

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

J \$'000	UNAUDITED		AUDITED
	Six Months Jan to Jun		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	3,042,017	3,090,766	4,341,632
Remeasurement of employee benefits obligation, net of tax	-	-	(134,722)
Hedge reserve	16,446	41,346	40,355
Total comprehensive income for the period	3,058,463	3,132,112	4,247,265
Balance as at end of period	18,837,650	14,664,034	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 June 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 June 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 include a deposit investment amount of J\$605 million (US\$4 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 Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2022	2021	2022	2021	2021
Revenue	6,702,036	6,342,480	13,516,786	12,307,862	23,840,001
Expenses:					
Raw material and consumables	526,308	322,733	938,057	680,029	1,683,894
Fuel and electricity	1,496,169	999,623	2,747,832	2,052,203	4,109,623
Personnel remuneration and benefits	694,273	605,894	1,322,544	1,231,540	2,502,444
Repairs and maintenance	355,680	304,263	703,325	599,353	1,484,856
Equipment hire	372,120	317,234	681,521	601,500	1,277,774
Cement transportation, marketing and selling expenses	266,333	228,281	521,128	453,503	893,060
Other operating expenses	292,246	298,167	508,397	485,203	1,019,885
Depreciation	362,663	377,457	725,216	758,490	1,515,255
Changes in inventories of finished goods and work in progress	125,568	568,858	615,616	825,660	2,022,477
Total expenses	4,491,360	4,022,510	8,763,636	7,687,481	16,509,268
Operating earnings before other expenses, net	2,210,676	2,319,970	4,753,150	4,620,381	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 Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2022	2021	2022	2021	2021
Manpower restructuring costs	-	61,925	-	61,925	102,832
Stockholding and inventory restructuring provision (reversal)	1,987	9,961	9,101	1,511	(4,977)
Demolition expenses	26,196	155	38,948	1,608	39,594
Inventory write-off	446	-	1,138	23	184
Environmental costs	-	13,461	-	13,461	13,461
Management fees	50,284	48,431	101,042	95,767	194,949
Royalty and service fee	132,301	-	266,164	-	-
COVID-19-related expenses	704	-	2,210	-	75,800
Other expense, net	17,319	17,790	14,813	17,968	22,087
	229,237	151,723	433,416	192,263	443,930

8. Impact of COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic related with Coronavirus SARS-CoV-2 which produces the disease known as COVID-19. The spread of COVID-19 around the world in the first half of 2020 has caused significant volatility in Jamaica as well as the global community. A lot of uncertainty remains and so it is difficult to determine the precise impact on the Company. Based on the results reported in these financial statements, the Company had no significant negative impact due to COVID-19 and the resulting disruptions, but due to the uncertainties that exist it is difficult to determine the future impact. The Company has, however, prepared an assessment of its revised operating and cash flow forecasts for calendar year 2022 using various scenarios, including a conservative analysis, and has concluded that it has sufficient equity and liquidity to meet obligations as they become due, under these scenarios.

In light of the heightened concerns and in accordance with the directives of the Government of Jamaica, the Company has activated measures to minimise the potential exposure to employees, contractors and customers, whilst ensuring that any disruption to the business is kept at a minimum. The Company adopted 52 new protocols designed to reinforce safe behaviours and prevent the spread of COVID-19. We believe these protocols have been responsible for the absence so far of COVID-19 transmission at any of the Company's facilities. Some other measures such as work from home protocols for administrative personnel have been also implemented. We also have supplied all our facilities and staff with hand sanitisers, face masks, and face shields (where necessary), and are required to comply with the social/physical distancing rules mandated by the Government. The Company ensures that the plant and depots remain compliant with government/public health restrictions and mitigating measures.

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. Subsequent events

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 payable on September 9, 2022, to shareholders on record as at August 4, 2022, with an ex-dividend date of August 3 2022.