

CONDENSED CONSOLIDATED INCOME STATEMENT

J \$'000	Notes	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
Cost of sales		(3,771,887)	(3,345,081)	(7,414,124)	(6,428,039)	(14,007,828)
Gross profit		2,930,149	2,997,399	6,102,662	5,879,823	9,832,173
Operating expenses		(719,473)	(677,429)	(1,349,512)	(1,259,442)	(2,501,440)
Operating earnings before other expenses, net		2,210,676	2,319,970	4,753,150	4,620,381	7,330,733
Other expenses, net	6 7	(229,237)	(151,723)	(433,416)	(192,263)	(443,930)
Operating earnings		1,981,439	2,168,247	4,319,734	4,428,118	6,886,803
Financial income		4,020	2,745	7,331	7,074	12,300
Financial expenses		(142,529)	(137,995)	(276,179)	(300,092)	(670,895)
Gain (Loss) on foreign exchange		19,458	(49,920)	(19,136)	(258,483)	(516,781)
Earnings before taxation		1,862,388	1,983,077	4,031,750	3,876,617	5,711,427
Taxation charge		(410,915)	(418,809)	(989,733)	(785,851)	(1,369,795)
CONSOLIDATED NET INCOME		1,451,473	1,564,268	3,042,017	3,090,766	4,341,632
Earnings per stock unit (expressed in \$ per stock unit)	3	1.71	1.84	3.57	3.63	5.10

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

J \$'000	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2022	2021	2022	2021	2021
CONSOLIDATED NET INCOME	1,451,473	1,564,268	3,042,017	3,090,766	4,341,632
Items that will not be reclassified subsequently to the income statement:					
Net actuarial losses from remeasurement of employee benefits obligation	-	-	-	-	(179,630)
Deferred tax recognised directly in other comprehensive income	-	-	-	-	44,908
	-	-	-	-	(134,722)
Items that are or may be reclassified subsequently to the income statement:					
Effects from derivative financial instruments designated as cash flow hedge	(37,135)	36,053	16,446	41,346	40,355
	(37,135)	36,053	16,446	41,346	40,355
Total items of other comprehensive (loss) income, net	(37,135)	36,053	16,446	41,346	(94,367)
TOTAL COMPREHENSIVE INCOME	1,414,338	1,600,321	3,058,463	3,132,112	4,247,265

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J \$'000	UNAUDITED		AUDITED
	30.06.22	30.06.21	31.12.21
	ASSETS		
CURRENT ASSETS			
Cash at bank and on hand	800,420	308,656	244,900
Trade accounts receivable, net	447,091	319,742	324,808
Other accounts receivable	113,483	101,520	76,781
Inventories, net	4,118,748	2,785,070	3,440,106
Accounts receivable from related parties	710,270	96,466	121,565
Other current assets	263,627	47,287	68,282
Total current assets	6,453,639	3,658,741	4,276,442
NON-CURRENT ASSETS			
Property, machinery and equipment, net	22,939,725	22,463,900	23,232,007
Accounts receivable from related parties	-	10,273	-
Other non-current assets	2,702	-	-
Total non-current assets	22,942,427	22,474,173	23,232,007
TOTAL ASSETS	29,396,066	26,132,914	27,508,449
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	1,680,957	1,110,817	1,514,153
Trade payables	2,904,445	3,806,104	4,451,098
Accounts payable to related parties	995,085	362,105	872,852
Other current liabilities	1,649,407	1,562,233	1,711,788
Total current liabilities	7,229,894	6,841,259	8,549,891
NON-CURRENT LIABILITIES			
Long-term debt	-	500,000	-
Other financial obligations	102,686	1,326,198	137,234
Employee benefits obligation	1,161,438	915,009	1,123,716
Deferred tax liabilities	2,028,987	1,833,915	1,885,512
Other non-current liabilities	35,411	52,499	32,909
Total non-current liabilities	3,328,522	4,627,621	3,179,371
TOTAL LIABILITIES	10,558,416	11,468,880	11,729,262
STOCKHOLDERS' EQUITY			
Share capital:			
Ordinary stock units	1,808,837	1,808,837	1,808,837
Capital contribution	3,839,090	3,839,090	3,839,090
Reserves:			
Realised capital gain	1,413,661	1,413,661	1,413,661
Other equity reserves	3,594,338	2,606,002	3,577,892
Accumulated net income	8,181,724	4,996,444	5,139,707
TOTAL STOCKHOLDERS' EQUITY	18,837,650	14,664,034	15,779,187
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	29,396,066	26,132,914	27,508,449

Approved and authorised for issue by the Board of Directors on July 2022 and signed on its behalf by:

Parris A. Lyew-Ayee

Chairman

Yago Castro

Director

DIRECTORS' STATEMENT

Health and Safety

Caribbean Cement Company Limited's (CCCL's) continued focus on ensuring a healthy and safe working environment for all employees and contractors has yielded tangible benefits for the company and its people.

Through our commitment to this important pillar, demonstrated by training programmes, monthly and quarterly review meetings with all stakeholders, and the maintenance of a very low COVID-19 infection rate, CCCL has this month realised a stellar lost time incident record of three years.

We are exceedingly proud of this milestone and will remain steadfast to the continuous improvement and strengthening of our health and safety culture to protect all those who are in contact with our operations.

Future in Action

As CCCL continues to centre its attention on climate change mitigation, we are pleased with the response of the market to our Vertua-certified cement since its introduction in February. This low-carbon cement, which has a range of features and benefits, including being more environmentally friendly and easy to place and finish without any special equipment, has moved us a step closer to reducing our carbon footprint.

This game-changing solution aligns with the mandate of CEMEX's "Future in Action" global sustainability strategy and forms part of the efforts other CEMEX operations are employing in various countries towards attaining carbon neutrality. It also follows the United Nation's Sustainable Development Goals on climate action.

CCCL also continues to undertake its end-of-life tyre programme, which is designed to rid the Riverton disposal site of tyres that are harmful to the environment by co-processing and converting them into energy at our Rockfort plant.

Parris A. Lyew-Ayee
Chairman
July, 2022

Financial Performance

The Group generated revenue of \$13.5 billion for the six-month period ended June 30, 2022. This represented an increase of 10% over the corresponding period in 2021. Revenue for the quarter increased by 6% to \$6.7 billion over the same quarter last year.

Due to the impact of higher operational costs, the "Operating earnings" for the Group was \$4.3 billion, or 2% lower than the \$4.4 billion reported for the same six months in 2021. For the second quarter, the "Operation earnings" was \$2.0 billion, or 9% lower than the \$2.2 billion reported in 2021.

"Earnings before taxation" increased by 4% to \$4.0 billion for the first half of the year. The "Earnings before taxation" for the quarter were \$1.9 billion, reduced by 6% compared with the \$2.0 billion achieved during the same period last year. The improvement in "Earnings before taxation" was due to the positive impact on foreign exchange resulting from a reduction in the foreign currency exposure.

The overall net income achieved for the first six months was \$3.0 billion, a reduction of 2% over 2021 and has resulted in "Earnings per stock unit" of \$1.71. The net income for the quarter decreased to \$1.5 billion, which is 7% lower than the corresponding period in 2021.

Outlook

CCCL remains vigilant to the impacts of the COVID-19 pandemic and the conflicts between Russia and Ukraine on the business, as the prices of fuel, power, and shipping skyrocket.

Despite these challenges, we continue to demonstrate our strong commitment to Jamaica by adequately responding to the needs of the market.

We remain steadfast in our mandate of building a better Jamaica and are making the necessary investments in our operations to ensure value creation for our customers and the nation at large.

Yago Castro
Director
July, 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

J \$'000	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2022	2021	2022	2021	2021
OPERATING ACTIVITIES					
Consolidated net income	1,451,473	1,564,268	3,042,017	3,090,766	4,341,632
Adjustments for:					
Depreciation	362,663	377,457	725,216	758,490	1,515,255
Loss on disposal of property, machinery and equipment	-	-	-	-	5,761
Net recovery of impaired receivables	-	(322)	-	(86)	(26)
Interest income	(4,020)	(2,745)	(7,331)	(7,074)	(12,300)
Interest expense	36,005	73,033	61,570	170,337	267,719
Taxation charge	410,915	418,809	989,733	785,851	1,369,795
Decrease in rehabilitation provision	-	-	-	-	(13,879)
Inventory write-off	-	-	-	23	184
Inventory impairment allowance, net	-	-	409	-	60,489
Stockholding and inventory restructuring provision (reversal)	1,987	9,961	9,101	1,511	(4,977)
Employee benefit expenses	5,979	3,799	11,958	7,599	15,198
Unwinding of discount on preference shares	100,382	58,358	201,893	116,194	376,010
Unwinding of discount on rehabilitation provision	1,242	1,054	2,491	2,378	4,845
Unwinding of discount on lease liabilities	4,900	5,551	10,225	11,184	22,321
Unrealised foreign exchange losses, net	(12,206)	(22,522)	(8,833)	109,057	262,838
Changes in working capital, excluding taxes	(1,074,375)	(673,826)	(2,501,624)	71,407	528,018
Net cash flows provided by operating activities before financial income and expenses, employee benefits and taxes	1,284,945	1,812,875	2,536,825	5,117,637	8,738,883
Employee benefits paid	(10,111)	(7,544)	(19,641)	(14,692)	(31,585)
Interest received	4,020	2,745	7,331	7,074	12,300
Interest paid	(13,302)	(19,871)	(14,391)	(97,192)	(188,629)
Taxation paid	(279,752)	(62,655)	(863,388)	(1,015,382)	(1,422,939)
Net cash flows provided by operating activities	985,800	1,725,550	1,646,736	3,997,445	7,108,030
INVESTING ACTIVITIES					
Acquisition of property, machinery and equipment	(262,531)	(114,890)	(432,934)	(199,319)	(1,686,304)
Proceeds from disposal of property, machinery and equipment	-	-	-	-	135
Accounts receivable from related parties	(293,848)	-	(605,312)	-	-
Other non-current assets	(2,702)	-	(2,702)	-	-
Net cash flows used in investing activities	(559,081)	(114,890)	(1,040,948)	(199,319)	(1,686,169)
FINANCING ACTIVITIES					
Repayment of long-term debt, net	-	(2,026,000)	-	(3,942,650)	(4,442,650)
Other financial obligations:					
Repayment of redeemable preference shares	-	-	-	-	(1,167,440)
Repayment of lease liabilities	(19,752)	(17,628)	(43,103)	(38,489)	(79,537)
Net cash flows used in financing activities	(19,752)	(2,043,628)	(43,103)	(3,981,139)	(5,689,627)
Increase (decrease) in cash at bank and on hand	406,967	(432,968)	562,685	(183,013)	(267,766)
Cash conversion effect, net	(8,238)	(12,949)	(7,165)	(21,467)	(470)
Cash at bank and on hand at beginning of period	401,691	754,573	244,900	513,136	513,136
CASH AT BANK AND ON HAND AT END OF PERIOD	800,420	308,656	800,420	308,656	244,900
Changes in working capital, excluding taxes:					
Trade accounts receivable, net	(64,691)	84,570	(122,109)	(175,551)	(183,381)
Other current assets	(203,828)	32,236	(214,607)	100,180	87,003
Inventories, net	(653,738)	(111,045)	(688,152)	(422,619)	(1,125,094)
Trade payables	(425,223)	217,081	(1,561,982)	762,675	1,337,818
Other current liabilities	273,105	(896,668)	85,226	(193,278)	411,672
Changes in working capital, excluding taxes	(1,074,375)	(673,826)	(2,501,624)	71,407	528,018

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.