restructuring expenses (Note 7)	(31)	-	(30,276)
Operating (loss)/profit	**(3,561)**	**2,049**	**(27,241)**
Net finance income/(costs)	9	(148)	(85)
(Loss)/profit before taxation	**(3,552)**	**1,901**	**(27,326)**
Taxation	812	(749)	7,260
(Loss)/profit for the period	**(2,740)**	**1,152**	**(20,066)**
(Loss)/profit attributable to Owners of the Company:	**(2,740)**	**1,152**	**(20,066)**
Basic and diluted (loss)/earnings per Share - cents (Note 3):	**(23)**	**10**	**(167)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

TT $'000	UNAUDITED Three Months Jan to Mar 2018	UNAUDITED Three Months Jan to Mar 2017	AUDITED Year Jan to Dec 2017
(Loss)/profit for the period	**(2,740)**	**1,152**	**(20,066)**
Items that will not be reclassified to profit or loss:			
Remeasurement gains on pension plans	-	-	4,946
Income tax effect	-	-	(1,483)
	-	**-**	**3,463**
Other comprehensive income for the period net of tax	-	-	3,463
Total comprehensive (loss)/income for the period	**(2,740)**	**1,152**	**(16,603)**
Total comprehensive (loss)/income attributable to Owners of the Company:	**(2,740)**	**1,152**	**(16,603)**

DIRECTORS' STATEMENT

RML continues to focus and invest heavily on the health, safety and welfare of our employees and we are pleased to report that there were no Lost Time Incidents (LTI's) for the first quarter of 2018.

The Board and Management are also pleased to advise that installation of the upgraded quarry equipment has been successfully completed and is now in the testing and commissioning phase, with production expected by the end of April 2018. This project represents a significant investment in the company's plant and equipment and it is expected that this will substantially improve efficiency and reduce operating costs.

The first quarter of 2018 was a challenging one, as market conditions continued to be highly competitive against the backdrop of a declining construction sector. Concrete and aggregate sales volumes decreased sharply when compared to the first quarter of 2017 and combined with falling selling prices resulted in a 44% decrease in revenue for the quarter. As a consequence of this significant fall in revenue, RML's adjusted EBITDA (earnings before interest, tax, depreciation, gain on disposals and restructuring costs) was negative $0.6 million compared to positive $3.6 million in Q1 2017. Net loss for the quarter was $2.7 million, compared to a profit of $1.2 million in 2017. As the company continued to review and restructure its operations, further manpower restructuring costs of $1.6 million were recorded in the period.

In compliance with International Financial Reporting Standards, the Group has adopted IFRS 9, Financial Instruments, and this has resulted in a reduction in equity of $4.3 million.

RML is awaiting the decision of the Trinidad and Tobago Securities and Exchange Commission regarding its application for the delisting of shares.

While activity in the construction sector remains very depressed, the RML Group with the support of CEMEX, continues to explore avenues for growing revenue and further reducing costs. One such initiative is an arrangement with a third party for the development and sale of housing units on unutilized land owned by RML.

Nigel Edwards
Chairman
April 24, 2018

Jose Luis Seijo Gonzalez
Director
April 24, 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TT $'000	UNAUDITED 31.03.2018	UNAUDITED 31.03.2017	AUDITED 31.12.2017
ASSETS			
Non-current assets			
Property, plant and equipment	55,865	53,081	56,561
Trade and other receivables	-	1,458	-
Deferred tax assets	13,655	6,272	12,950
	69,520	60,811	69,511
Current assets			
Inventories	11,825	12,673	11,940
Trade and other receivables	10,907	31,812	13,049
Cash and cash equivalents	50,734	53,614	51,722
	73,466	98,099	76,711
Total assets	**142,986**	**158,910**	**146,222**
EQUITY AND LIABILITIES			
Equity			
Stated capital	12,000	12,000	12,000
Retained earnings	55,696	80,588	62,833
Equity attributable to owners of the Company	**67,696**	**92,588**	**74,833**
Non-controlling interests	(4,899)	(4,899)	(4,899)
Total equity	**62,797**	**87,689**	**69,934**
Non-current liabilities			
Employee benefits	12,662	15,355	12,210
Deferred tax liabilities	4,429	5,343	4,715
	17,091	20,698	16,925
Current liabilities			
Trade and other payables	62,677	50,102	58,942
Liabilities directly associated with the discontinued operations	421	421	421
	63,098	50,523	59,363
Total equity and liabilities	**142,986**	**158,910**	**146,222**

CONSOLIDATED STATEMENT OF CASH FLOWS

TT $'000	UNAUDITED Three Months Jan to Mar 2018	UNAUDITED Three Months Jan to Mar 2017	AUDITED Year Jan to Dec 2017
Cash flows from operating activities			
(Loss)/profit before taxation	**(3,552)**	**1,901**	**(27,326)**
Adjustments to reconcile profit before taxation to net cash generated by operating activities:			
Depreciation	1,313	1,401	5,239
Increase in provision for doubtful debts	-	150	-
Net finance (income)/costs	(5)	48	423
Other non-cash items	(455)	662	-
Pension	453	351	3,845
Gain on disposal of property, plant and equipment	-	(21)	(92)
	(2,246)	4,492	(17,911)
Decrease in inventories	115	2,141	2,874
(Increase)/decrease in receivables and prepayments	(1,460)	(646)	19,324
Increase in payables and accruals	3,726	1,996	10,842
Cash generated from operations	135	7,983	15,129
Pension contributions paid	(236)	(418)	(1,693)
Tax refund	-	-	1,060
Taxation paid	(171)	(314)	(1,909)
Net interest paid	(102)	(90)	(423)
Net cash generated from operating activities	**(374)**	**7,161**	**12,164**
Cash flows from investing activities			
Additions to property, plant and equipment	(615)	(877)	(8,181)
Increase in investment in short-term deposits	-	-	(9,096)
Proceeds from disposal of property, plant and equipment	-	-	409
Net cash used in investing activities	**(615)**	**(877)**	**(16,868)**
Net (decrease)/increase in cash and cash equivalents	(989)	6,284	(4,704)
Cash and cash equivalents- beginning of period	5,626	10,330	10,330
Cash and cash equivalents- end of period	**4,637**	**16,614**	**5,626**
Represented by:			
Cash and cash equivalents	**4,637**	**16,614**	**5,626**

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SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TT$'000	PARENT			NON-CONTROLLING INTEREST		
	UNAUDITED		AUDITED	UNAUDITED		AUDITED
	Jan to Mar		Jan to Dec	Jan to Mar		Jan to Dec
	2018	2017	2017	2018	2017	2017
Balance at beginning of period	**74,833**	**91,436**	**91,436**	**(4,899)**	**(4,899)**	**(4,899)**
Recognition of opening carrying amount differences upon initial application of IFRS 9 (Note 8)	(4,397)	-	-	-	-	-
	70,436	91,436	91,436	(4,899)	(4,899)	(4,899)
Other comprehensive income/(loss)	-	-	3,463	-	-	-
(Loss)/profit after taxation	(2,740)	1,152	(20,066)	-	-	-
Total comprehensive (loss)/income	(2,740)	1,152	(16,603)	-	-	-
Balance at end of period	**67,696**	**92,588**	**74,833**	**(4,899)**	**(4,899)**	**(4,899)**

NOTES:

1. **Basis of Preparation**
   These condensed consolidated financial statements are prepared in accordance with established criteria developed by management and discloses the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, summary consolidated statement of changes in equity and 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 31st, 2017 audited financial statements consistently applied from period to period. The Company has adopted all the new and revised accounting standards that are mandatory for annual accounting periods on or after January 1st, 2018 and which are relevant to the Company 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.

SEGMENT INFORMATION

TT $'000	CONCRETE	AGGREGATE	TOTAL
UNAUDITED THREE MONTHS JAN TO MAR 2018			
Revenue	16,031	3,759	19,790
Loss before tax	(687)	(2,865)	(3,552)
UNAUDITED THREE MONTHS JAN TO MAR 2017			
Revenue	23,580	11,943	35,523
Profit before tax	90	1,811	1,901
AUDITED YEAR JAN TO DEC 2017			
Revenue	76,355	44,186	120,541
Loss before tax	(23,050)	(4,276)	(27,326)

4. **Segment Information**
   The Group derived 81% (2017 - 63%) of its revenue from the sale of concrete and 19% (2017 - 37%) 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 Inventroy 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 implementation of restructuring programmes. The objective of the restructuring programmes is to improve cost efficiency in light of continuing market conditions.

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

8. **Initial application of IFRS 9 Financial Instruments**
   The TCL Group has applied IFRS 9 Financial Instruments and has not restated prior periods as allowed by the standard. The carrying amounts of trade receivables at the beginning of the year were recomputed and recorded using the expected credit loss model. The differences recorded upon initial application of the expected credit loss model have been recognised in opening retained earnings.