Living Our Green Vision

Annual Report 2022

CEMEX

TCL GROUP

Living Our Green Vision is based on solid, honest business practices:

1) The production and marketing of ECO Cement that generates 15% fewer carbon emissions during the manufacturing process

2) Staying aligned to Cemex's "Future in Action" programme...committed to becoming a net-zero CO_2 company

3) Ensuring that our cement and concrete are of the highest quality, resulting in durable structures that are long-lasting and strong

4) Minimising waste and resource usage in our production and distribution processes

Living Our Green Vision includes:

Health and Safety

TCL partners with industry experts and its parent organisation, Cemex, to leverage materials science, physics and other engineering disciplines, ensuring that its brands are strong, reliable and long-lasting, and that they produce fewer carbon emissions for everyone's well-being.

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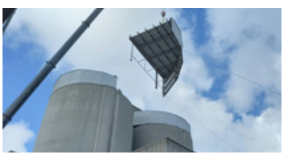

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Living Our Green Vision includes:

Customer Centricity

TCL's marketing strategy emphasises the durability of its brands and places optimum value on the customer experience as key selling points.

Strategic Framework

Vision:

Building a Brighter Future

Strategic Priorities:

Health & Safety
Customer Centricity
Innovation
Sustainability
EBITDA Growth

Values:

Ensuring Health & Safety
Focusing on Customers
Acting with Integrity
Working as One Cemex
Fostering Innovation
Embracing Diversity

Mission:

To create sustainable value by providing industry-leading construction products and solutions to satisfy the needs of our customers in the Caribbean.

Business Model:

We leverage our Group's expertise and footprint to establish best practices and common processes, in order to operate with agility and effectiveness to ultimately create value for all of our stakeholders.

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TCL GROUP

Corporate Information

Board of Directors of Trinidad Cement Limited

Mr. David G. Inglefield (Chairman)
Mr. Jose Antonio Cabrera Guerra (Deputy Chairman)
Mr. Francisco Aguilera Mendoza (Managing Director)
Mr. Fernando Jose Reiter Landa
Mr. Arun K. Goyal
Ms. Patricia Narayansingh
Mr. Charles Eugene Percy
Ms. Claudia Emmanuel

Company Secretary

Ms. Michelle Davidson

Managing Director

Mr. Francisco Aguilera Mendoza

Registered Office

Southern Main Road,
Claxton Bay,
Trinidad & Tobago, W.I.
Phone: (868) 225-8254
Fax: (868) 659-0818
Website: www.tclgroup.com

Bankers (Local)

Republic Bank Limited
High Street, San Fernando,
Trinidad & Tobago, W.I.

First Citizens Bank
38 Southern Main Road,
Marabella,
Trinidad & Tobago, W.I.

RBC Royal Bank (Trinidad & Tobago) Limited
Independence Square,
Port of Spain,
Trinidad & Tobago, W.I.

Citibank (Trinidad & Tobago) Limited
12 Queen's Park East,
Port of Spain,
Trinidad & Tobago, W.I.

Bankers (Foreign)

CITIBANK N.A.
111 Wall Street,
New York, NY 10043
U.S.A.

Auditors

KPMG
11 Queen's Park East,
Port of Spain,
Trinidad & Tobago, W.I.

Registrar & Transfer Agent

Trinidad and Tobago Central
Depository Limited
10th Floor, Nicholas Tower,
63-65 Independence Square,
Port of Spain,
Trinidad and Tobago, W.I.

Stock Exchange on which the Company is listed:

Trinidad & Tobago Stock Exchange
10th Floor, Nicholas Tower,
63-65 Independence Square,
Port of Spain,
Trinidad & Tobago, W.I.

Attorneys-at-Law

Port of Spain, Trinidad:

Jason K. Mootoo
77 Abercromby Street

Johnson, Camacho & Singh
30-36 Maraval Road

M. Hamel Smith & Co.
Corner Dere & Albion Streets

Angelique Bart
11-13 Victoria Avenue

Gitanjali Gopeesingh
108 Duke Street

Pollonais, Blanc, De La Bastide & Jacelon
17-19 Pembroke Street

Ravi Heffes-Doon
77 Abercromby Street

Raphael Ajodhia
5 Longden Street

Derek Ali
12 Fitt Street

M.G. Daly & Partners
115A Abercromby Street

Rolston F. Nelson, S.C.
13-15 St. Vincent Street

San Fenando, Trinidad:

Girwar & Deonarine
17-19 Court Street

Regional and International:

Trench Rossi Watanabe
SP São Paulo,
Edificio EZ Towers Torre A,
Rua Arq. Olavo Redig de Campos,
105-310 andar,
São Paulo - SP,
04711-904,
Brazil

Clarke, Gittens, Farmer
Parker House, Wildey Business Park,
Wildey Road,
St. Michael,
Barbados, W.I.

Hughes, Fields & Stoby
62 Hadfield & Cross Streets,
Werk-en-rust,
Georgetown,
Guyana, South America

10-Year Consolidated Financial Review

	UOM	2013	2014	2015	2016	2017
Group Third-Party Revenue	TT$M	1,941.05	2,104.81	2,115.45	1,887.01	1,712.57
Group Operating Earnings (Loss)	TT$M	271.56	111.08	446.31	224.43	(51.61)
Group Earnings (Loss) before Taxation	TT$M	33.79	(102.47)	487.49	89.63	(174.74)
Group Earnings (Loss) Attributable to Shareholders	TT$M	58.20	(214.39)	405.11	36.86	(267.57)
Foreign Exchange Earnings	TT$M	352.00	309.9	298.40	245.70	219.2
EPS	TT$	0.24	(0.87)	1.19	0.10	(0.72)
Ordinary Dividend per Share	TT$	-	-	-	0.04	0.02
Issued Share Capital - Ordinary	TT$M	466.20	466.20	827.73	827.73	827.73
Shareholders' Equity	TT$M	561.53	276.98	963.29	997.58	736.35
Group Equity	TT$M	536.30	245.53	950.97	990.53	719.31
Total Assets	TT$M	3,399.14	3,010.00	3,033.08	2,931.10	2,674.86
Net Assets per Share	TT$	2.15	0.98	2.54	2.64	1.92
Return on Shareholders' Equity	%	10.36	(77.40)	42.05	3.69	(36.34)
Share Price (Dec 31)	TT$	2.20	2.50	3.99	4.40	3.75
No. of Shares Outstanding (Dec 31)	'000	249,765.00	249,765.00	374,647.70	374,647.70	374,647.70
Market Capitalisation (Dec 31)	TT$M	549.48	624.41	1,494.84	1,648.45	1,404.93
Total Long-term Debt	TT$M	1,951.80	1,848.90	1,166.06	968.50	913.11
Total Long-term Debt/ Equity Ratio	%	363.94	753.03	122.62	97.78	126.94

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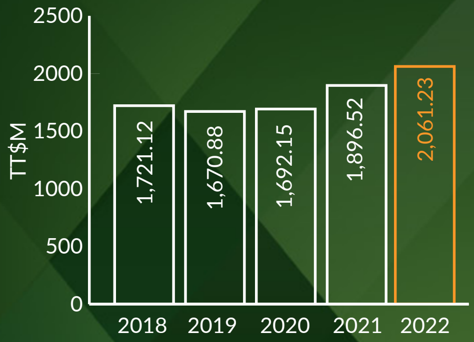
10-Year Consolidated Financial Review (continued)

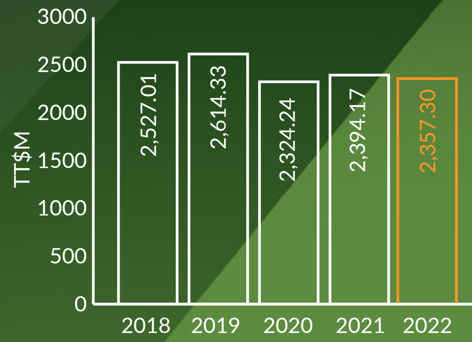
	UOM	2018	2019	2020	2021	2022
Group Third-Party Revenue	TT$M	1,721.12	1,670.88	1,692.15	1,896.52	2,061.23
Group Operating Earnings (Loss)	TT$M	140.72	149.76	215.92	333.60	212.78
Group Earnings (Loss) before Taxation	TT$M	56.16	53.22	93.89	243.68	169.82
Group Earnings (Loss) Attributable to Shareholders	TT$M	(37.66)	(10.38)	(24.18)	140.77	(14.16)
Foreign Exchange Earnings	TT$M	229.6	252.5	235.3	220.1	240.1
EPS	TT$	(0.10)	(0.03)	(0.07)	0.38	(0.04)
Ordinary Dividend per Share	TT$	-	-	-	-	-
Issued Share Capital - Ordinary	TT$M	827.73	827.73	827.73	827.73	827.73
Shareholders' Equity	TT$M	669.35	647.07	567.95	766.47	699.27
Group Equity	TT$M	671.83	707.03	658.27	892.19	875.09
Total Assets	TT$M	2,527.01	2,614.33	2,324.24	2,394.17	2,357.30
Net Assets per Share	TT$	1.79	1.89	1.76	2.38	2.34
Return on Shareholders' Equity	%	(5.63)	(1.60)	(4.26)	18.37	(2.03)
Share Price (Dec 31)	TT$	2.73	2.00	2.50	3.58	3.90
No. of Shares Outstanding (Dec 31)	'000	374,647.70	374,647.70	374,647.70	374,647.70	374,647.70
Market Capitalisation (Dec 31)	TT$M	1,022.79	749.30	936.62	1,341.24	1,461.13
Total Long-term Debt	TT$M	941.59	910.13	641.23	465.18	459.96
Total Long-term Debt/ Equity Ratio	%	140.15	128.73	97.41	52.14	52.56

Financial Highlights

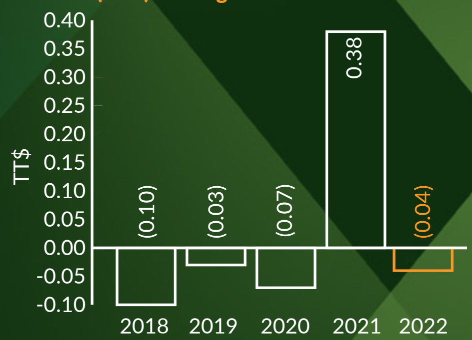
Group Third-Party Revenue



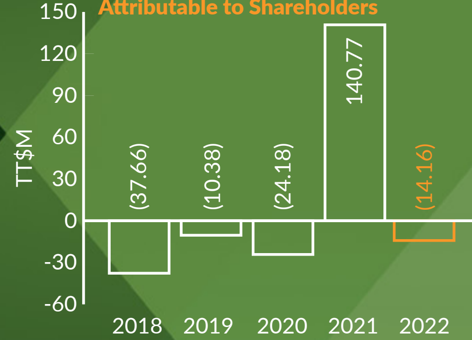
Group Total Assets



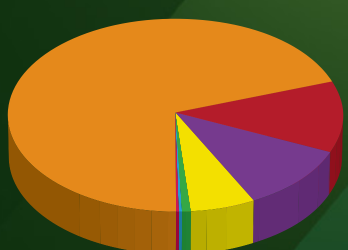
(Loss) Earnings Per Share



Group (Loss) Earnings Attributable to Shareholders



Distribution of Shareholding 2022



Category	% Distribution
Sierra Trading	69.83%
NIB	11.92%
Individuals	10.79%
Banks/Pension Funds/Credit Unions	6.28%
Unit Trust	0.29%
Other Foreign Investors	0.75%
Insurance Companies	0.14%
Total	100.00%

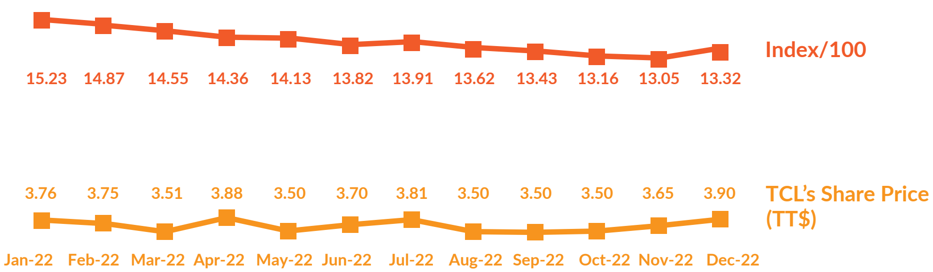
Group Financial Highlights

		2022	2021	% Change
Income Statement				
Group Third-Party Revenue	TT$M	2,061.23	1,896.15	8.7%
Group (Loss) Earnings Attributable to Shareholders	TT$M	(14.16)	140.77	-110.1%
Foreign Exchange Earnings	TT$M	240.07	220.14	9.1%
Balance Sheet				
Total Assets	TT$M	2,357.30	2,394.17	-1.5%
Shareholders' Equity	TT$M	699.27	766.47	-8.8%
Net Assets per Share	TT$	2.34	2.38	-1.9%
Total Long-term Debt	TT$M	459.96	465.18	-1.1%
Total Long-term Debt to Equity Ratio	%	52.56	52.14	0.8%
Operational Highlights				
TCL Clinker Production	'000 Tonnes	582.4	592.1	-1.6%
CCCL Clinker Production	'000 Tonnes	797.8	773.5	3.1%
ACCL Clinker Production	'000 Tonnes	168.3	173.2	-2.8%
TPL Paper Sack Production	Millions	-	1.6	-100.0%

Share Performance

TRINIDAD CEMENT LIMITED

Trinidad and Tobago Stock Exchange



	Jan-22	Feb-22	Mar-22
TCL's Share Price (TT$)	3.76	3.75	3.51
Index	1,522.67	1,487.34	1,455.18
Volume Traded	82,640	141,855	151,780
	Apr-22	**May-22**	**Jun-22**
TCL's Share Price (TT$)	3.88	3.50	3.70
Index	1,436.14	1,412.66	1,381.59
Volume Traded	262,856	30,949	61,091
	Jul-22	**Aug-22**	**Sep-22**
TCL's Share Price (TT$)	3.81	3.50	3.50
Index	1,390.92	1,361.66	1,343.16
Volume Traded	47,817	46,541	480,844
	Oct-22	**Nov-22**	**Dec-22**
TCL's Share Price (TT$)	3.50	3.65	3.90
Index	1,315.51	1,304.52	1,332.15
Volume Traded	161,390	335,049	283,905

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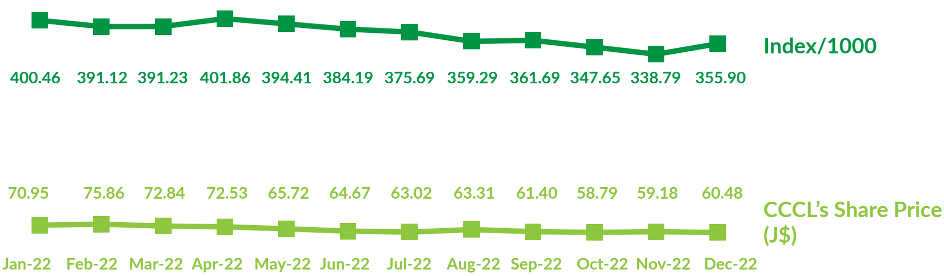
Share Performance (continued)

CARIBBEAN CEMENT COMPANY LIMITED
CARIB CEMENT

Jamaica Stock Exchange



	Jan-22	Feb-22	Mar-22
CCCL's Share Price (J$)	70.95	75.86	72.84
Index	400,464.81	391,123.20	391,231.96
Volume Traded	562,661	1,314,905	1,106,217
	Apr-22	**May-22**	**Jun-22**
CCCL's Share Price (J$)	72.53	65.72	64.67
Index	401,858.38	394,412.57	384,185.82
Volume Traded	458,441	1,386,868	1,119,333
	Jul-22	**Aug-22**	**Sep-22**
CCCL's Share Price (J$)	63.02	63.31	61.40
Index	375,693.41	359,294.69	361,691.60
Volume Traded	314,921	2,003,660	864,323
	Oct-22	**Nov-22**	**Dec-22**
CCCL's Share Price (J$)	58.79	59.18	60.48
Index	347,650.98	338,794.51	355,896.64
Volume Traded	3,002,015	1,629,762	1,565,675

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David G. Inglefield
Chairman

Chairman's Report

"Climate change is the world's greatest challenge, and the TCL Group's Green Vision is aligned to global climate stability."

Looking at 2022, I am pleased by the performance of our people and the significant progress made despite the challenges, as together we continue to invest in sustainability and have achieved significant 'wins' across key aspects of our operations in the Caribbean.

The positive steps in our transition from a 'linear' to 'circular' operation where we recycle and reuse, utilise waste derived fuels, and optimise heat consumption during the cement manufacturing process is already delivering encouraging gains with a remarkable 3.5% reduction in our carbon footprint. Our aim is to eventually become a net-zero company by 2050 in line with Cemex's "Future in Action" ambition. This global vision includes a 47% reduction in CO_2 emissions per tonne of cementitious material by the year 2030.

Climate risks are business risks and since economies are interconnected and codependent, climate instability must be considered a tangible threat to any industry. I am indeed proud that as a company, we have taken decisive action to address climate change by embracing climate action and sustainability as our responsibility. At the TCL Group we are 'Living our Green Vision'!

The safety and well-being of our people continue to be a core value demonstrated by a relentless focus on training and development, along with ongoing monitoring across all levels of our operations. The year 2022 provided important lessons in this area, and while we all deeply regret the tragic loss of a valuable member of the TCL family, we continue our quest to eliminate the potential for accidents and to achieve our 'Zero for Life' mandate across our Group.

SUSTAINING OPERATIONAL RESILIENCE

Considering the lingering effects of the 3-year-long pandemic and against a challenging economic backdrop, the TCL Group has delivered annual revenue of $2.1 billion, representing an increase of $165 million or 9% over 2021 and an improvement in revenue across all our markets.

The Group's EBITDA before other expenses and other income and credits improved from $439 million in 2021 to $522 million in 2022, a 19% increase compared to the prior year due to stronger revenues driven by the price increases that helped to offset the significant inflationary costs experienced during the year.

Annual earnings before taxation were $170 million, a decrease of more than 30% compared to 2021. The effect of the improved adjusted EBITDA and reduced financial costs was offset by the cost of $126 million related to the reorganisation of ACCL and increased taxation expenses mainly arising from deferred tax assets in relation to tax losses.

In 2022, the TCL Group generated $153 million in cash from operating activities mainly affected by a $226 million investment in working capital. TT-dollar debt facilities expiring during 2023 were refinanced and extended to 2026.

CHANGE IN THE OPERATING MODEL OF ARAWAK CEMENT COMPANY LIMITED (ACCL)

After carefully considering available options to return our Arawak Cement Company Limited operation to sustainability, the TCL Board of Directors reviewed and unanimously passed a resolution authorising changes to the company's operating model in the interest of preserving shareholder value and the continued viability of ACCL. Members of the executive management of the TCL Group held extensive consultations with key stakeholders, including the representative trade unions, before implementing the new operating model.

Following this decision, the production of clinker was suspended on March 15, 2023, and the core operation of the company is now focused on the grinding of clinker and cement production. Consequently, the workforce has been adjusted with approximately thirty percent of the employees retained under the new model.

ACCL will continue to produce and supply cement to meet any demand of the Barbados market.

CHANGES IN CREDIT ARRANGEMENTS

In December 2022, Trinidad Cement Limited restructured its three loan agreements with Republic Bank Limited for TT$67.5 million, RBC Merchant Bank (Caribbean) Limited for TT$67.5 million and Citibank (Trinidad & Tobago) Limited for TT$135 million for an aggregate principal amount of TT$270 million to:

1. Extend the term of its current agreements from 2 to 4 years with a 2-year grace period through 2026.
2. Reduce the spread of its current interest rate by 15 bps for a new spread of 290 bps.
3. Amend the financial ratios to provide TCL with more flexibility.

BOARD CHANGES

Mr. Jose Antonio Cabrera Guerra was appointed a director of TCL with effect from July 27, 2022, to fill a casual vacancy created by the resignation of Mr. José Luis Seijo González. Mr. Cabrera Guerra was subsequently appointed as Deputy Chairman with effect from October 27, 2022.

We thank Mr. Seijo González for his valuable service and contributions and wish him well in all his undertakings.

STRATEGIC PRIORITIES AND OUTLOOK

Our responsibility is to create long-term value for our stakeholders.

Our strategic priorities continue to be Health and Safety, Customer Centricity, Innovation, Sustainability and EBITDA Growth, all towards strengthening our competitive advantage for continued growth.

Amidst global uncertainties and challenges, the TCL Group remains committed to ensuring that our operations remain resilient by employing sound cost management strategies designed to face the current economic environment. Additionally, improved productivity and efficiency of our equipment is expected on completion of planned major maintenance in 2023.

The Board and Management will continue to monitor the Global and Regional economic situation to ensure that our strategies will maximise any opportunities to add value for all our shareholders and can withstand unpredictable market conditions and other ongoing challenges.

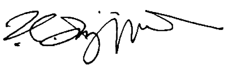
Chairman's Report (continued)

APPRECIATION

In these interesting times, reinforcing sustainability and business continuity requires decisive action and the collaboration of all our stakeholders – employees, customers, shareholders, investors, bankers, value chain and industry partners, and our communities. I am thankful to all of you for your support over the years, enabling us to keep in front of the challenges.

To my fellow directors, I appreciate your foresight and valuable contributions and I am counting on your ongoing support.

Let us all continue to work towards building a stronger business and a more sustainable planet for future generations.



David G. Inglefield
Chairman – TCL Group

Living Our Green Vision includes:

Sustainability

Our ECO cement delivers high resistance and prolonged durability, and its manufacturing process and ingredients give it a 15% lower CO_2 footprint than regular cement.

Board of Directors

Left-right:
Mr. Fernando Jose Reiter Landa
Mr. Charles Eugene Percy
Mr. David G. Inglefield (Chairman)
Mr. Francisco Aguilera Mendoza
(Managing Director)

Left-right:
Mr. Arun K. Goyal
Ms. Patricia Narayansingh
Ms. Claudia Emmanuel
Mr. Jose Antonio Cabrera Guerra (Deputy Chairman)

Board of Directors

David G. Inglefield

Chairman of the Board and Non-Executive Director

Mr. David G. Inglefield's business career has spanned over 50 years in Trinidad and Tobago, Suriname, Guyana, Barbados, and the USA.

Beginning in 1969 at Trinity Advertising Limited, he became Managing Director in 1978, and in 1981, acquired and merged the business with Corbin Compton Caribbean. He was appointed CEO in 1982 where he remained until he resigned in 1993 and founded his own agency.

Recognised as one of the leaders in the Caribbean on strategic business and brand development, in October 2003, he brought his considerable knowledge and experience to the ANSA McAL Group as a parent board director and member of the group's executive committee. As Group Marketing Director, he played a decisive role in the acquisition of the Bryden's Business Group in Barbados and its successful integration into the group's distribution business in the country.

During the period 2005 to 2015, Mr. Inglefield served in various capacities within the ANSA McAL Group, including the group's Distribution Sector Head. In 2007, he was appointed President/CEO of ANSA McAL (Barbados) Limited. Returning to T&T in 2011, he assumed the position of Sector Head Executive Chairman of Guardian Media Limited as well as Chairman of the four operating companies in the ANSA McAL Group's services and retail sectors.

Mr. Inglefield retired from the ANSA McAL Group in June 2015 and is now an active business consultant to major state and private companies, including the 'heavy' manufacturing and petrochemical sectors. He was appointed a Director of the Board of Trinidad Cement Limited (Cemex) and a member of the Board Audit and Governance Committees in 2016. Mr. Inglefield was appointed Chairman of the TCL Group in October 2019.

He also serves as a director on the boards of First Citizens Bank Limited, First Citizens Trustee Services Limited, First Citizens Investment Services Limited, First Citizens Bank (Barbados) Limited and First Citizens Group Financial Holdings Limited.

Board of Directors (continued)

Jose Antonio Cabrera Guerra

Deputy Chairman and Non-Executive Director

Mr. Jose Antonio Cabrera Guerra was appointed to the Board of Directors of Trinidad Cement Limited in July 2022. He has a keen interest in learning from diverse cultures and believes in innovation as a fundamental tool for an organisation to achieve long-term sustainable competitive advantage, solving customer needs while adding value to society.

Mr. Cabrera Guerra is a Senior Executive with several years' experience in the cement industry. He currently serves as General Director, Cemex, Dominican Republic, Puerto Rico, and Haiti. Since 2000, Mr. Cabrera has held various leadership positions across Cemex's worldwide operations including Strategic Planning Vice President – Asia, Middle East, and Africa from 2016-2018. He also served as Managing Director – Balearic Islands, Mallorca (2012-2015); Strategic Planning Director – Mediterranean Region, Madrid (2011-2012); Cement Operations Manager – Tarragona (2006-2010); and Production Manager – Tenerife (2000-2005).

Mr. Cabrera Guerra obtained his Executive MBA from the IE Business School in Madrid. He holds a Master's degree in Occupational Risk Prevention – Industrial Safety Specialty from CEREM, Madrid and a Bachelor of Physical Sciences – Automation & Control of Industrial Processes from La Laguna University, Spain.

Francisco Aguilera Mendoza

Managing Director

Mr. Francisco Aguilera Mendoza served the TCL Group as a member of the Board of Directors since 2014 and was appointed Managing Director of the TCL Group from December 1, 2020. Prior to his appointment as Managing Director, Mr. Aguilera was the Vice President of Strategic Planning of the Cemex South, Central America, and the Caribbean (SCA&C) region.

Mr. Aguilera Mendoza joined Cemex in June 1996 and has held positions in various areas throughout Cemex's US operations, including Logistics

Board of Directors (continued)

Manager, Sales Administration Director, Aggregate Operations VP, and VP and General Manager for the Concrete Pipe Division. He was VP of Trading for Europe, the Middle East, Africa, and Asia, while based in Spain, and VP of Trading for the Americas and Global Shipping Operations while based in Mexico. He has extensive experience in the building materials industry, especially in general management, logistics operations, international commerce, and post-merger integrations.

Mr. Aguilera Mendoza holds a BSc in Mechanical and Industrial Engineering from the Monterrey Institute of Technology, Mexico, and an MBA with a major in Operations from the Kellogg Graduate School of Management of Northwestern University.

Arun K. Goyal

Non-Executive Director

Mr. Arun K. Goyal was appointed to the Board of Trinidad Cement Limited in December 2015.

A long-standing member of the TCL Group, Mr. Goyal has held several instrumental roles, including General Manager of Trinidad Cement Limited and Caribbean Cement Company Limited, Group Manufacturing Development Manager, and Director on the Board of Readymix (West Indies) Limited.

Before being appointed General Manager in 1995, Mr. Goyal, a chemical engineer, served as Operations Manager, Senior Process Engineer, and Assistant Operations Manager at TCL, and as Process Engineer at Guyana Mining Enterprise Limited in Guyana and Industrial Gases Limited in Trinidad.

Mr. Goyal is a past member of the board of directors of the Association of Cement Manufacturers of Central America, Caribbean, and Latin America (APCAC), FICEM (Federación Interamericana del Cemento), the South Trinidad Chamber of Industry and Commerce, and the Rotary Club of Pointe-a-Pierre. He is a fellow of the Association of Professional Engineers of Trinidad and Tobago and recipient of its 'Career of Excellence' award in 2009.

Mr. Goyal also serves as Chairman of TCL Packaging Limited, TCL Ponsa Manufacturing Limited, Arawak Cement Company Limited, and TCL Guyana Incorporated.

Patricia Narayansingh

Non-Executive Director

Ms. Patricia Narayansingh, FCCA, ACIB, was appointed to the Board of Directors of Trinidad Cement Limited on May 24, 2019. She is passionate about utilising the extensive knowledge, skills, and hands-on experience gained during her career, which has spanned over 40 years in accounting, auditing, banking, and financial and administrative management to positively impact and uplift the level of corporate governance in T&T and to assist the next generation of leaders in their journey to self-improvement and self-fulfillment. She is committed to excellence and has established a reputation for her attention to detail, critical analysis, and outstanding work ethic.

Ms. Narayansingh has held positions ranging from Chief Financial Officer and Manager of Corporate Lending at Republic Bank Limited, Chief Internal Auditor and later Chief Administrative Officer of the RBC Financial Caribbean Group. As chair and audit committee member on the boards of several companies within the RBC Financial Caribbean Group and Aon Energy Caribbean Limited, Ms. Narayansingh has an in-depth appreciation of organisational realities.

She currently sits on the boards of Infolink Services Limited and Scotialife T&T Limited. She is also a member of the Investment committee of the finance council of the Roman Catholic Archdiocese of Port of Spain.

Claudia Emmanuel

Non-Executive Director

Ms. Claudia Emmanuel was appointed as a Director of Trinidad Cement Limited on September 25, 2018. Ms. Emmanuel is a financial services consultant specialising in legal, risk, governance, and compliance matters. She is a multi-disciplinary and multi-jurisdictional lawyer and risk professional, with a BA (Hons) in Economics, with two decades of solid corporate and commercial experience.

Ms. Emmanuel has held several positions, many of which required the highest standard of integrity, ethics, and accountability. Ms. Emmanuel

Board of Directors (continued)

was the Head of Enterprise Risk Management for Amicorp Bank and Trust Limited, wherein she established the risk function. Ms. Emmanuel is a former President/Co-founder of Emunite Fiscal Solutions Limited and Emunite Energy Solutions Limited. These companies focused on economic development via sustainable renewable energy projects. She has served as the CEO of Trinidad and Tobago Securities & Exchange Commission with executive responsibilities for the day-to-day management and the regulation of the securities industry within Trinidad and Tobago.

Ms. Emmanuel was a director and Head of Legal for State Street Global Advisors Limited (an asset management company), State Street Unit Trust Management Limited (a unit trust company), and Managed Pensions Funds Limited (an insurance company). Her remit spanned Europe, the Middle East, and Africa, where she advised these financial institutions and investors on all legal, risk management, and regulatory aspects of transactions and corporate activity within the financial markets.

Upon qualification as a lawyer, Ms. Emmanuel joined the law firm, Clifford Chance LLP, where she advised on various private equity and corporate projects.

Charles Eugene Percy

Non-Executive Director

Mr. Charles Eugene Percy was appointed to the Board of Directors of Trinidad Cement Limited on October 21, 2019.

Mr. Percy's distinguished career spans 39 years in the energy and financial services sectors with a wealth of experience and expertise in successfully leading and transforming organisations.

He has held several senior positions over an eleven-year period at Methanex Trinidad Limited including that of CEO. Under his astute leadership, he successfully supervised the merger and rationalisation of the Titan Methanol and Atlas Methanol companies to form the new 'Methanex Trinidad Limited' organisation. Mr. Percy has served as Vice President of Corporate Resources at BP Trinidad for four years, leading the HR, IT, and HSSE functions and held the leadership roles of Senior Manager - Human Resource, and Engineering and Maintenance Manager at Yara Trinidad.

He has also been an active member in the financial services sector, where he had the distinction of leading a successful merger of two credit unions to form Venture Credit Union.

He holds a BSc in Electrical Engineering (Hons) from the University of the West Indies and an Executive Master of Business Administration from the University of the West Indies' Institute of Business.

A recently retired professional, Mr. Percy continues to impart his wealth of knowledge as an active member of various boards, including that of Guardian Holdings Limited and Venture Credit Union.

Fernando Jose Reiter Landa

Non-Executive Director

Mr. Fernando Jose Reiter Landa was appointed to the Board of Directors of Trinidad Cement Limited on August 4, 2021.

Mr. Reiter Landa has over 20 years of experience in corporate finance. He has completed several key undertakings in the areas of debt refinancing and capital markets, treasury and cash management, and pension benefits and investments. He holds Bachelor of Arts degrees in Humanistic and Social Studies and Economics from Universidad de Monterrey, as well as a Master of Business Administration from Columbia University.

He joined Cemex, S.A.B. de C.V. in 2002 and was appointed to the position of Corporate Finance Director in 2019. Prior to this, Mr. Reiter Landa held various other positions within Cemex, S.A.B. de C.V., including Treasurer of the United States Operations, Corporate Finance Manager, International Corporate Finance Manager, Corporate Financing Analyst and Corporate Treasury Analyst.

Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2022.

Financial Results	TT$'000
Turnover	2,061,227
Net Earnings for the Year	57,805
Dividends Paid	Nil

Directors' Interest (Ordinary Shares of TCL)			
Name	**Position**	**Direct Holdings at 31-12-2022**	**Indirect Holdings at 31-12-2022**
David G. Inglefield	Chairman	Nil	Nil
Jose Antonio Cabrera Guerra	Deputy Chairman	Nil	Nil
Francisco Aguilera Mendoza	Managing Director	Nil	Nil
Fernando Jose Reiter Landa	Director	Nil	Nil
Claudia Emmanuel	Director	Nil	Nil
Arun K. Goyal	Director	Nil	Nil
Charles E. Percy	Director	4,000	Nil
Patricia Narayansingh	Director	Nil	44,671,636

Senior Officers' Interest (Ordinary Shares of TCL)			
Name	**Position**	**Direct Holdings at 31-12-2022**	**Indirect Holdings at 31-12-2022**
Guillermo Rojo de Diego	General Manager – TCL (with oversight for Readymix (West Indies) Limited)	Nil	Nil
Michelle Davidson	Group Manager Legal/ Company Secretary	Nil	Nil
Gewan Armoogam	Group Internal Control Manager	7,957	Nil
Maria Boodoo	Group Internal Audit Manager	Nil	Nil

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Roberto Adrian Villarreal Villarreal	General Manager – ACCL (with oversight for TCL Guyana Incorporated)	Nil	Nil
Yago Castro Izaguirre	Managing Director – CCCL	Nil	Nil
Edgar Campos Piedra	Group Finance Manager	Nil	Nil
Gustavo Alejandro Ruiz Silva	Group Strategic Planning Manager	Nil	Nil
Miguel Estrada Sanchez	Group Cement Operations & Technical Manager	Nil	Nil
Rafael Orlando Martínez Vela	Group Procurement Manager	Nil	Nil
Khalid Rahaman	Group Technology & Information Manager	6,425	Nil
Jorge Enrique Camelo	Group Human Resource Manager	Nil	Nil
Navin Dwarpaul	Group Health and Safety Manager	Nil	Nil

Dividends

No dividends were paid to shareholders in the year ended December 31, 2022.

Substantial Interests

(A substantial interest means a beneficial holding of 5% or more of the issued share capital of the Company).

	Holdings at 31-12-2022	**% of Issued Share Capital at 31-12-2022**
Sierra Trading (Cemex, S.A.B. de C.V.)	261,623,911	69.83%
The National Insurance Board of T&T	44,671,636	11.92%

Service Contracts & Directors

The following Service Contracts exist:

1. A Technical and Managerial Services Agreement dated April 23, 2015 (as restated) between TCL and Cemex, S.A.B. de C.V. ("Cemex"), pursuant to which Cemex provides support to TCL by making available, suitable, qualified, and experienced executives to fill key positions, and to provide training as well as technical assistance to support the Group's trading and shipping departments.
2. A Master Management and Business Support Services and License Agreement dated January 21, 2022, under which TCL and various subsidiaries of Cemex have established a general framework for the corporate services provided by Cemex to TCL and certain subsidiaries, as well as the payment of royalties for the use of intellectual property owned by and licensed by Cemex to TCL and certain subsidiaries.

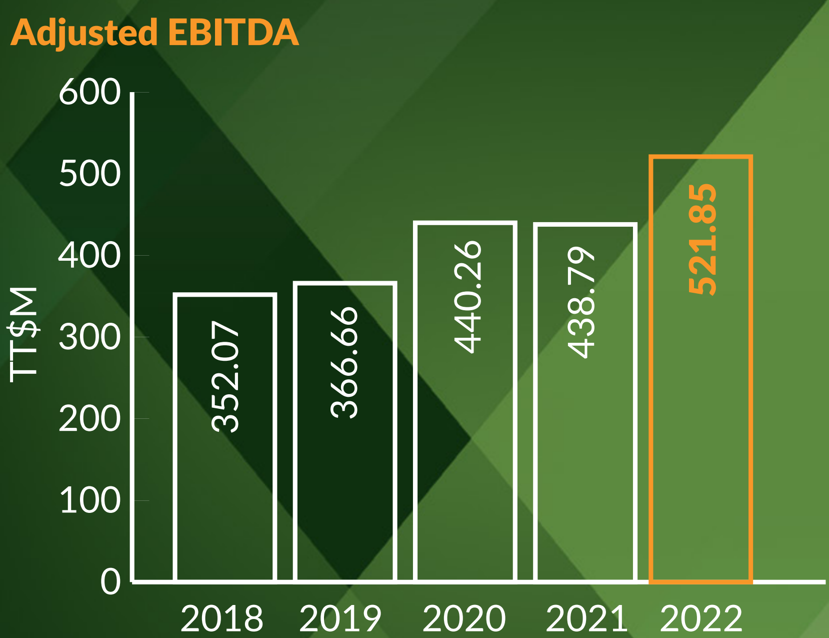
BY ORDER OF THE BOARD

MICHELLE DAVIDSON

Company Secretary

Living Our Green Vision includes:

EBITDA Growth



TCL's adjusted EBITDA (earnings before interest taxes, depreciation amortisation, other expenses and other income and credits) is based on solid business practices: continuous improvement in performance, reliability, consistency and innovation.

Corporate Governance

TCL GROUP – BOARD SUBCOMMITTEES

GOVERNANCE COMMITTEE

The TCL Group recognises that a robust corporate governance system contributes to the overall benefit of the organisation by fostering better performance and facilitating a reduced risk of malfeasance and a lower cost of capital. Based on the guiding principles of fairness, transparency, and accountability, the company strives to maintain a high standard of corporate governance by establishing a comprehensive and efficient framework of policies, procedures, systems, and the promotion of a responsible corporate culture throughout the Group. The TCL Group is committed to adhering to the principles and practices of good corporate governance, and the Governance Committee, a subcommittee of the Board, establishes the foundations for compliance.

Members: Mr. Jose Antonio Cabrera Guerra (Chairman)

Mr. Charles Eugene Percy

Mr. Arun K. Goyal

Mr. Francisco Aguilera Mendoza

Ms. Michelle Davidson (Recording Secretary)

The role of the Corporate Governance Committee is reflected on the company's website – www.tclgroup.com

AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee is a subcommittee of the Board charged with responsibility for:

1. Appointment and ongoing assessment of the external auditors.
2. Reviewing and advising the Board on the integrity of financial statements.
3. Oversight of the establishment, implementation, and evaluation of the risk management function.
4. Ensuring that an effective system of internal control is established and maintained.
5. Assessing compliance with applicable laws and regulations.

6. Monitoring and evaluating the internal audit function.
7. Enhancing the financial strength and shareholder value of the TCL Group by providing guidance and recommendations on issues that have a significant economic impact on the Group.
8. Enhancing communication and understanding between TCL Group's management and the Board on financial matters

Members: Mr. Arun K. Goyal (Chairman)

Ms. Claudia Emmanuel

Ms. Patricia Narayansingh

Mr. Fernando Jose Reiter Landa

Ms. Maria Boodoo (Recording Secretary)

HUMAN RESOURCE COMMITTEE

To ensure excellence in TCL Group's human capital and cultural initiatives, the Human Resource Committee's strategic direction and vision align with the company's strategic plan. The Human Resource Committee administers the following categories of policies:

- Talent acquisition
- Organisation capacity building
- Performance management
- Executive development
- Organisational structure and design
- Employee wellness

A summary of the terms of reference of the Human Resource Committee follows:

1. To formulate policies for the TCL Group's human resource management function and make recommendations to the Board for approval and adoption.
2. To review, approve and ensure compliance with existing administrative policies, and to recommend to the Board the adoption of proposals for all senior managers and executives across the TCL Group.

3. To ensure that the TCL Group's human resource function provides efficient services to all subsidiaries utilising equitable, transparent, and contemporary performance management measures and systems.
4. To act autonomously and approve on its own account, specific human capital initiatives and recommendations that fall within the overall ambit of pre-existing Board-approved policies and systems.

Members: Ms. Patricia Narayansingh (Chairperson)

Ms. Claudia Emmanuel

Mr. Charles Eugene Percy

Mr. Jose Antonio Cabrera Guerra

Mr. Jorge Enrique Camelo (Recording Secretary)

Living Our Green Vision includes:

Standards and Warranties

TCL uses best-practice guidelines established by industry associations and governmental bodies to ensure that its brands meet the highest standards. We offer certain product guarantees, which are essential in construction.

Group Executive Committee

1

Gewan Armoogam - Group Internal Control Manager

Francisco Aguilera Mendoza - Managing Director

Edgar Campos Piedra - Group Finance Manager

2

Michelle Davidson - Group Manager Legal/Company Secretary

3

Khalid Rahaman - Group Technology & Information Manager

Maria Boodoo - Group Internal Audit Manager

Gustavo Alejandro Ruiz Silva - Group Strategic Planning Manager

4

Navin Dwarpaul - Group Health and Safety Manager

Guillermo Rojo de Diego - General Manager, Trinidad Cement Limited (with oversight for Readymix (West Indies) Limited)

5

Miguel Roberto Estrada Sanchez - Group Cement Operations and Technical Manager

Yago Castro Izaguirre - Managing Director, Caribbean Cement Company Limited

Jorge Enrique Camelo - Group Human Resource Manager

6

Rafael Orlando Martínez Vela - Group Procurement Manager

Roberto Adrian Villarreal Villarreal - General Manager, Arawak Cement Company Limited (with oversight for TCL Guyana Incorporated)

Group Executive Committee

Francisco Aguilera Mendoza

Managing Director, TCL Group

(See profile on page 23)

Guillermo Rojo de Diego

General Manager, Trinidad Cement Limited (with oversight for Readymix (West Indies) Limited)

Mr. Guillermo Rojo de Diego was appointed General Manager of Trinidad Cement Limited, effective February 6, 2019. He is a strong sales professional and an experienced Country Manager with over 23 years' experience in the building materials industry.

Prior to his role of General Manager, Mr. Rojo de Diego held the position of Country Manager at Cemex Guatemala for a period of 4 years. He developed his career by assuming increasing roles of responsibility in different areas, including commercial, strategic planning, and operations, before going into general management responsibilities in all primary business lines in five countries in Europe, Africa, and Latin America.

He holds a BSc in Geological Sciences, specialising in Mineral Resources, from Universidad Complutense de Madrid, Spain, and an MBA from INSEAD MBA (France).

Yago Castro Izaguirre

Managing Director, Caribbean Cement Company Limited

Mr. Yago Castro Izaguirre held the position of General Manager of Caribbean Cement Company Limited from August 1, 2019, until he was appointed Managing Director on December 1, 2020. Before, he held the position of General Manager at Arawak Cement Company Limited. He has extensive industrial and strategic experience, having worked for almost 16 years at Cemex in Europe, Midwest, and Central America. Prior to that, he was the Planning, Procurement and Legal Director for Cemex in Nicaragua, Guatemala, and El Salvador.

Mr. Castro Izaguirre obtained a BSc in Chemical Engineering from Universidad Complutense de Madrid and an Executive MBA from the IE Business School. He has a strong technical and operational background, coupled with financial and strategic management skills.

Group Executive Committee (continued)

Roberto Adrian Villarreal Villarreal

General Manager, Arawak Cement Company Limited (with oversight for TCL Guyana Incorporated)

Mr. Roberto Adrian Villarreal Villarreal was appointed General Manager of Arawak Cement Company Limited, effective August 1, 2022.

Mr. Villarreal is a service-oriented executive with over 15 years of service, focused on delivering exceptional customer experiences to drive consistent revenue growth. He is a sales expert, organised decision-maker, and strategic planner with top-notch interpersonal and communication skills.

He has been domiciled within the Caribbean for approximately 10 years, having worked in the Dominican Republic, Jamaica, and Barbados. He is professionally diverse in the areas of cement distribution, ready-mix concrete, aggregates & lime production, and commercialisation.

Mr. Villarreal holds a BSc in Industrial & Systems Engineering and a Master in Innovation for Business Development, both from Instituto Tecnológico Estudios Superiores de Monterrey.

Michelle Davidson

Group Manager Legal/Company Secretary

Ms. Michelle Davidson was appointed Group Manager Legal/ Company Secretary of the TCL Group effective June 1, 2018. Prior to this, she held the position of Group Legal Counsel/Company Secretary of Arawak Cement Company Limited and TTLI Trading Limited.

Ms. Davidson is an attorney-at-law with experience in corporate, commercial and employment law. Prior to joining the TCL Group in 2016, Ms. Davidson practised law at a regional corporate law firm in the corporate and commercial litigation department.

Ms. Davidson obtained a Legal Education Certificate (LEC) of Merit from the Hugh Wooding Law School, St. Augustine, Trinidad. She also holds a Bachelor of Laws (LL. B) (Hons) degree and a Master of Laws (LL. M) degree in Corporate Commercial Law from the University of the West Indies.

Group Executive Committee (continued)

Jorge Enrique Camelo

Group Human Resource Manager

Mr. Jorge Enrique Camelo assumed the role of Human Resource Manager for Jamaica & Bahamas in November 2017 and was elevated to the role of Group Human Resource Manager in March 2022.

Mr. Camelo is an accomplished executive and human resource professional with over 16 years of experience in a multinational environment. He has special expertise in planning and compensation, organisational design, and HR project implementation.

His goal is to transform teams and position human resources as a strategic area for the company by training and developing human talent, innovating and by leveraging technology, process optimisation and standardisation.

Prior to joining the TCL Group, Mr. Camelo had served in distinct roles at Cemex, including Regional South, Central America and Caribbean (SCA&C) Manager of Planning & Development and Compensation & Benefits from 2015 to 2017. He also served in leadership HR roles at Cemex Colombia and Coca-Cola FEMSA.

Mr. Camelo holds a Master of Business Administration from the Tecnológico de Monterrey and a Bachelor's degree in Industrial Engineering from Pontificia Universidad Javeriana.

Gewan Armoogam

Group Internal Control Manager

Mr. Gewan Armoogam has been with the TCL Group for over 27 years and has worked in the finance and internal audit functions. He was appointed Group Internal Control Manager effective November 1, 2017. Prior to that, Mr. Armoogam held the position of Group Internal Auditor and has a wealth of internal audit experience in the cement, premix, and packaging operations.

Mr. Armoogam is ACCA qualified and is also a member of the Institute of Internal Auditors. He holds certification as a Lead Auditor of the ISO 9001 Quality Management System. Mr. Armoogam has considerable experience in process redesign and compliance.

Group Executive Committee (continued)

Edgar Campos Piedra

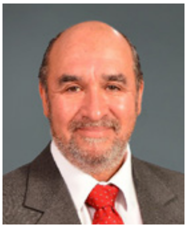
Group Finance Manager

Mr. Edgar Campos Piedra is a dynamic, proactive, and highly trained executive with over 19 years of experience in leading and transforming finance teams globally.

He holds a BA in Business Management from the Institute of Technology, Costa Rica and an MBA in Strategic Business Management from the University of Cadiz, Spain. Mr. Campos Piedra is also a certified Public Accountant as he holds a Superior degree in CPA from the Institute of Technology, Costa Rica.

Prior to his appointment as Group Finance/Business Service Organisation (BSO) Manager at the TCL Group on October 15, 2019, Mr. Campos Piedra held several senior positions throughout Cemex's SCA&C operations including Accounting Advisor, Controller, Management Financial Services Advisor, Accounting Chief and BSO Manager.

Miguel Roberto Estrada Sanchez



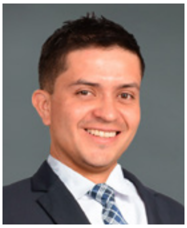
Group Cement Operations and Technical Manager

Mr. Miguel Roberto Estrada Sanchez was appointed Group Operations Manager on May 4, 2015. He has spent his entire professional life of 36 years in the cement industry, specifically in plant operations.

Before joining the TCL Group, Mr. Estrada Sanchez was based in Colombia and held the position of Optimisation Director at Cemex, South America, providing technical assistance to Cemex's plants in the region. Previously, he was VP of Operations at Cemex Philippines, responsible for the two cement plants in the country as well as technical direction for Cemex Bangladesh and Cemex Thailand. Mr. Estrada also worked at Cemex Egypt as Vice President of Operations at the Assiut Cement Plant, the largest production unit of Cemex worldwide. His career started at Cemex Colombia.

Mr. Estrada Sanchez graduated from Universidad Tecnológica de Pereira, Colombia in 1986 as a Mechanical Engineer.

Group Executive Committee (continued)



Rafael Orlando Martínez Vela

Group Procurement Manager

Mr. Rafael Orlando Martínez Vela was appointed TCL Group Procurement Manager on December 1, 2021.

Mr. Martínez Vela is an industrial engineer with a Master's degree in Management and Assessment Projects from Universidad Externado in Colombia. He is an accomplished professional with over 10 years' experience working in supply chain in the cement industry. Mr. Martínez Vela is experienced in local and international sourcing, materials management, negotiations, logistics, ERP systems, and leadership.

Prior to his appointment as the TCL Group Procurement Manager, he held distinct roles at Cemex since March 2012. He previously served as the TCL Group Procurement Manager from May 2019 to December 2021, as the CAPEX Procurement Coordinator of the SCA&C Region from August 2015 to April 2019, and as a Senior Negotiator at Cemex Colombia from June 2014 to August 2015.

Gustavo Alejandro Ruiz Silva

Group Strategic Planning Manager

Mr. Gustavo Alejandro Ruiz Silva joined Cemex in 2005, and has held several senior positions in strategic planning, enterprise risk management, business service organisation and controllership at Cemex United Kingdom, Central America, and Mexico. His experience also incorporates post-merger integrations and assignments at Cemex Europe.

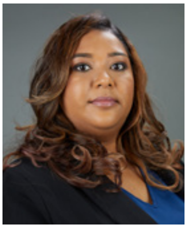
Mr. Ruiz Silva was appointed Group Strategic Planning Manager at the TCL Group on September 1, 2021. Prior to this appointment, Mr. Ruiz Silva was Director of the Business Service Organisation for Cemex Central America.

Before joining Cemex, Mr. Ruiz Silva held the position of Internal Audit Manager for a Mexican private company for 2 years and held several senior positions within KPMG's audit practice in Mexico for 5 years.

Mr. Ruiz Silva holds an MBA with a major in Strategy from EGADE Business School, a BSc in Accounting from Autonomous University of Nuevo Leon, Mexico and an international certificate in Enterprise Risk Management from the Institute of Risk Management, England.

Group Executive Committee (continued)

Maria Boodoo



Group Internal Audit Manager

Ms. Maria Boodoo was appointed Group Internal Audit Manager effective November 1, 2017. She has over 16 years of progressive experience, of which 13 years were at a managerial level. She specialises in the fields of internal and external auditing, forensic auditing, evaluation and implementation of financial and operational controls, policy and procedure development, and risk and compliance management. She is knowledgeable and experienced in financial reporting and management, cash management, risk management, data analysis and forecasting, and strategic planning and analysis.

Ms. Boodoo's competencies were established throughout her career in various sectors including oil and gas, manufacturing, financial and banking, educational and training institutions, mining and aggregates operations, telecommunications, and cement and concrete solutions, having worked with various state enterprises and private corporations.

Ms. Boodoo is a registered Fellow Member of the Association of Chartered Certified Accountants (FCCA), a Certified Forensic Auditor (CIFA) and holds a Bachelor's degree - specialising in Accounting, from the University of the West Indies. She is also a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT).

Khalid Rahaman

Group Technology & Information Manager

Mr. Khalid Rahaman has been with the TCL Group for over 23 years and has worked in various positions within the information technology department. He was appointed Group Technology and Information Manager, effective April 1, 2013.

Prior to his current appointment, Mr. Rahaman held the position of Group Senior Network Administrator and has considerable experience in leading process and IT-related projects across the region.

Mr. Rahaman holds a BSc (Hons) in Computing & Information Systems from the University of London.

Group Executive Committee (continued)

Navin Dwarpaul

Group Health and Safety Manager

Mr. Navin Dwarpaul was appointed TCL Group Health and Safety Manager in January 2022. Mr. Dwarpaul is a health, safety, security, environment, and quality (HSSEQ) professional with over 24 years of experience across industries and countries.

Mr. Dwarpaul has held leadership roles in health and safety at several international oil and gas, construction, mining, and chemical companies. He is also skilled in strategic leadership and management, with emphasis on coaching, mentoring, and training, with the ability to develop strategies to improve HSE performance and safety culture within diverse working environments.

Mr. Dwarpaul holds a postgraduate qualification in Occupational Health and Safety Management from the University of Portsmouth (UK). He is certified by the National Examination Board in Occupational Safety and Health (NEBOSH), is a chartered safety and health professional from the Institution of Occupational Safety and Health UK (CMIOSH), and a practitioner member of the Chartered Quality Institute (UK).

Other Line Managers

Rajeev Chadee

Business Manager - TCL Ponsa Manufacturing Limited

Mr. Rajeev Chadee joined the TCL Group on August 1, 1997. He currently serves as the Business Manager at TCL Ponsa Manufacturing Limited (TPM). Prior to this, Mr. Chadee held several positions at Trinidad Cement Limited, including Process Engineer–Cement Mill and Kilns, Packing Plant Supervisor, Production Superintendent, and Production Manager. He also held the position of Business Manager at TCL Packaging Limited.

Mr. Chadee holds a BSc in Chemical and Process Engineering from the University of the West Indies and an MBA from the Australian Institute of Business.

Ninoshka Paredes Chung

Tax Manager - TCL Group

Ms. Ninoshka Arlette Paredes Chung holds a finance degree from Universidad Santa Maria La Antigua (Panama) and a Master's degree in the Administration of Private Projects.

Prior to her appointment as Group Tax Manager at the TCL Group on March 15, 2023, she held a senior tax position at Cemex for more than twelve years, supporting SCA&C tax operations for several projects.

Ms. Paredes Chung's experience includes the implementation of new tax regulations and tax compliance in different countries, namely Panama, Belize, and Barbados, as well as previous tax support for the TCL Group.

Jaris Liburd

Business Manager - TTLI Trading Limited

Mr. Jaris Liburd joined the TCL Group on August 17, 2006, with more than 27 years of management experience in facility management and customer service, and over 12 years' experience in trading and logistics. He is also a Certified Hospitality Facility Executive (CHFE) with certification from the American Hotel & Lodging Educational Institute.

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Other Line Managers (continued)

Humberto Domingo Gutiérrez Prado

Group Treasury and Consolidation Manager

Mr. Humberto Domingo Gutiérrez Prado was appointed Group Treasury and Consolidation Manager at TCL Group from June 1, 2019.

Mr. Gutiérrez Prado earned his Bachelor of Public Accounting and Finance degree from Nicaragua's Polytechnic University (2008).

He is a member of the Institute of Internal Auditors International and a member of the Association of Chartered Accountants of Nicaragua and has more than 16 years of experience in management and finance.

Before joining the TCL Group, Mr. Gutiérrez Prado served in the positions of Financial Manager and Financial Advisor at Cemex Nicaragua and Cemex El Salvador respectively, Corporate Financial Manager and Controller at Montelimar Corporation and its subsidiaries and as Audit Manager at KPMG Nicaragua.

Norville Clarke

Group Enterprise Risk Manager

Mr. Norville Clarke joined the TCL Group on May 1, 2005. He currently serves as Group Enterprise Risk Manager. Before this, Mr. Clarke held several positions including Commercial Development Coordinator, Strategic Advisor, and Export & Research Officer.

He has a Master of Business Administration degree from the University of the West Indies and a Bachelor of Business Administration degree from the University of Technology.

Living Our Green Vision includes:

Innovation

TCL benefits from Cemex's innovative solutions that seek to contribute to building resilient, climate-smart infrastructure, promoting economic growth, preserving the environment, and improving everyone's quality of life.

Managing Director's Report & Management Discussion

2022 was a year of significant challenges across several aspects of our business. I am proud of how our organisation responded with resilience, passion and unwavering commitment. We are confident that 2023 will bring ample opportunities to our Group and expect to see the benefits of our actions, as we continue to work towards achieving our Green Vision of a better future.

1.0 HEALTH AND SAFETY

At the TCL Group, Health and Safety is our number one priority and a core value. Our main goal is for all stakeholders who interact with our operations to return home safely to their families. We consider this our moral obligation, and we work purposefully every day towards achieving this specific aim.

Our "Zero4Life" commitment symbolises our goal of an injury-free workplace, where every precaution is taken to prevent incidents. This is what motivates us every day.

Our commitment is continuously reinforced and demonstrated through compliance with local legislation and our robust global health and safety management system. Our main target is to promote an interdependent culture where everyone looks out for each other's safety. To achieve this, we diligently conduct rigorous training programmes for both employees and contractors, frequent inspections and audits of our operations, and regular site visits by management who lead our "Visible Felt Leadership" process.

While these efforts have been successful at most of our plants throughout 2022, unfortunately, we were faced with the fatality of one of our colleagues at our Mayo limestone quarry in Trinidad during the last quarter. Regardless of the level of seriousness and circumstances, workplace incidents are never easy for any organisation to deal with. We once again express our deepest condolences to his family and friends and give our firm commitment to work tirelessly and passionately to avoid any event like this in the future.

While trying to cope with this very unfortunate and sad incident, we have reassessed our health and safety management system, knowing that safety has no memory, and we all need to do our part to keep each other safe. We continue to invest capital expenditure in safety projects across all areas of our operations, ranging from improving guarding equipment to upgrading vehicle safety features.

Annual risk assessments were completed at each of our facilities to ensure that all risks associated with our activities were captured and control measures implemented to reduce the possibility of injury.


Francisco Aguilera Mendoza
TCL Group Managing Director

COVID-19

Adherence to our 52+ protocols and "Behaviours that Save Lives" guidelines continued during 2022 and was ramped up in June 2022 in preparation for us to be "Together Again" when our administrative staff returned to the office after more than two years. A series of flexible schemes was implemented to help with the Group's transition to the new normal. Our goal has been to recover the strong bonds that personal interaction at the workplace can create, using learnings from the pandemic.

While some of us collaborated remotely for more than two years, more than eighty percent of our organisation never stopped coming to our facilities. I want to take this opportunity to especially thank all our employees that kept us going either remotely or by coming to our manufacturing facilities to perform their jobs. My sincerest gratitude to all.

In September 2022, since most of our employees were vaccinated, the severity of new COVID-19 cases had decreased and mitigation measures were relaxed by regional governments, Cemex took the decision to reduce enforcement of its global protocols. We then transitioned from a centralised set of protocols to a local system managed by our Rapid Response team. Under this approach, we have continued to be vigilant to protect our employees, contractors, and communities from the risks of this virus.

2.0 FINANCIAL REVIEW AND ANALYSIS

Despite the challenges during the year, the Group reported solid operating results for 2022. The Group's total revenue of $2.1 billion represented a 9% increase when compared to 2021. Operating earnings before other expenses and other income and credits increased by 24% to $386.4 million for the year. The Group recorded annual net income of $57.8 million versus $190.4 million in the preceding year. This reduction in net income was driven primarily by the provisions recorded during the fourth quarter associated with the restructuring at Arawak Cement Company Limited ("ACCL").

REVENUE

The total revenue of $2.1 billion recorded in 2022, a 9% increase when compared to 2021, reflected price increases that helped to offset the significant inflationary costs experienced during the year, in addition to the contraction experienced in certain markets last year, driven by lower volumes in the self-construction segment that slowed down after the peak of the pandemic.

Revenues from our cement business increased by 10%, while our ready-mix and aggregates businesses declined by 20%.

OPERATING RESULTS

The Group recorded "Operating earnings before other expenses and other income and credits" of $386.4 million in 2022, representing an increase of $74.6 million or 24% compared to 2021. This result reflected strong operating results in Trinidad and Tobago and Jamaica. In Jamaica, this was mainly attributable to the company's decision to reorganise its plant maintenance works. This was offset by less favourable outcomes in Barbados. Overall, the year's operating earnings were $212.8 million, a decrease of $120.8 million or 36% compared to 2021. As indicated earlier, this decrease was attributable to restructuring costs of $125.7 million, related to the change in the cement manufacturing model of ACCL.

NET FINANCE COSTS

The Group's annual net finance costs decreased by 52% to $43.0 million. This decrease was driven by our reduced US-dollar-denominated debt in CCCL. This represents a significant milestone for our operation in Jamaica that was able to almost reduce its debt completely by using its own funds generated.

LIQUIDITY & FINANCIAL POSITION

Cash generated from operating activities in 2022 was $269 million, a decrease of 35% compared to 2021. A significant amount of this, specifically $112.6 million, was used for capital investment, $14.7 million for dividends and $9.4 million related to a net reduction of borrowings.

The Group renegotiated loan facilities expiring in 2023 in Trinidad and Tobago, extending the maturity of its TT-dollar-denominated loans to December 2026.

Overall, 2022 was a strong fiscal year for the TCL Group. These solid financial results are a testament to a well-executed strategy designed to face the economic challenges and uncertainty of the pandemic, and most importantly, the dedication and commitment of our people.

3.0 GROUP MARKETING - CUSTOMER CENTRICITY

Our customers are at the heart of our business, and in 2022, we continued to prioritise their needs, offering commercial solutions and efficient processes to enhance our customer service and contribute to their improved profitability.

A main highlight of the year was the launch of the Cemex Construrama programme for customers of the TCL Group, with the first store opened in Trinidad and Tobago last September. This initiative takes our distribution channel closer to "the hardware store of the future" and revolutionises the local construction industry, delivering a whole

Managing Director's Report & Management Discussion (continued)

new experience. By the end of 2022, Trinidad had five (5) clients signed up to become part of the Construrama family with four (4) of these stores opened.

Also in Trinidad, the industrial team shared digital content to our customers on recommendations to improve their businesses in the areas of quality, production, health and safety, maintenance, and the environment. We also launched a YouTube channel to highlight best practices in the industry, with tutorials on construction solutions, innovation, and sustainability projects.

In Jamaica, the supply chain & commercial teams rolled out a value offer, specifically the use of highway routes to facilitate faster turnaround times on deliveries of bulk products, greater safety, and more convenience at a small surcharge to offset the toll charges incurred. This was deeply appreciated by customers as they benefited by having quicker access to our products. The Jamaican team also reduced the average pickup cycle time from over 230 minutes at the beginning of the year to approximately 175 minutes by year end through the implementation of a second bag scale, a new contractor to manage pallets and the weekly monitoring of this KPI to continuously improve the customer experience.

The commercial teams in all countries continued encouraging our customers to move to paperless invoices and delivery tickets. As a result of this effort, over 97% of our invoices were electronic and 43% of our tickets were paperless by the end of 2022. This represents 361,000 fewer sheets of paper generated. The percentages for paperless invoices and delivery tickets in Barbados were 100% and 71%, respectively, and in Guyana 99% and 68%.

On the digital front, we embarked on a significant transformation project that consisted of the migration of our Enterprise Resource Planning (ERP) system from Oracle to SAP, which went 'live' on July 1, 2022. This implementation was key for the integration of the TCL Group into Cemex, allowing us to now use the multiple applications that Cemex has developed throughout the years. It was a challenging process, but we are extremely excited about the future that this system will enable for us.

Other key implementations in the digital front happened at the end of last year. This included the implementation of the module for customer complaints and requests under the Customer Relationship Management (CRM) system developed for Cemex. This new application provides the perfect foundation for continued improvement of our customer experience, and it was possible in part due to the previous implementation of the SAP system.

Lastly, Net Promoter Score ("NPS") surveys were executed every quarter to get direct feedback from customers on aspects of our service that they most value, and which they felt should be improved. NPS records were achieved in 2022 by Barbados (89), Jamaica (79) and Guyana (74).

MARKET ENVIRONMENT

In Trinidad and Tobago, TCL saw a decrease in cement volumes over 2021 as the self-construction segment slowed down due to the redirection of investments by our bag customers to other activities after COVID-19. Larger infrastructural projects continued during the year, however, the overall volumes and progress of these were also negatively affected by the increased rainfall during the last quarter. During the first quarter, the major increases in international freight costs affected the price of complementary building materials, which dampened demand for cement in the housing sector. TCL started a campaign to take advantage of the higher comparative cost of asphalt paving versus concrete paving in the last quarter with a particular focus on smaller housing developments. These efforts have continued in 2023.

At the end of 2021, the government of Trinidad and Tobago's proposal to the CARICOM's Council for Trade and Economic Development (COTED) about cement duties was accepted, and this resulted in the duty being kept at 20% and the importation quota of 150,000 metric tonnes per annum effective throughout 2022.

Trinidad and Tobago's cement export volume remained relatively unchanged when compared to 2021. TCL continues to pursue new opportunities for growth as well as a focus on internal logistic efficiencies to ensure readiness for growth in the segment.

In the concrete division, sales volumes at Readymix (West Indies) Limited (RML) declined by 26.4% in 2022 compared to 2021, affected by a lack of major construction activities. In the aggregates division, third-party aggregates sales decreased by 24.3% in 2022 due to product and plant limitations and availability, as well as a slowdown in highway roadwork activity. We continued our focus on the supply of aggregates to industrial customers. It is expected that for 2023, we will grow the builders and distribution segment as demand is expected to increase for road paving and concrete projects. RML is still focused on providing its customers with affordable, high-quality concrete solutions and technology together with its reputable level of service.

In Jamaica, the total domestic cement demand remained strong with a slight decrease of approximately 5.3% in 2022 compared with the previous year, due to a reduction in consumption by the self-construction segment. This contributed to Caribbean Cement Company Limited's (CCCL's) total domestic sales volume decreasing by the same percentage of 5.3% in comparison to 2021. Specifically, our cement volumes in bag presentation dropped about 7.7% while our bulk sales increased by 8.3%. This reflects a dynamic experienced in most of our markets, where the increase in formal business was unable to offset the drop in the self-construction segment.

In Barbados, the overall market remained stable from 2021 to 2022. During this period, Arawak Cement Company Limited (ACCL) was able to increase its volumes in comparison to last year by 15.6%.

The overall cement demand in Guyana increased by 22.0% from 2021 to 2022. TCL Guyana Incorporated (TGI) was able to capture domestic sales volumes of approximately 7.9%.

4.0 GROUP OPERATIONS

The implementation of our capital expenditure plan was challenged during 2022 due to continued restrictions relating to COVID-19 and supply chain issues. Despite this, the TCL Group made a total investment of US$16.5 million in safety, sustainability, and plant efficiency improvement projects across all plants.

In Jamaica, the 2022 CAPEX portfolio at CCCL included sixty-two projects. The programme sought to improve general areas of health and safety, environment (CO_2 reduction, dust mitigation), plant automation, IT and security. Some noteworthy accomplishments were engineering for the kiln upgrade, debottleneck project, replacement of switchgears for a power transformer, phase 1 of the new administration building, a new automation and control system for the packing plant, and a motor for one of our cement grinding mills.

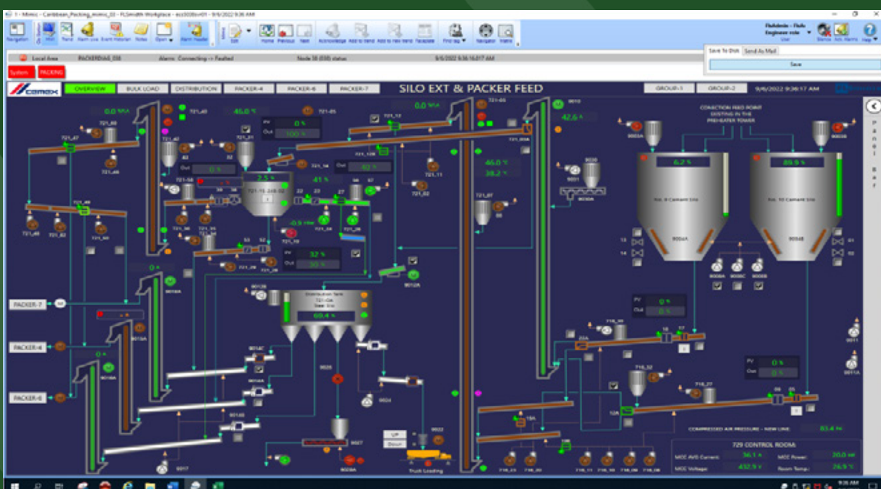
In Trinidad, we remain focused on improving our CO_2 footprint and increasing the plant's reliability. Aligned with Cemex's global sustainability objectives, we emphasised our commitment to reduce CO_2 emissions by starting the engineering for projects aimed at improving our clinker factor and reducing our energy requirements. During 2023, we are aiming to complete the engineering aspect and start working on the implementation of these projects. We also expect to finalise the three-month trial using waste oil as an alternative fuel in Kiln 3. The fuel substitution with waste oil will allow us to reduce gas consumption.

Finally, regarding Trinidad, we have also started the refurbishment of the underwater pillars of the jetty and the slurry line from Mayo to Claxton Bay, improving its integrity. These two projects have continued into 2023.

In Barbados, we invested in kiln upgrades and the raw mill burner to improve reliability of our equipment. We also continue to fine tune our major investment associated with the installation of three new engines to generate electricity. A total of US$1.3 million was invested in 2022.

In Guyana, the focus was on reaching our customer service capabilities, supporting the increased volume reached during the year.

JAMAICA INVESTMENTS



Installation of a new Automation and Control System for the Packing Plant

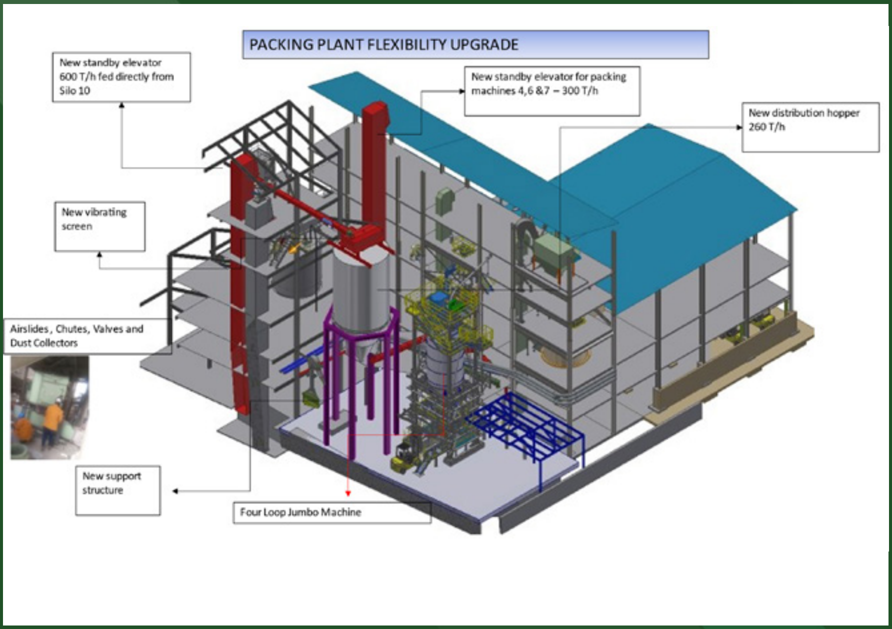
ROTOR STATOR MOTOR ASSEMBLY

Assembling a 4500 HP Motor for Cement Mill 4

Managing Director's Report & Management Discussion (continued)

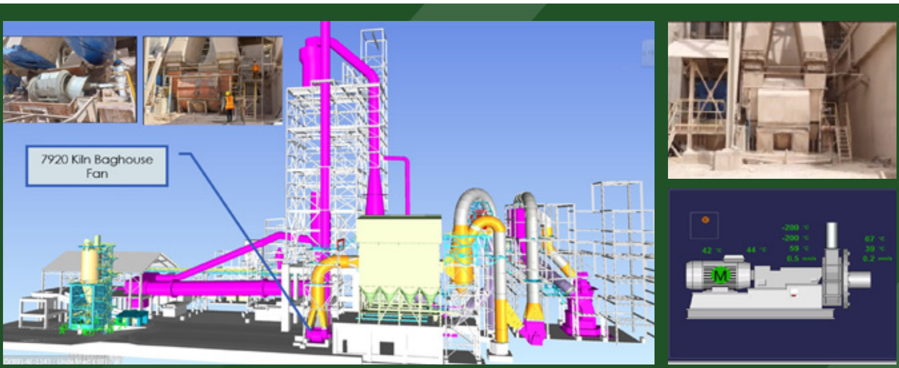
Replacement of Switch Gear TR4

UTI's Tyre Consumption



Packing Feed System Improvement

Managing Director's Report & Management Discussion (continued)



Kiln Upgrade (Debottleneck) Project

TRINIDAD INVESTMENTS

Kiln Shell Upgrade

BARBADOS INVESTMENTS

Gypsum Apron Feeder

Weight Checker

Cement Silo Roof

CONCRETE AND AGGREGATES OPERATIONS

At Readymix (West Indies) Limited (RML), the operational focus remained on increasing plant efficiencies and quality. However, due to the decline in the construction sector in 2022, we continued our efforts to optimise the cost structure without compromising the reliability of its operations.

At our quarries, RML continues to conduct sand and gravel extraction methods guided by Cemex experts. RML’s pit-run exploration project is ongoing in a bid to estimate the reserves in virgin territory. A reforestation and rehabilitation project will be concurrently executed with this initiative, ensuring that the areas exploited are properly regenerated.

SUSTAINABLE ROAD SOLUTIONS

In Trinidad and Tobago, we continue to engage key government agencies on concrete roads. These continued efforts to promote concrete road technologies and benefits, though well received, are challenging to implement due to the country being an asphalt producer. The targeted sales of cement for road construction of 200MT/ month were set in 2023 with the focus on secondary public roads and roads in private communities.

In Jamaica, we continue to promote concrete road construction. In 2022, we focused on the construction of private concrete roads for significant projects like NEST in St Catherine, the Lakespen Agro Facility (over one kilometre) and Pyramid Point’s housing development (over one kilometre). On the government of Jamaica’s side, there was over thirty kilometres of cement stabilised marl base (which is remarkably like Roller Compacted Concrete or RCC) being done on the country’s South Coast Highway Improvement project in 2022. In 2023, we have again partnered with the government to construct another fourteen kilometres of cement stabilised marl base for construction of the Montego Bay Perimeter Road. Additionally, we have partnered with Paradisiac which will begin coloured concrete road construction including stamped concrete driveways.

HOUSING

Housing continues to be a major socio-economic issue for the Caribbean. Most countries have shown that affordable housing is an ongoing challenge, especially for people in the lower-income tier. In Trinidad and Tobago, discussions with the Trinidad and Tobago Housing Development Corporation (HDC) have been ongoing to fill the gaps in low-cost housing. TCL has been providing support to assigned contractors through bundled packages for housing. Phase one of the East Lake Housing project has been completed with 100% of the units sold. Negotiations on the construction and development of phase two continued in 2022.

QUALITY

Our customer focus is a core organisational value and priority built on a comprehensive understanding of who our customers are, what is important to them, and how we can best serve their needs. We use our leading-edge innovation and agility to develop superior building products and solutions that perform at the highest standards, and because of this, our goal is to meet both local and international standards for our products.

In Jamaica, we launched a new product, High-Early Strength ("HE") Low Carbon Industrial Cement in alignment with our Future in Action strategy to develop a brand with a lower carbon footprint. All cement dispatched in 2022 met the Jamaica Standards (JS) and American Society for Testing and Materials (ASTM) product specifications, and our in-house laboratory also successfully demonstrated technical competence by conducting eight (8) standard test methods on cement and by keeping our ISO 17025:2017 Plant certification. We continue to be the only accredited laboratory in the Caribbean.

In Trinidad and Tobago, all cement dispatched was in compliance with the Trinidad and Tobago's Bureau of Standards (TTBS) and the ASTM product specifications, and our quality management system, which is certified to ISO 9001:2015.

In Barbados, we have also achieved certification from the Barbados Environmental Department and the international Bureau Veritas.

TCL Group continues to benefit from the sustainable Cemex's Research and Development to further improve our products and to offer more environmentally friendly solutions.

5.0 SUSTAINABILITY

FUTURE IN ACTION – COMMITTED TO NET-ZERO CO_2

We are fully aligned to Cemex's 'Future in Action' programme, which focuses on the achievement of sustainable excellence through climate action, circularity, and natural resource management with the primary aim of becoming a net-zero CO_2 company. This programme features Sustainable Products & Solutions, Decarbonising our Operations, Circular Economy, Water Diversity, Innovation & Partnerships, and Promoting a Green Economy as its six pillars.

In executing our CO_2 roadmap, we have reduced our carbon emissions by 3.5% from 2021, proving our firm commitment to net-zero emissions. This was primarily driven through a reduction of 1.7pp in our clinker factor, 1.9% in plant heat consumption and an increase in the use of alternative fuels by 1.1pp. We will continue to implement strategies aligned to Cemex's target to reach around 430kg CO_2 per mt cementitious products, an approximate 47% reduction in CO_2 emissions by 2030. In Trinidad and Tobago, and Jamaica, we have already begun to reap dividends through this strategy, having realised a reduction in our carbon footprint through our Vertua portfolio and the introduction of HE cements in Jamaica.

Notably, a groundbreaking ceremony was held in August 2022 to signal the start of our US$40M capacity expansion project at Caribbean Cement Company Limited. A key component of this major expansion is the equipment which will be installed that will allow us to optimise heat consumption in the cement manufacturing process and therefore further reduce our carbon emissions.

Carib Cement's US$40M Kiln capacity expansion project. L-R: Cemex CEO, Fernando González; Prime Minister of Jamaica, the Most Hon. Andrew Holness; Minister of Industry, Investment and Commerce, Senator the Hon. Aubyn Hill; and Chairman of Caribbean Cement Company Limited, Parris A. Lyew-Ayee at the groundbreaking ceremony. Inset: visual of the design.

Cemex introduced Circular Economy as a key pillar during the year. The Group advanced its efforts to promote this through participation in different initiatives like the National Environment and Planning Agency's "Adopt-a-Beach" programme in Jamaica, where the waste collected from three beach cleanups was disposed of in our cement kiln.

Also in Jamaica, we continue to work with the government for the use of tyres as an alternative fuel as part of the Memorandum of Understanding (MoU) signed last year. In addition, we have continued exploring different and new sources of alternative fuels.

In Trinidad and Tobago, an MoU was signed with the Trinidad and Tobago Solid Waste Management Company Limited (SWMCOL) enabling research into innovative ways to utilise the misplaced resources of local landfills, diverting waste into energy conversion in TCL's kilns.

Also, in Trinidad and Tobago, in coordination with the Federación Interamericana del Cemento (FICEM) and the Inter-American Development Bank (IDB), we have started to develop a study to analyse options for decarbonising the cement sector in LATAM and the Caribbean using Trinidad and Tobago for a pilot programme.

The TCL Group and the National Gas Company (NGC) in Trinidad and Tobago have signed an MoU to work collaboratively in support of climate action targets, by cooperating on programmes and initiatives in areas related to carbon capture and storage (CCS), while also examining the impact of energy efficiency and CCS on the use of fossil fuels. We are also about to leverage Cemex's global expertise with NGC's local knowledge and network to develop a sustainable solution for the disposal of waste in Trinidad and Tobago, solving a long-lasting environmental issue.

In yet another development, a new partnership was formed between the TCL Group and the Caribbean Climate-Smart Accelerator (CCSA). The objective of this alliance is to spur additional enhancement areas including greening Caribbean cement products, exploring alternative fuels, and promoting more resilient housing.

6.0 HUMAN CAPITAL

The TCL Group continues to focus on offering an engaging, inclusive, and challenging environment for our employees where our more than seven hundred collaborators could reach their full potential.

We have kept an open dialogue with our employees to receive direct feedback about our work environment and their engagement levels. Along these lines, and since 2019, we have tracked the eNPS, a valuable metric that measures the effectiveness of our multiple employee programmes designed to enhance workforce experience according to our employees' priorities.

We are pleased to report that in 2022, we achieved an eNPS of 24 from our employees. This represented an improvement of over +16 points in comparison to 2021—a significant improvement, but we know that it is not enough. We need to continue to work toward improving the workforce experience of our collaborators. At the TCL Group, we genuinely believe that a highly engaged employee is essential to achieve a safe and superior performance for the company.

Although the pandemic's restrictions and challenges continued in 2021, we made carefully considered steps as we proceeded into 2022. Our policies and programmes are tailored to the new way of working, and we continue to function under modified arrangements. The needs of our stakeholders remain a priority as we navigate the space of work-life balance.

Managing Director's Report & Management Discussion (continued)

Refreshing News

CEMEX/TCL (T&T) LAUNCHES HEALTH & SAFETY TRAINING TRACKER APP!

CEMEX/TCL (Trinidad & Tobago) is proud to introduce our new Health & Safety Training Tracker App!

Health & Safety (H&S) remains our top priority, and the introduction of this app reiterates our commitment to innovate and continuously improve our H&S practices.

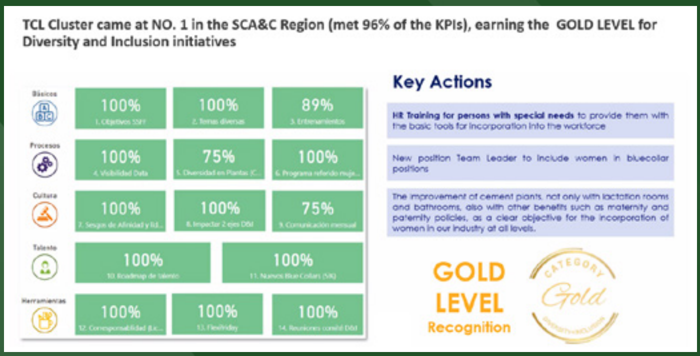
In commemoration of World Day for Safety and Health at the Workplace on April 28th, TCL's Health & Safety Coordinator - Mrs. Elena Dupres-Sookoo launched the new app to over 80 employees, both physically at the Claxton Bay plant, and virtually at our April Town Meeting.

The app is designed to keep employees on top of all their H&S training requirements just by scanning their QR Codes.

With this app, our H&S representatives can scan an employee's QR Code to show all their H&S Training data, that is, their completed, outstanding, and upcoming training requirements.

This will make it easier for employees to keep up to date with required training, help the H&S Team in planning and scheduling annual training & refreshers, and also help Managers & Supervisors to verify H&S Training records when planning and assigning persons to jobs.

The app was also reviewed and supported at the TT Joint Union/Management H&S Committee Meeting. We wish to recognize the T&T Health & Safety, Process & IT, and HR Teams for their dedicated, collaborative, and innovative efforts to making this initiative possible!



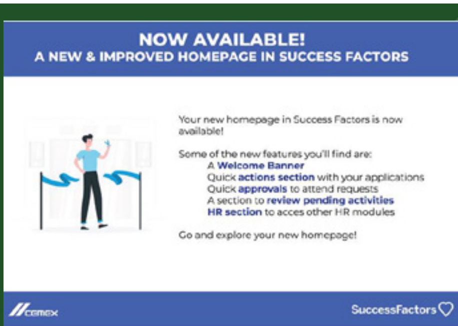
The Group continues to improve the employee experience by integrating software and platforms geared towards greater alignment with the parent company and better communication and collaboration. This was shaped by the implementation of platforms such as SAP, SUCCESS FACTORS and SPARK which were pivotal in improving the services provided to our employees and integrating into the 'One Cemex' model.

We are pleased with the gold level recognition received from Cemex for our Inclusion and Diversity action programme. This is a true testament to our efforts and deliverables executed towards achieving a more inclusive and diverse organisation. Along with Cemex, the TCL Group acknowledges diversity, equity, and inclusion as the foundation to deliver in our mission of building a better future.

TRAINING AND DEVELOPMENT

Working with our local Universities and continuing our Cemex Campus programme are still major goals as we strongly believe in engaging the next generation of talented individuals. It is paramount to equip students with the necessary skills to prepare for the workplace as well as the expectations of a multinational company.

As we continue adjusting to post-pandemic life, we will still offer a wide range of training and development to our employees both physically and virtually, using the resources available to us. Through continued familiarity with the Cemex University and DEGREED learning environments, more employees can complete different training while keeping physical distancing. It allows our employees to have a wide array of resources at their fingertips such as: understanding Cemex's priorities, protocols, policies, and other training specific to their areas.



Some of the many training programmes offered at the TCL Group in 2022 included: Ambulance and Defensive Driving; VFL; JSA; Fire Warden; HSE Sensitisation; Environmental Awareness, Commercial Academy; LEAP Sales Force; Operations Academy; Leadership Development; Sustainability, Culture and Values and Ethos Learning.

7.0 COMMUNICATIONS

Responsible and sustainable communication is a belief that we have always held. We are continuously looking for innovative approaches to interact with and engage our internal and external publics. We are particularly focused on providing platforms

Refreshing News

CEMEX/TCL SUPPORTS MINISTRY OF EDUCATION TO ENSURE SAFE RETURN TO SCHOOLS

In light of the ongoing phased resumption of physical classes at schools, CEMEX/TCL provided support to the Ministry of Education to help ensure a safe return for staff and students.

The company made a donation of 500 gallons of liquid soap and 150 gallons of hand sanitizer to the Ministry, which will be used in schools across Trinidad & Tobago as part of their COVID-19 management strategy.

Dr. the Honourable Nyan Gadsby-Dolly, Minister of Education was presented with the donation by CEMEX/TCL's General Manager, Guillermo Rojo on Friday 14th January 2022 at the Ministry of Education - Education Towers, St. Vincent Street, Port of Spain. The Minister thanked Mr. Rojo and the company for this donation in support of the fight against the spread of COVID-19.

1 - January 28, 2021

CEMEX | TCL TRINIDAD CEMENT LIMITED | PROUDLY T&T

for two-way dialogue, which allows us to share our plans and achievements, and importantly, gain feedback so that we are better able to respond to the needs of our employees, shareholders, customers, communities, and other key groups.

Throughout this period of social disruptions brought about by the COVID-19 pandemic, we have been skilfully leveraging technology, never losing touch with our stakeholders. Our communication systems are efficient and innovative and complement the fast-paced, high performance, engaged culture that defines the Cemex TCL Group.

In our response to the global trend of sustainability, communication has become even more pivotal in helping us to fulfill our green vision as we seek to inform and educate on the dangers of climate change, everyone's role, and what we have been doing to become a net-zero CO_2 company.

8.0 EXECUTIVE MANAGEMENT APPOINTMENTS

1. Navin Dwarpaul was appointed Group Health and Safety Manager effective January 3, 2022
2. Jorge Enrique Camelo was appointed Group Human Resource Manager effective March 21, 2022
3. Roberto Adrian Villarreal Villarreal was appointed General Manager of ACCL effective August 1, 2022
4. Ninoshka Paredes Chung was appointed Group Tax Manager effective March 15, 2023.

9.0 LOOKING AHEAD

We remain committed to our key strategic priorities of Health and Safety, Customer Centricity, Innovation, Sustainability, and EBITDA Growth. We will continue to strengthen our pillars in innovation and sustainability which are key in the transformation of the industrial landscape and keeping our green vision.

We strongly value our employees and will continue to foster their talent and skills while promoting a healthy work-life balance. By extension, we are still committed to supporting and empowering our communities, raising awareness, and fostering sustainable partnerships.

The TCL Group's management teams will continue to closely monitor the current market dynamic and the economic conditions of the region to ensure that our strategy remains solid and robust to face the challenges and circumstances. Markets continue to show resilience in cement volumes despite an expected slowdown due to inflation. As a company, we will continue to focus on the variables we control, implementing the necessary measures to face the challenges ahead.

For all these reasons, our outlook for 2023 is encouraging. We expect a dynamic market environment where we plan to capitalise on the decisions taken with determination and resilience, as we continue to work with our vision to Build a Better Future. All of us at the TCL Group, we remain fully committed to exceeding our stakeholders' expectations.

10.0 ACKNOWLEDGEMENTS

We must recognise our people, whose commitment, resilience and dedication have been paramount to our business continuity despite the challenging times. We deeply appreciate their efforts in strengthening our brands and building a better organisation.

Sincere appreciation to our customers and end-users who motivate and give us the opportunity to create value every day. The same goes for our communities that continue to embrace our business and allow us to continue to develop within their surroundings.

Thank you to our shareholders for your confidence and continuous investments in our company.

To our chairman, David G. Inglefield, and fellow directors—thank you for your foresight, guidance and sound leadership.

The combined excellence of all our stakeholders is responsible for our strength and success as together we build a stronger region. We look forward to expanding our legacy of long-term value creation for our shareholders while improving our communities every day.

Francisco Aguilera Mendoza

Managing Director, TCL Group

Social Impact: Future in Action!

Students at the Claxton Bay Senior Anglican School show off their tokens at TCL's Career Day.

As governments rolled back COVID-19 restrictions in 2022, we were happy to physically interface with our communities once again.

The Group's Social Impact initiatives were centered around our Future in Action (FIA) programme, which focuses on achieving sustainable excellence through climate action, circularity, and natural resource management with the primary goal of becoming a net-zero CO_2 company; and of course, youth and education featuring the distribution of learning devices and other resources to schools in our communities.

The uplifting and development of our Caribbean people are of paramount importance. This is why the TCL Group stays focused and committed through community action and empowerment, raising awareness and sustaining partnerships that will help to build a better future for generations to come.

Here are highlights from our 2022 social impact initiatives:

Social Impact (continued)

Trinidad and Tobago:

TCL's Environmental Coordinator, Stephen Bachan hosted a Sustainability and Climate Action educational session with students from the Mt. Pleasant Government Primary School in our Claxton Bay community.

TCL's General Manager, Guillermo Rojo presented computer monitors to the principal and students at the Claxton Bay Secondary School.

Students listen attentively to TCL's Industrial Nurse, Mrs. Tineal Mohammed while she shared insights into health care careers during the company's Career Day.

Social Impact (continued)

Teachers at the Macaulay Government School were on hand to receive whiteboards from the TCL team.

TCL's 2022 Back to School Drive was a tremendous success with over 30 students benefiting from the initiative.

Jamaica:

Managing Director of Caribbean Cement Company Limited (CCCL), Yago Castro (left), shares a photograph with (second from left): Amerilis Cain, Sandrean Bailey and Abigail Grant, participants of the company's employment workshop for persons with disabilities, at CCCL's sports club in Rockfort on November 29. Others from right are CCCL's Human Resource Director, Jorge Enrique Camelo and Chargé d'affaires at the Colombian Embassy, Andrés Pérez.

The workshop, geared towards improving the lives of persons with disabilities and extending CCCL's diversity and inclusivity programme, was organised in collaboration with the former ambassador of Colombia, His Excellency, Jairo Clopatofsky.

CCCL's Social Impact Specialist, Jerome Cowans (right), engages in discussion with community activist, Andral Doyley (centre) during a visit to the community of Cambridge in Eleven Miles, Bull Bay, St Thomas where the company installed a concrete road solution. On the left is farmer Ian Barrett.

Social Impact (continued)

Yago Castro (left) shares in a photo with Executive Director of the MultiCare Youth Foundation, Alicia Glasgow Gentles (right), at a scholarship handover ceremony on August 19, 2022. Third from the right is CCCL's Communication and Social Impact Coordinator, Chad Bryan. The scholarship, valued at J$1million, assisted students with back-to-school expenses.

Yago Castro (second from right), is joined by CCCL's Industrial and Building Solutions Manager, Andre Nelson (right) and Jerome Cowans (third right) at the handover of a basketball court to Harbour View residents, at the Rocky Park Sports Complex in the St. Andrew community, during July 2022.

Social Impact (continued)

Staff of CCCL and their families took part in the third and final beach cleanup for 2022 under the National Environment and Planning Agency's (NEPA) "Adopt-a-Beach" programme. This volunteer initiative is designed to empower people of all ages to become directly involved in cleaning Jamaica's coastline. NEPA's goal is to increase public awareness about marine litter and inspire public responsibility and community action, and CCCL is right on board!

Jumbo Bag: Andre Nelson (right) hands over a recycled jumbo bag to Chief Executive Officer of the National Fisheries Authority (NFA), Dr. Gavin Bellamy (left) at Kinetic Concrete Solutions Limited in Kingston on November 9, 2022. Others, second from left are an employee of Kinetic Concrete Solutions Limited and Project Manager of the Fisheries Management and Development Fund, Sabrina Cain. Over thirty bags were handed over by CCCL to the NFA as part of the company's recycling of jumbo bags initiative. This entails recovery of the bags from customers and putting them to good use before they are disposed of at landfills. The bags were used to help the NFA with cleanup activities of the Pedro Cays.

Social Impact (continued)

Cyclists from the Elevation Cycling Club pay keen attention to the road safety information provided to them at CCCL's Vulnerable Road Users Awareness initiative held at the company's sports club in Rockfort in November 2022.

Our Regional Footprint

	Jamaica	Trinidad	Barbados	Guyana
Capacity	1.2 million	0.9 million	0.4 million	-
Employees*	222	336	169	17
Cement Plants	1	1	1	1 (Cement terminal)
Readymix Plants	-	3 (1 inactive)	1 (inactive)	1 (inactive)
Aggregates Plants	-	3	-	-
Land Distribution Centres	4	3	1	1
Marine Terminals	1	1	1	1

Number of employees inclusive of casual and temporary workers as at December 31, 2022.

TCL Group Business Units - Management Teams

Trinidad Cement Limited

TRINIDAD CEMENT LIMITED

Registered Office
Southern Main Road,
Claxton Bay,
Trinidad & Tobago, W.I.
Tel: (868) 225-8254
Fax: (868) 659-2540
Website: www.tcl.co.tt

Trinidad Cement Limited (TCL) was incorporated in Trinidad in 1951 and began production in 1954. Its primary activities are the manufacture and sale of TCL ECO cement, TCL Premium Plus cement, and Class G High Sulphate Resistant (HSR) oilwell cement. The distribution of its shareholding is detailed on page 10.

Company Secretary
Ms. Michelle Davidson

Management Team

1. Mr. Ravi Bahall - Engineering Services Manager
   Mrs. Gloria Jacobs - Projects & Operations Support Manager
   Mr. Guillermo Rojo de Diego - General Manager (with oversight for RML)
   Mrs. Sonia Gobin - Finance Manager (with oversight for RML)

2. Ms. Lisel Cozier - Procurement Manager
   Ms. Janelle Collins - Communications and Social Impact Coordinator (TCLG)
   Ms. Bonnie Alexis - Human Resource Manager (TT)/ Labour Relations (TCLG)

3. Mrs. Elena Dupres - Health and Safety Coordinator
   Mr. David Neuhaus - Operations Manager

4. Mrs. Reshma Gooljar-Singh - Sales Distributor Segment Manager
   Mr. Rodney Cowan - Sales Industrial Segment & Government Relations Manager


1


2


3


4

TCL Group Business Units - Management Teams

Readymix (West Indies) Limited

READYMIX (WEST INDIES) LIMITED

Registered Office
Tumpuna Road, Guanapo, Arima,
Trinidad & Tobago, W.I.
Tel: (868) 225-8254
Fax: (868) 659-2540
Website: www.readymix.co.tt

Readymix (West Indies) Limited (RML) was incorporated in Trinidad in 1961. Its primary activities are the manufacture and sale of pre-mixed concrete, the winning and sale of sand and gravel (aggregates) and participation in other ventures that promote the utilisation of concrete and aggregates. In 1995, Trinidad Cement Limited (TCL) acquired majority ownership of the company.

Board of Directors
Mr. Michael Glenn Hamel-Smith (Chairman)
Mr. Francisco Aguilera Mendoza
Mr. Anton Gopaulsingh
Mr. Guillermo Rojo de Diego

Distribution of Shareholding

Trinidad Cement Limited	**98.33%**
Other Shareholders	**1.67%**

Company Secretary
Ms. Vahni K. Seunath

Management Team

1. Mr. Kurt Rocke - Aggregates Coordinator
   Mr. Guillermo Rojo de Diego - General Manager, Trinidad Cement Limited (with oversight for RML)
   Mrs. Sonia Gobin - Finance Manager, Trinidad Cement Limited (with oversight for RML)

2. Mr. Afzal Ali - Builders Segment Manager
   Ms. Liselle-Joy Garcia - Quarry Coordinator


1


2

TCL Group Business Units - Management Teams

Caribbean Cement Company Limited

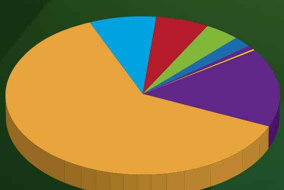
Registered Office
Rockfort,
Kingston,
Jamaica, W.I.
Tel: (876) 928-6231-5
Fax: (876) 928-7381
Website: www.caribcement.com

Caribbean Cement Company Limited (CCCL) was incorporated in Jamaica in 1947 and commenced production in 1952.
Its primary activities are the manufacture and sale of Carib Plus Vertua (Eco brand) and High-Early (HE) Strength Cement. CCCL has one subsidiary, Rockfort Mineral Bath Complex Limited, a national heritage site and mineral spa.

Board of Directors
Mr. Parris A. Lyew-Ayee (Chairman)
Mr. Francisco Aguilera Mendoza
Mr. Yago Castro Izaguirre (Managing Director)
Mr. Luis Ali Moya
Mr. Hollis N. Hosein
Mr. Peter Moses
Mrs. Dania Jocelyn Heredia Ramirez

Company Secretary
Mr. Craig Neil

Distribution of Shareholding



Grouping	% holdings
TCL Group	74.09%
Financial Institutions	9.17%
Individuals	7.75%
Cemex	4.96%
Pension Funds	2.59%
Companies	0.86%
Government	0.39%
Churches, Clubs & Assoc.	0.19%
Total	100.00%

Management Team

1. Commercial Manager, Rogelio Barahona and Distribution Sales Manager, Garen Williams
2. Maintenance Manager, Pablo Bahamon Palencia and Communications and Social Impact Coordinator, Chad Bryan
3. Production Manager, Christopher Brown; Head of Finance, Anthony Jones; Supply Chain Manager, Angel Rivera; Process Manager, Rohan Anderson and Health and Safety Coordinator, Andre Haynes

Management Team (continued)

4. Quality, Quarry and Environment Manager, Kelly Cadavid Lopez and Procurement Manager, Randy Nuñez Fuentes
5. Group Cement Operations and Technical Manager, Miguel Roberto Estrada Sanchez and Security Coordinator, Mark Watson
6. Managing Director, Yago Castro Izaguirre and Group Human Resource Manager, Jorge Enrique Camelo

Management Team (continued)

7. Enterprise Risk Manager, Norville Clarke and Industrial and Building Solutions Manager, Andre Nelson
8. Strategic Planning Manager, Victor Aceituno Melgar
9. Capital Projects Manager, Christopher Bryan and Legal Counsel and Corporate Secretary, Craig Neil

TCL Group Business Units - Management Teams

Arawak Cement Company Limited

ARAWAK CEMENT

Registered Office
Checker Hall, St. Lucy,
Barbados, W.I.
BB27178
Tel: (246) 439-9880
Fax: (246) 439-7976
Website: www.arawakcement.com.bb

Arawak Cement Company Limited (ACCL) was incorporated in Barbados in 1981 and acquired by TCL in 1994. Its primary activities are the grinding of clinker and the production of cement (with effect from March 15, 2023).

Board of Directors
Mr. Arun K. Goyal – Chairman
Mr. Francisco Aguilera Mendoza
Mr. Roberto Adrian Villarreal Villarreal
Mr. Gustavo Alejandro Ruiz Silva
Mr. Edgar Campos Piedra

Company Secretary
Ms. Alysha Shepherd

Management Team (l-r)
Mr. Roberto Adrian Villarreal Villarreal - General Manager (with oversight for TGI)
Mr. Ariel Acosta Palacios - Operations Director
Mr. Leonardo Rojas Rondon - Planning Manager
Mrs. Magda Argueta King – Procurement Advisor
Ms. Khelley Green - Human Resource Advisor

TCL Group Business Units - Management Teams

TCL Packaging Limited

TCL PACKAGING LIMITED

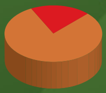
Registered Office
Southern Main Road,
Claxton Bay,
Trinidad & Tobago, W.I.
Tel: (868) 225-8254

TCL Packaging Limited (TPL) was incorporated in Trinidad in 1989 and began operations in 1991. The company ceased to continue business effective February 15, 2021. Prior to the cessation of business, its primary activities were the manufacture and sale of paper sacks. The liquidation process is ongoing.

Board of Directors
Mr. Arun K. Goyal – Chairman
Mr. Francisco Aguilera Mendoza
Mr. Guillermo Rojo de Diego
Mr. Edgar Campos Piedra
Mr. Carlos Martínez (Mondi Group – parent company of Dipeco Switzerland)

Distribution of Shareholding

TCL	**80%**
Dipeco (Switzerland)	**20%**



TCL Group Business Units - Management Teams

TCL Ponsa Manufacturing Limited

TCL – PONSA MANUFACTURING LIMITED

Registered Office
Pacific Avenue,
Point Lisas Industrial Estate,
Point Lisas,
Trinidad & Tobago, W.I.
Tel: (868) 225-8254

TCL Ponsa Manufacturing Limited (TPM) was incorporated in Trinidad in 1995. Its primary activities are the manufacture and sale of single-use slings. It is also involved in the sale of jumbo bags, reusable slings, safety harnesses and polypropylene sacks, as well as webbing for use in the furniture industry. The company is fully owned by Trinidad Cement Limited.

Board of Directors
Mr. Arun K. Goyal - Chairman
Mr. Edgar Campos Piedra
Mr. Guillermo Rojo de Diego
Mr. Gustavo Alejandro Ruiz Silva

Company Secretary
Ms. Vahni K. Seunath

Management Team
Mr. Rajeev Chadee - Business Manager
Mr. Stephen Ramcharan - Technical Coordinator

TCL Group Business Units - Management Teams

TTLI Trading Limited

Registered Office
Checker Hall,
St. Lucy,
Barbados, W.I.
BB27178
Tel: (246) 439-9880

TTLI Trading Limited was incorporated in Barbados on November 4, 2016. Its primary activity is trading in cement and cement-related products. The company is fully owned by Trinidad Cement Limited.

Board of Directors
Mr. Francisco Aguilera Mendoza
Mr. Roberto Adrian Villarreal Villarreal
Mr. Pedro Emilio Herrera Gazzani

Company Secretary
Ms. Alysha Shepherd

Mr. Jaris Liburd, Business Manager

TCL Group Business Units - Management Teams

TCL Guyana Incorporated

TCL GUYANA INC.

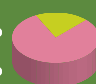
Registered Office
2-9 Lombard Street,
GNIC Compound,
Georgetown,
Guyana, South America
Tel: 011 (592) 225-7520
Fax: 011 (592) 225-7347

TCL Guyana Incorporated (TGI) was incorporated in the Republic of Guyana on March 17, 2004. Its primary activity is the packaging of bulk cement for sale on the Guyanese market (cement terminal facility).

Board of Directors
Mr. Arun K. Goyal (Chairman)
Mr. Francisco Aguilera Mendoza
Mr. Roberto Adrian Villarreal Villarreal
Mr. Edgar Campos Piedra

Distribution of Shareholding

TCL (Nevis) Limited	**80%**
Trinidad Cement Limited	**20%**



Company Secretary
Ms. Michelle Davidson

Mr. Roberto Adrian Villarreal Villarreal - General Manager,
Arawak Cement Company Limited (with oversight for TGI)

Statement of Management's Responsibilities

Trinidad Cement Limited

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Trinidad Cement Limited ("the Company") and its subsidiaries (collectively, "the Group") which comprise the consolidated statement of financial position as at December 31, 2022, the consolidated income statement, consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud and the achievement of the Group's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Francisco Aguilera Mendoza
Managing Director
May 4, 2023

Edgar Campos Piedra
Group Finance Manager
May 4, 2023

Chartered Accountants
Savannah East
11 Queen's Park East
P.O. Box 1328
Port of Spain
Trinidad and Tobago, W.I.

Tel: (868) 612-KPMG
Email: kpmg@kpmg.co.tt
Web: https://home.kpmg/tt

Independent Auditors' Report
To the Shareholders of Trinidad Cement Limited

Opinion

We have audited the consolidated financial statements of Trinidad Cement Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2022, and the statements of consolidated income statement, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Trinidad and Tobago, and we have fulfilled our other ethical responsibilities in accordance with these requirements and with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Valuation of employee benefits obligation

Key audit matter	How our audit addressed the key audit matter
Refer to Notes 2.3 (iii) 2.12 and 18. The Group operates defined benefit pension plans and post-retirement medical benefit schemes. Significant assumptions are used in estimating the Group's obligation for these employee benefits. The estimation process poses a significant risk of misstatement, as small variances in the assumptions can have a material financial impact on the Group's financial statements. The key assumption involved in calculating the obligation is the discount rate. The Group appointed an external actuarial expert to guide the determination of the assumptions and compute the obligation. The quality of disclosure is also deemed an area of increased levels of audit focus. The notes to the financial statements regarding the Company's application of the accounting standard, and disclosures around sensitivity of assumptions, are key to explaining the key judgements made by management	Our audit procedures over the valuation of the employee benefits obligation included, but were not limited to: • The testing of the design and implementation of the Company's controls applicable to the basis of arriving at the estimate of the retirement benefit obligation. • Assessing the reasonableness of the data used in the estimate by selecting a sample of the underlying data and agreeing the items back to the underlying source records. Engaging our own actuarial specialists to independently evaluate the method and assumptions used to develop the estimate of the pensions and post-employment benefit obligation which included but were not limited to the following: • Determining that the actuarial valuation was performed using the projected unit credit method in accordance with the relevant accounting standard. • Evaluating the method and assumptions used to develop the estimate which included but were not limited to the discount rate, salary increases, pension increases, medical premium inflation and claim costs.

KPMG

Key Audit Matters (continued)

Valuation of employee benefits obligation

Key audit matter	How our audit addressed the key audit matter
	• Evaluating the analysis of the movements in the retirement benefit obligation during the year, including consideration of whether the movements were in line with our expectations based on our knowledge of the Company and the industry in which it operates' • Determining whether the Group's accounting policy and disclosures were in accordance with the relevant accounting standards. No material exceptions were noted as part of our testing.

Information Other Than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Group's 2022 Annual Report but does not include the consolidated financial statements and our auditors' report thereon. The Group's 2022 Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Group's 2022 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Nigel A. Panchoo.

KPMG

Chartered Accountants

Port of Spain
Trinidad and Tobago
May 4, 2023

Consolidated Income Statement

(Thousands of Trinidad and Tobago dollars, except earnings per share)

	Notes	Years ended December 31 2022 $	2021 $
Revenue	3	2,061,227	1,896,518
Cost of sales	5	(1,379,886)	(1,326,431)
Gross profit		**681,341**	**570,087**
Administrative expenses		(128,024)	(116,619)
Selling expenses		(15,943)	(18,653)
Distribution and logistics expenses		(151,014)	(123,065)
Operating earnings before other expenses and other income and credits		**386,360**	**311,750**
Other expenses	6	(189,600)	(31,991)
Other income and credits	6	16,017	53,840
Operating earnings		**212,777**	**333,599**
Financial expense	7	(44,238)	(89,950)
Financial income		1,278	30
Earnings before taxation		**169,817**	**243,679**
Taxation charge	19	(112,012)	(53,260)
NET INCOME		**57,805**	**190,419**
Non-controlling interest	20.5	(71,969)	(49,646)
CONTROLLING INTEREST		**(14,164)**	**140,773**
Basic and diluted (loss) earnings per share from continuing operations	21	**(0.0381)**	**0.3786**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Thousands of Trinidad and Tobago dollars)

	Notes	Years ended December 31, 2022 $	2021 $
NET INCOME		**57,805**	**190,419**
Items that will not be reclassified subsequently to the income statement			
Net actuarial (losses) gains from remeasurements of employee benefit plans	18	(84,235)	105,642
Taxation recognised directly in other comprehensive income	19.2	20,896	(29,043)
	20.4	(63,339)	76,599
Items that are or may be reclassified subsequently to the income statement			
Effects from derivative financial instruments designated as cash flow hedges	20.4	(2,281)	1,203
Currency translation results of foreign subsidiaries	20.4	11,889	(34,302)
		9,608	(33,099)
Total items of other comprehensive (loss) income, net	20.4	**(53,731)**	**43,500**
TOTAL COMPREHENSIVE INCOME		**4,074**	**233,919**
Non-controlling interest		72,266	35,396
Controlling interest		(68,192)	198,523
TOTAL COMPREHENSIVE INCOME		**4,074**	**233,919**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

(Thousands of Trinidad and Tobago dollars)

	Notes	December 31, 2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	87,004	75,655
Trade accounts receivable, net	9	49,248	61,568
Other accounts receivable	10	73,998	34,660
Taxation recoverable		2,201	3,218
Inventories, net	11	417,358	324,522
Total current assets		629,809	499,623
NON-CURRENT ASSETS			
Investments	12	1	1
Property, machinery and equipment, net	13	1,591,163	1,646,605
Deferred taxation assets	19.2	102,479	114,564
Employee benefits	18	33,847	133,374
Total non-current assets		1,727,490	1,894,544
TOTAL ASSETS		2,357,299	2,394,167
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	14.1	7,501	7,091
Trade payables	15	278,518	356,507
Taxation payable		33,205	16,321
Provisions	17	57,991	27,873
Other current liabilities	16	261,412	239,114
Total current liabilities		638,627	646,906
NON-CURRENT LIABILITIES			
Long-term debt	14.1	437,130	438,760
Other financial obligations	14.1	15,325	19,325
Employee benefits	18	180,390	195,146
Deferred taxation liabilities	19.2	204,925	199,121
Provisions	17	5,809	2,718
Total non-current liabilities		843,579	855,070
TOTAL LIABILITIES		1,482,206	1,501,976

Consolidated Statement of Financial Position

(Thousands of Trinidad and Tobago dollars) (continued)

	Notes	December 31, 2022 $	December 31, 2021 $
SHAREHOLDERS' EQUITY			
Controlling interest:			
Stated capital	20.1	827,732	827,732
Unallocated ESOP shares	20.2	(20,019)	(20,019)
Other equity reserves	20.3	(313,888)	(325,227)
Retained earnings		219,608	143,211
Net (loss) income		(14,164)	140,773
Total controlling interest		699,269	766,470
Non-controlling interest	20.5	175,824	125,721
TOTAL SHAREHOLDERS' EQUITY		875,093	892,191
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,357,299	2,394,167

The accompanying notes are an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors on May 4, 2023 and signed on their behalf by:

_______________ Director _______________ Director

Consolidated Statement of Cash Flows

(Thousands of Trinidad and Tobago dollars)

	Notes	Years ended December 31, 2022 $	2021 $
OPERATING ACTIVITIES			
Net income		**57,805**	**190,419**
Non-cash items:			
Depreciation and amortisation of property, machinery and equipment	13	135,492	127,043
Financial expense, net		42,960	89,920
Pension plan and other post-retirement benefit		12,832	(13,395)
Other items, net		-	(1,790)
Write-off (reversal of impairment) of property, machinery and equipment		57,015	(21,801)
Restructuring cost	6	77,324	-
Taxation charge	19	112,012	53,260
Changes in working capital, excluding taxation (see below)		(226,397)	(12,443)
Cash generated from operating activities before financial expense, taxation and post-employment benefits paid		**269,043**	**411,213**
Financial expense paid		(29,188)	(28,244)
Taxation paid		(71,086)	(70,740)
Pension plan contributions and other post-retirement benefit paid		(15,256)	(14,764)
Net cash flows from operating activities		**153,513**	**297,465**
INVESTING ACTIVITIES			
Purchase of property, machinery and equipment		(112,562)	(139,262)
Proceeds from disposal of assets		-	1,790
Net cash flows used in investing activities		**(112,562)**	**(137,472)**
FINANCING ACTIVITIES			
Proceeds from debt		148,656	584,120
Repayment of debt		(158,074)	(747,178)
Other financial obligations	14.2	(6,911)	(7,668)
Dividends		(14,671)	-
Financial income received		1,278	30
Net cash flows used in financing activities		**(29,722)**	**(170,696)**

Consolidated Statement of Cash Flows

(Thousands of Trinidad and Tobago dollars) (continued)

	Notes	Years ended December 31, 2022 $	2021 $
Increase (decrease) in cash and cash equivalents		11,229	(10,703)
Cash conversion effect, net		120	(1,947)
Cash and cash equivalents at beginning of period		**75,655**	**88,305**
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**87,004**	**75,655**
Changes in working capital, excluding taxation:			
Trade accounts receivable, net		685	(5,065)
Other accounts receivable		(31,279)	7,241
Inventories, net		(135,555)	(88,452)
Trade payables		(66,475)	121,915
Other current and non-current liabilities		6,227	(48,082)
Changes in working capital, excluding taxation		(226,397)	(12,443)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

(Thousands of Trinidad and Tobago dollars)

				Reserves				
	Notes	Stated capital $	Unallocated ESOP shares $	Other equity reserves $	Retained earnings $	Total controlling interest $	Non-controlling interest $	Total shareholders' equity $
Balance as of December 31, 2020		**827,732**	**(20,019)**	**(305,320)**	**65,554**	**567,947**	**90,325**	**658,272**
Net income for the year		-	-	-	140,773	140,773	49,646	190,419
Total items of other comprehensive (loss) income, net		-	-	(19,907)	77,657	57,750	(14,250)	43,500
Balance as of December 31, 2021		**827,732**	**(20,019)**	**(325,227)**	**283,984**	**766,470**	**125,721**	**892,191**
Net (loss) income for the year		-	-	-	(14,164)	(14,164)	71,969	57,805
Total items of other comprehensive income (loss), net		-	-	11,339	(65,367)	(54,028)	297	(53,731)
Dividends		-	-	-	-	-	(14,671)	(14,671)
Acquisition of non-controlling interest without change of control	20.5	-	-	-	991	991	(7,492)	(6,501)
Balance as of December 31, 2022		**827,732**	**(20,019)**	**(313,888)**	**205,444**	**699,269**	**175,824**	**875,093**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(1) DESCRIPTION OF BUSINESS

Trinidad Cement Limited (the "Company" or the "Parent Company") is resident and incorporated in the Republic of Trinidad and Tobago and is engaged in the manufacture and sale of cement, concrete and aggregates. The Company is a limited liability company with its registered office located at Southern Main Road, Claxton Bay and is the parent company of various subsidiary companies operating in Trinidad and Tobago and the wider Caribbean region.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The ordinary shares of the Company are publicly traded on the Trinidad and Tobago Stock Exchange ("TTSE") and the ordinary shares of Caribbean Cement Company Limited ("CCCL") are publicly traded on the Jamaica Stock Exchange.

The Company is a subsidiary of Sierra Trading. As a result, the Group's ultimate parent company is CEMEX, S.A.B. de C.V., a public stock corporation with variable capital organised under the laws of the United Mexican States, or Mexico, and its shares are publicly traded on the Mexican Stock Exchange ("MSE") as Ordinary Participation Certificates ("CPOs") under the symbol "CEMEX CPO". Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V. In addition, the CEMEX, S.A.B. de C.V.'s shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares ("ADSs") under the symbol "CX". Each ADS represents ten CPOs.

The Company's subsidiaries and their principal activities are detailed in note 27.

These consolidated financial statements were authorised for issue by Trinidad Cement Limited's Board of Directors on May 4, 2023.

(2) SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF PRESENTATION AND DISCLOSURE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements are prepared on the historical cost basis except for the inclusion of the net defined benefit asset (obligation) which is recognised at the fair value of plan assets, adjusted

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.1) BASIS OF PRESENTATION AND DISCLOSURE (CONTINUED)

by remeasurement through other comprehensive income ("OCI"), less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation, limited as explained in note 2.12 and note 18. Derivative financial instruments are recorded at fair value as explained in note 2.6.

(i) Presentation currency and definition of terms

During the reported periods, the presentation currency of the consolidated financial statements was the Trinidad and Tobago dollar (TTD). When reference is made to "$" it means Trinidad and Tobago dollars. The amounts in the consolidated financial statements and the accompanying notes are stated in thousands, except when references are made to earnings per share and/or prices per share. When reference is made to "USD" or "US$" it means dollars of the United States of America ("United States"). When reference is made to "€" or "euros", it means the currency in circulation in a significant number of European Union ("EU") countries. As of December 31, 2022 and 2021, translations of TTD into USD and USD into TTD were determined for the consolidated statement of financial position amounts using the closing exchange rate of $6.7828 and $6.7970, respectively, and for the consolidated income statement and consolidated statement of comprehensive income amounts, using the average exchange rates of $6.7696 and $6.7684 TTD per dollar for 2022 and 2021, respectively.

(ii) Newly issued and amended IFRS adopted in 2022

The following amendments were considered and had no impact:

- Amendments to IAS 16, Property, Plant and Equipment
- Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets
- Annual improvements to IFRS Standards 2018-2020
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 9 Financial Instruments
- IFRS 16 Leases
- IAS 41 Agriculture
- Amendments to IFRS 3, Business Combinations

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.2) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include those of Trinidad Cement Limited and those of the entities over which the Company exercises control, by means of which the Company is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee's relevant activities. Balances and operations between related parties are eliminated on consolidation.

Investments are accounted for using the equity method when Trinidad Cement Limited has significant influence, which is generally presumed with a minimum equity interest of 20%. The equity method reflects in the consolidated financial statements, the investee's original cost and the Group's share of the investee's equity and earnings after acquisition. The consolidated financial statements of joint ventures, which relate to those arrangements in which the Group and other third-party investors have joint control and have rights to the net assets of the arrangements, are recognised under the equity method. During the reported periods, the Group did not have joint operations, referring to those cases in which the parties that have joint control of the arrangement have rights over specific assets and obligations for specific liabilities relating to the arrangements. The equity method is discontinued when the carrying amount of the investment, including any long-term interest in the investee or joint venture, is reduced to zero, unless the Group has incurred or guaranteed additional obligations of the investee or joint venture.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency translation gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.2) PRINCIPLES OF CONSOLIDATION (CONTINUED)

retained in the former subsidiary is measured at fair value when control is lost.

(2.3) USE OF ESTIMATES, JUDGEMENTS AND CRITICAL ASSUMPTIONS

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the date of the consolidated financial statements; as well as the reported amounts of revenues and expenses during the period. These assumptions are reviewed on an ongoing basis using available information. Actual results could differ from these estimates. The items subject to significant estimates and assumptions by management include:

(i) Key Judgement

During the financial year, Arawak Cement Company Limited (ACCL) committed to a plan to restructuring its operations. Due to the timing of the restructuring events and communication to the employees affected, management has applied judgement and has determined that the restructuring obligating event was present as at year end. As a result, note 6 details the expense recognised during the year as a result of the restructuring of the operations of Arawak Cement Company Limited.

(ii) Rehabilitation provision (note 17)

Provisions for restoration and rehabilitation associated with environmental damage represent the best estimates of the future costs of remediation, which are recognised at their nominal values when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant; otherwise, such provisions are recognised at their discounted values.

These obligations include the costs of the future cleaning, reforestation and/or development of the affected areas and include the future costs of abandoning the site so that quarries are left in an acceptable condition at the end of their operation. The ultimate restoration and rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rates.

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.3) USE OF ESTIMATES, JUDGEMENTS AND CRITICAL ASSUMPTIONS (CONTINUED)

(ii) Rehabilitation provision (note 17) (continued)

Provisions for future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date. The provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

(iii) Pensions and post-employment benefits (note 18)

The costs of defined benefit pension plans and other post-retirement benefits are determined using actuarial valuations. The actuarial valuation involves making judgements and assumptions in determining discount rates, mortality, terminations, expected rates of return on assets, future salary increases, and future pension increases. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty. All assumptions are reviewed at each reporting date. The most significant assumptions used in the determination of the benefit obligation are specified in note 18.

(2.4) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY

Transactions denominated in foreign currencies are recorded in the functional currency at the exchange rates prevailing on the dates of their execution. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date, and the resulting foreign exchange fluctuations are recognised in earnings, except for exchange fluctuations arising from: 1) loans to foreign entities; and 2) fluctuations associated with related parties' balances denominated in foreign currency, whose settlement is neither planned nor likely to occur in the foreseeable future and, as a result, such balances are of a permanent investment nature. These fluctuations are recorded against "Other equity reserves", as part of the foreign currency translation adjustment (note 20.3) until the disposal of the foreign net investment, at which time, the accumulated amount is recycled through the income statement on disposal.

The financial statements of foreign subsidiaries, as determined using their respective functional currencies, are translated to Trinidad and Tobago dollars (TTD) at the closing exchange rate for statement of financial position

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.4) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION OF FOREIGN CURRENCY (CONTINUED)

accounts and at the closing exchange rates of each month within the period for income statement accounts. The functional currency is that in which each consolidated entity primarily generates and expends cash. The corresponding translation effect is included within "Other equity reserves" and is presented in the statement of comprehensive income for the period as part of the foreign currency translation adjustment (note 20.3) until the disposal of the net investment in the foreign subsidiary.

The most significant closing exchange rates and the approximate average exchange rates for statement of financial position accounts and income statement accounts as of December 31, were as follows:

	2022		2021	
Currency	**Closing**	**Average**	**Closing**	**Average**
Jamaican Dollar (JMD)	0.0446	0.0440	0.0438	0.0446
United States Dollar (USD)	6.7828	6.7696	6.7970	6.7684
Guyanese Dollar (GYD)	0.0322	0.0322	0.0323	0.0322
Barbadian Dollar (BBD)	3.3451	3.3386	3.3521	3.3380

The financial statements of foreign subsidiaries are translated from their functional currencies into TTD using implied exchange rates with reference to the U.S. dollar. The implied rate represents the ratio of the selling rates for U.S. dollars published by the respective central banks as at the last business day of the month.

(2.5) CASH AND CASH EQUIVALENTS (note 8)

The balance in this caption consists of available amounts of cash and cash equivalents, mainly represented by highly liquid short-term investments, which are readily convertible into known amounts of cash, and which are not subject to significant risks of changes in their values, including overnight investments, which yield fixed returns and have maturities of less than three months from the investment date. These fixed-income investments are recorded at cost plus accrued interest. Accrued interest is included in the consolidated income statement as part of "Financial income".

(2.6) FINANCIAL INSTRUMENTS

Financial instruments carried on the consolidated statement of financial position include cash and cash equivalents, trade accounts receivable,

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.6) FINANCIAL INSTRUMENTS (CONTINUED)

other accounts receivable, taxation recoverable, short-term and long-term debt, other financial obligations, non-current liabilities, taxation payable, trade payables and other current liabilities.

(i) Initial recognition

Trade accounts receivable and long-term debt issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement of financial instruments

The financial assets are classified under three principal classification categories for financial assets: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The classification of amortised cost financial assets and liabilities comprises the following captions:

- Cash at bank and on hand (notes 2.5 and 8).
- Trade accounts receivable, net, other accounts receivable and accounts receivable from related parties (notes 9, 10, and 25). Due to their short-term nature, the Group initially recognises these assets at the original invoiced or transaction amount less expected credit losses.
- Liabilities for trade payables, other account payables and accrued expenses and accounts payable to related parties (notes 15 and 25) are recorded initially at amounts representing the fair value of the consideration to be paid for goods or services received by the reporting date, whether or not billed.

Long-term debt and other financial obligations are classified as "Loans" and are measured at amortised cost (notes 14.1 and 14.2). Interest accrued on financial instruments is recognised within "Other current liabilities" against financial expense. During the reported periods, the Group did not have financial liabilities

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.6) FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Classification and measurement of financial instruments (continued)

voluntarily recognised at fair value or associated with fair value hedge strategies with derivative financial instruments.

Derivative financial instruments are recognised as assets or liabilities in the consolidated statement of financial position at their estimated fair values, and the changes in such fair values are recognised in the consolidated income statement within “Financial expense” for the period in which they occur, except in the case of hedging instruments as described in note 14.4.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or when it expires. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated income statement.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.6) FINANCIAL INSTRUMENTS (CONTINUED)

(v) Impairment of financial assets

Impairment losses of financial assets, including trade accounts receivable, are recognised using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a default or credit loss event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability.

(vi) Costs incurred in the issuance of debt or borrowings

Direct costs incurred in debt issuances or borrowings, as well as debt refinancing or non-substantial modifications to debt agreements that did not represent an extinguishment of debt by considering that the holders and the relevant economic terms of the new instrument are not substantially different to the replaced instrument, adjust the carrying amount of the related debt and are amortised as interest expense as part of the effective interest rate of each instrument over its maturity. These costs include commissions and professional fees. Costs incurred in the extinguishment of debt, as well as debt refinancing or modifications to debt agreements, when the new instrument is substantially different from the old instrument according to a qualitative and quantitative analysis, are recognised in the consolidated income statement as incurred.

(vii) Hedging instruments (note 14.4)

A hedging relationship is established to the extent the entity considers, based on the analysis of the overall characteristics of the hedging and hedged items, that the hedge will be highly effective in the future and the hedge relationship at inception is aligned with the entity's reported risk management strategy (note 14.5). The accounting categories of hedging instruments are: a) cash flow hedge, b) fair value hedge of an asset or forecasted transaction, and c) hedge of a net investment in a subsidiary.

In cash flow hedges, the effective portion of changes in fair value of derivative instruments is recognised in the consolidated statement of changes in shareholders' equity within other equity reserves and are

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.6) FINANCIAL INSTRUMENTS (CONTINUED)

(vii) Hedging instruments (note 14.4) (continued)

reclassified to earnings as the interest expense of the related debt is accrued, in the case of interest rate swaps, or when the underlying products are consumed in the case of contracts on the price of raw materials and commodities. In hedges of the net investment in foreign subsidiaries, changes in fair value are recognised in the consolidated statement of changes in shareholders' equity as part of the foreign currency translation result within other equity reserves (note 2.4), whose reversal to retained earnings would take place upon disposal of the foreign investment. During the reported periods, the Group did not have derivatives designated as fair value hedges. Derivative instruments are negotiated with institutions with significant financial capacity; therefore, the Group believes the risk of non-performance of the obligations agreed to by such counterparties to be minimal.

(viii) Embedded derivative financial instruments

The Group reviews its contracts to identify the existence of embedded derivatives. Identified embedded derivatives are analysed to determine if they need to be separated from the host contract and recognised in the consolidated statement of financial position as assets or liabilities, applying the same valuation rules used for other derivative instruments. During the reported periods, the Group did not identify the existence of embedded derivatives.

(ix) Fair value measurements (note 14.3)

Employee benefits are measured at the fair value of plan assets, adjusted by remeasurement through OCI, less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation (note 18).

Under IFRS, fair value represents an "Exit Price" which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, considering the counterparty's credit risk in the valuation. The concept of Exit Price is premised on the existence of a market and market participants for the specific asset or liability. When there are no market and/or market participants willing to

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.6) FINANCIAL INSTRUMENTS (CONTINUED)

(ix) Fair value measurements (note 14.3) (continued)

make a market, IFRS establishes a fair value hierarchy that gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs represent quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group has the ability to access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.
- Level 2 are inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly, and are used mainly to determine the fair value of securities, investments or loans that are not actively traded. Level 2 inputs included equity prices, certain interest rates and yield curves, implied volatility and credit spreads, among others, as well as inputs extrapolated from other observable inputs. In the absence of Level 1 inputs, the Group determined fair values by iteration of the applicable Level 2 inputs, the number of securities and/or the other relevant terms of the contract, as applicable.
- Level 3 are inputs that are unobservable inputs for the asset or liability. The Group used unobservable inputs to determine fair values, to the extent there are no Level 1 or Level 2 inputs, in valuation models such as Black-Scholes, binomial, discounted cash flows or multiples of Operative EBITDA, including risk assumptions consistent with what market participants would use to arrive at fair values.

(2.7) INVENTORIES (note 11)

Inventories are valued using the lower of cost or net realisable value. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.7) INVENTORIES (note 11) (CONTINUED)

their existing location and condition. Cost is calculated using the weighted average method. The Group analyses its inventory balances to determine if, as a result of internal events, such as physical damage, or external events, such as technological changes or market conditions, certain portions of such balances have become obsolete or impaired. When an impairment situation arises, the inventory balance is adjusted to its net realisable value, whereas, if an obsolescence situation occurs, the inventory obsolescence reserve is increased. In both cases, these adjustments are recognised against the results of the period. Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 13)

Property, machinery and equipment are recognised at their acquisition or construction costs, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of property, machinery and equipment is recognised as part of cost of sales and operating expenses (note 5) and is calculated using the straight-line method over the estimated useful lives of the assets, except for mineral reserves, which are depleted using the units-of-production method.

As of December 31, 2022, the average useful lives by category of property, machinery and equipment were as follows:

	Years
Improvements to land and mineral reserves	30
Buildings	20 - 50
Machinery and equipment	3 - 33

All waste removal costs or stripping costs incurred in the operative phase of a surface mine in order to access the mineral reserves are recognised as part of the carrying amount of the related quarries. The capitalised amounts are further amortised over the expected useful life using the straight-line method.

Costs incurred in respect of operating property, machinery and equipment that result in future economic benefits, such as an extension in their useful lives, an increase in their production capacity or in safety, as well as those costs incurred to mitigate or prevent environmental damage, are capitalised as part of the carrying amount of the related assets. The capitalised costs are

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 13) (CONTINUED)

depreciated over the remaining useful lives of such property, machinery and equipment. Periodic maintenance on property, machinery and equipment is expensed as incurred. Advances to suppliers of property, machinery and equipment are presented as part of other accounts receivable, net.

The useful lives and residual values of property, machinery and equipment are reviewed annually and adjusted if appropriate.

(2.9) BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS

Business combinations are recognised using the acquisition method, by allocating the consideration transferred to assume control of the entity to all assets acquired and liabilities assumed, based on their estimated fair values as of the acquisition date. Intangible assets acquired are identified and recognised at fair value. Any unallocated portion of the purchase price represents goodwill, which is not amortised and is subject to periodic impairment tests (note 2.10). Goodwill may be adjusted for any correction to the preliminary assessment given to the assets acquired and/or liabilities assumed within the twelve-month period after purchase. Costs associated with the acquisition are expensed in the consolidated income statement as incurred.

The Group capitalises intangible assets acquired, as well as costs incurred in the development of intangible assets, when future economic benefits associated with them are identified and there is evidence of control over such benefits. Intangible assets are recognised at their acquisition or development cost, as applicable. Indefinite life intangible assets are not amortised since the period in which the benefits associated with such intangibles will terminate cannot be accurately established. Definite life intangible assets are amortised on straight-line basis as part of cost of sales and operating expenses (note 5).

Start-up costs are recognised in the consolidated income statement as they are incurred. Costs associated with research and development activities (“R&D activities”), performed by the Group to create products and services, as well as to develop processes, equipment and methods to optimise operational efficiency and reduce costs are recognised in the income statement as incurred. Direct costs incurred in the development stage of computer software for internal use are capitalised and amortised through

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.9) BUSINESS COMBINATIONS, GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

the operating results over the useful life of the software, which on average is approximately 5 years.

Costs incurred in exploration activities such as payments for rights to explore, topographical and geological studies, as well as trenching, among other items, incurred to assess the technical and commercial feasibility of extracting a mineral resource, which are not significant to the Group, are capitalised when future economic benefits associated with such activities are identified. When extraction begins, these costs are amortised during the useful life of the quarry based on the estimated metric tons of material to be extracted. When future economic benefits are not achieved, any capitalised costs are subject to impairment.

(2.10) IMPAIRMENT OF NON-FINANCIAL ASSETS (note 13)

Property, machinery and equipment, intangible assets of definite life and other investments

These assets are tested for impairment upon the occurrence of factors such as the occurrence of a significant adverse event, changes in the Group's operating environment or in technology, as well as expectations of lower operating results, to determine whether their carrying amounts may not be recovered. An impairment loss is recorded in the consolidated income statement for the period within "Other expenses" for the excess of the asset's carrying amount over its recoverable amount, corresponding to the higher of the fair value less costs to sell the asset, and the asset's value in use, the latter represented by the NPV of estimated cash flows related to the use and eventual disposal of the asset. The main assumptions utilised to develop estimates of NPV are a discount rate that reflects the risk of the cash flows associated with the assets and the estimations of generation of future income. Those assumptions are evaluated for reasonableness by comparing such discount rates to available market information and by comparing to third-party expectations of industry growth, such as governmental agencies or industry chambers.

The reportable segments reported by the Group (note 4), represent the Group's groups of CGUs considering: a) that the operating components that comprise the reported segment have similar economic characteristics; b)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.10) IMPAIRMENT OF NON-FINANCIAL ASSETS (note 13) (CONTINUED)

Property, machinery and equipment, intangible assets of definite life and other investments (continued)

that the reported segments are used by the Group to organise and evaluate its activities in its internal information system; c) the homogeneous nature of the items produced and traded in each operative component, which are all used by the construction industry; d) the vertical integration in the value chain of the products comprising each component; e) the type of clients, which are substantially similar in all components; and f) the operative integration among components.

Impairment tests are significantly sensitive to the estimation of future prices of the Group's products, the development of operating expenses, local and international economic trends in the construction industry, the long-term growth expectations in the different markets, as well as the discount rates and the growth rates in perpetuity applied. For purposes of estimating future prices, the Group uses, to the extent available, historical data plus the expected increase or decrease according to information issued by trusted external sources, such as national construction or cement producer chambers and/or in governmental economic expectations. Operating expenses are normally measured as a constant proportion of revenues, following experience.

(2.11) PROVISIONS

Provisions for litigation and legal

The Group recognises provisions when it has a legal or constructive obligation resulting from past events, whose resolution would imply cash outflows, or the delivery of other resources owned by the Group. As of December 31, 2022 some significant proceedings that gave rise to a portion of the carrying amount of the Group's other current and non-current liabilities and provisions are detailed in note 23.

Considering guidance under IFRS, the Group does not recognise provisions for levies imposed by governments until the obligating event or the activity that triggers the payment of the levy has occurred, as defined in the legislation.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.11) PROVISIONS (CONTINUED)

(i) Restructuring

The Group recognises provisions for restructuring when the restructuring detailed plans have been properly finalised and authorised by management and have been communicated to the stakeholders involved and/or affected by the restructuring prior to the consolidated statement of financial position's date. These provisions may include costs not associated with the Group's ongoing activities.

(ii) Costs related to remediation of the environment (note 17)

Provisions associated with environmental damage represent the estimated future cost of remediation, which are recognised at their nominal value when the time schedule for the disbursement is not clear, or when the economic effect for the passage of time is not significant; otherwise, such provisions are recognised at their discounted values using the weighted average cost of capital. Reimbursements from insurance companies are recognised as assets only when their recovery is practically certain. In that case, such reimbursement assets are not offset against the provision for remediation costs.

(iii) Provisions for contingencies and commitments (notes 22 and 23)

Obligations or losses related to contingencies are recognised as liabilities in the consolidated statement of financial position only when present obligations exist resulting from past events that are expected to result in an outflow of resources and the amount can be measured reliably. Otherwise, a qualitative disclosure is included in the notes to the consolidated financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognised in the consolidated financial statements on an incurred or accrued basis, after taking into consideration the substance of the agreements. Relevant commitments are disclosed in the notes to the consolidated financial statements. The Group does not recognise contingent revenues, income or assets, unless their realisation is virtually certain.

(iv) Legal provisions

The Group recognises provisions for legal settlements and litigation expenses when it is probable that threatened or commenced litigation will have an adverse economic effect on the Group.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.12) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 18)

(i) Defined contribution pension plans

The costs of defined contribution pension plans are recognised in the operating results as they are incurred. Liabilities arising from such plans are settled through cash transfers to the employees' retirement accounts, without generating future obligations.

(ii) Defined benefit pension plans and other post-employment benefits

The costs associated with employees' benefits for: a) defined benefit pension plans; and b) other post-employment benefits, basically consisting of health care benefits, life insurance and seniority premiums granted by the Group are recognised as services are rendered, based on actuarial estimations of the benefits' present value with the advice of external actuaries. For certain pension plans, the Group has created irrevocable trust funds to cover future benefit payments ("plan assets"). The net defined benefit asset (obligation) is recognised at the fair value of plan assets, adjusted by remeasurement through OCI, less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation at the reporting date. The actuarial assumptions and accounting policy consider: a) the use of nominal rates; b) a single rate is used for the determination of the expected return on plan assets and the discount of the benefits obligation to present value; c) net interest is recognised on the net defined benefit liability (liability minus plan assets); and d) all actuarial gains and losses for the period, related to differences between the projected and real actuarial assumptions at the end of the period, as well as the difference between the expected and real return on plan assets, are recognised as part of "Total items of other comprehensive (loss) income, net" within the consolidated statement of comprehensive income.

The service cost, corresponding to the increase in the obligation for additional benefits earned by employees during the period, is recognised within the consolidated income statement. The net interest cost, resulting from the increase in obligations for changes in the net present value and the change during the period in the estimated fair value of plan assets, is recognised within "Financial expense".

The effects from modifications to the pension plans that affect the cost of past services are recognised within the consolidated income statement over the period in which such modifications become effective to the employees or without delay if changes are effective immediately. Likewise, the effects

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.12) PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS (note 18) (CONTINUED)

(ii) Defined benefit pension plans and other post-employment benefits (continued)

from curtailments and/or settlements of obligations occurring during the period, associated with events that significantly reduce the cost of future services and/or reduce significantly the population subject to pension benefits, respectively, are recognised within "Other income and credits" or "Other expenses" as appropriate.

(iii) Termination benefits

Termination benefits, not associated with a restructuring event, which mainly represent severance payments by law, are recognised in the operating results for the period in which they are incurred.

(2.13) TAXATION (note 19)

The effects reflected in the consolidated income statement for the taxation charge include the amounts of current and deferred taxation, determined according to the income tax law applicable to each subsidiary.

Current taxation includes the expected taxation payable or recoverable on the taxable income or loss for the year and any adjustment to the taxation payable or recoverable in respect of previous years. The amount of current taxation payable or recoverable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Consolidated deferred taxation is calculated by applying the enacted statutory tax rate in the relevant jurisdiction to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering taxation assets such as loss carryforwards and other recoverable taxes, to the extent that it is probable that future taxable profits will be available against which they can be utilised. The measurement of deferred taxation at the reporting period reflects the tax consequences that follow the way in which the Group expects to recover or settle the carrying amount of its assets and liabilities. Deferred taxation for the period represents the difference between balances of deferred taxation at the beginning and the end of the period. Deferred taxation assets and liabilities relating to different tax jurisdictions are not offset. According to IFRS, all

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.13) TAXATION (note 19) (CONTINUED)

items charged or credited directly in the consolidated statement of changes in shareholders' equity or as part of other comprehensive income or loss for the period are recognised net of their current and deferred taxation effects. The effect of a change in enacted statutory tax rates is recognised in the period in which the change is substantively enacted.

Deferred taxation assets are reviewed at each reporting date and are reduced when it is not deemed probable that the related tax benefit will be realised, considering the aggregate amount of self-determined tax loss carryforwards that the Group believes will not be rejected by the tax authorities based on available evidence and the likelihood of recovering them prior to their expiration through an analysis of estimated future taxable income. If it is probable that the tax authorities would reject a self-determined deferred taxation asset, the Group would decrease such an asset. When it is considered that a deferred taxation asset will not be recovered before its expiration, the Group would not recognise such a deferred taxation asset. Both situations would result in additional tax expenses for the period in which such a determination is made. In order to determine whether it is probable that deferred taxation assets will ultimately be recovered, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies and future reversals of existing temporary differences. Likewise, the Group analyses its actual results versus the Group's estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from the Group's estimates, the deferred taxation asset and/or valuations may be affected, and necessary adjustments will be made based on relevant information in the Group's consolidated income statement for such a period.

The tax effects from an uncertain tax position are recognised when it is probable that the position will be sustained based on its technical merits and assuming that the tax authorities will examine each position and have full knowledge of all relevant information, and they are measured using a cumulative probability model. Each position has been considered on its own, regardless of its relation to any other broader tax settlement. The high probability threshold represents a positive assertion by management that the Group is entitled to the economic benefits of a tax position. If a tax position is considered not probable of being sustained, no benefits of the

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.13) TAXATION (note 19) (CONTINUED)

position are recognised. Interest and penalties related to unrecognised tax benefits are recorded as part of the taxation in the consolidated income statement.

The effective taxation rate is determined by dividing the line item "Taxation charge" by the line item "Earnings before taxation". This effective taxation rate is further reconciled to the Group's statutory tax rate applicable in Trinidad and Tobago (note 19.3). A significant effect in the Group's effective taxation rate and consequently in the reconciliation of the Group's effective tax rate, relates to the difference between the statutory tax rate in Trinidad and Tobago of 30% against the applicable taxation rates of each country where the Group operates.

For the years ended December 31, 2022 and 2021, the statutory tax rates in the Group's main operations were as follows:

Country	2022	2021
Trinidad and Tobago	30.00%	30.00%
Jamaica	25.00%	25.00%
Guyana	25.00%	25.00%
Barbados	2.50% - 5.50%	2.50% - 5.50%

The Group's current and deferred taxation amounts included in the consolidated income statement for the period are highly variable, and are subject, among other factors, to taxable income determined in each jurisdiction in which the Group operates. Such amounts of taxable income depend on factors such as sales volumes and prices, costs and expenses, exchange rates fluctuations and interest on debt, among others, as well as to the estimated tax assets at the end of the period due to the expected future generation of taxable gains in each jurisdiction.

(2.14) BORROWINGS AND BORROWING COSTS (note 14.1)

Short-term debt and long-term debt

Borrowings are stated initially at cost, being the fair value of consideration received net of transaction costs associated with the borrowings. After initial recognition, borrowings are measured at amortised cost using the

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.14) BORROWINGS AND BORROWING COSTS (note 14.1) (CONTINUED)

effective interest method; any difference between proceeds and the redemption value is recognised in the consolidated income statement over the period of the borrowings.

Borrowings are classified as current when the Group expects to settle the liability in its normal operating cycle, it holds the liability primarily for the purpose of trading, the liability is due to be settled within 12 months after the date of the consolidated statement of financial position, or it does not have an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position, otherwise, it is classified as long-term.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(2.15) LEASES

As lessee

The Group initially applied IFRS 16 *Leases* from January 1, 2019, using the modified retrospective approach, under which the right-of-use assets were measured at an amount based on the lease liabilities.

At inception of a contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.15) LEASES (CONTINUED)

As lessee (continued)

- The Group has the right to direct use of the asset. The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using an interest rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liabilities comprise solely fixed payments. The lease liabilities are measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The Group does not recognise the rental of the land for the quarries as those are not within the scope of IFRS 16.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.16) SHAREHOLDERS' EQUITY

Stated capital

This item represents the value of issued and fully paid ordinary shares of no par value.

Unallocated ESOP shares (note 20.2)

The Company operates an Employee Share Ownership Plan ("ESOP") to give effect to a contractual obligation to pay profit-sharing bonuses to employees via shares of the Company based on a set formula.

Shares acquired by the ESOP are funded by the Company's contributions. The cost of the shares so acquired, and which remain unallocated to employees have been recognised in the consolidated statement of changes in shareholders' equity under "Unallocated ESOP shares".

Other equity reserves (note 20.3)

The cumulative effects of items and transactions that are, temporarily or permanently, recognised directly to the consolidated statement of changes in shareholders' equity, and includes the comprehensive income, which reflects certain changes in shareholders' equity that do not result from transactions and distributions to owners are recorded as other equity reserves. The most significant items within "Other equity reserves" during the reported periods are as follows:

Items of "Other equity reserves" included within other comprehensive income:

- Currency translation effects from the translation of foreign subsidiaries, net of: a) exchange results from foreign currency debt directly related to the acquisition of foreign subsidiaries; and b) exchange results from foreign currency related parties' balances that are of a non-current investment class (note 2.4);
- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in the consolidated statement of shareholders' equity (note 2.6); and
- Current and deferred taxation during the period arising from items whose effects are directly recognised in the consolidated statement of changes in shareholders' equity.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.16) SHAREHOLDERS' EQUITY (CONTINUED)

Items of "Other equity reserves" not included in other comprehensive income:

- Effects related to controlling shareholders' equity for changes or transactions affecting non-controlling interest shareholders in the Group's consolidated subsidiaries; and
- ESOP transactions.

Retained earnings

Retained earnings represent the cumulative net results of prior years, net of: a) dividends declared; b) capitalisation of retained earnings; c) items of other comprehensive income that will not be reclassified subsequently to the consolidated income statement; and d) cumulative effects from adoption of new IFRS.

Non-controlling interest (note 20.5)

This caption includes the share of non-controlling shareholders in the results and equity of consolidated subsidiaries.

Dividends

Dividends declared and payable to the Company's shareholders are recognised as a liability in the Group statement of financial position in the period in which the dividends are declared by the Company's Board of Directors.

(2.17) REVENUE RECOGNITION (note 3)

Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the Group's subsidiaries for goods and services supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods and services passes to the customer. Revenues are decreased by any trade discounts or volume rebates granted to customers. Transactions between related parties are eliminated on consolidation.

Variable consideration is recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised for the contract will not occur and is measured using the expected value or the most likely amount method, whichever is expected to better predict the amount based on the terms and conditions of the contract.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.17) REVENUE RECOGNITION (note 3) (CONTINUED)

Revenue and costs from trading activities, in which the Group acquires finished goods from a third party and subsequently sells the goods to another third-party, are recognised on a gross basis, considering that the Group assumes ownership risks on the goods purchased, not acting as agent or broker.

Progress payments and advances received from customers do not reflect the work performed and are recognised as “Other current liabilities”.

(2.18) COST OF SALES AND OPERATING EXPENSES (note 5)

Cost of sales represents the production cost of inventories at the moment of sale. Such 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.

Administrative expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortisation, related to managerial activities and back office for the Group’s management.

Distribution and logistics expenses refer to expenses of storage at points of sales, including depreciation and amortisation, 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.

(2.19) FINANCE INCOME AND EXPENSE

Finance income comprises interest income on savings from bank accounts. Interest income is recognised as it accrues, using the effective interest method. Finance expense comprises interest charges on short-term and long-term debt unwinding of the discount on other financial liabilities, unwinding of the discount on lease liabilities and unwinding of the discount on the rehabilitation provision. Interest is recognised and accrued using the effective interest method.

(2.20) RELATED PARTY

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the “reporting entity”, in this case, the Group).

A related party transaction is a transfer of resources, services or obligations between related parties, independent of whether the amount is charged.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.20) RELATED PARTY (CONTINUED)

(i) A person or a close member of that person's family is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or of a parent of the Group.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an entity of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled, or jointly controlled, by a person identified in (i).

(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a group of which it is a part, provides key management services to the Group or to the parent of the Group.

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED

IFRS issued as of the date of issuance of these consolidated financial statements which have not yet been adopted are described as follows. The Group is currently reviewing the possible impact of these new standards.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED (CONTINUED)

Amendments to IAS 1, *Presentation of Financial Statements*
Effective date: January 1, 2024

IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 12 *Income Taxes*
Effective date: January 1, 2023

The amendments clarify how companies should account for deferred tax on certain transactions – e.g. leases and decommissioning provisions.

The amendments narrow the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of leases and a decommissioning provision.

For leases and decommissioning liabilities, the associated deferred tax asset and liability will need to be recognised from the beginning of the earliest comparative period presented with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If a company previously accounted for deferred tax on leases and decommissioning liabilities under the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability.

For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED (CONTINUED)

Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2

Effective date: January 1, 2023

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

IFRS 17 *Insurance Contracts*

Effective date: January 1, 2023

The standard provides guidance for accounting for insurance contracts covering recognition and measurement, presentation and disclosure. The standard creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.

Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

Effective date: January 1, 2023

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarity the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Developing an accounting estimate includes both:

(1) Selecting a measurement, technique (estimation or valuation technique) - e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

(2) Choosing the inputs to be used when applying the chosen measurement technique – e.g., the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(2) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.21) NEWLY ISSUED IFRS NOT YET ADOPTED (CONTINUED)

Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (continued)

The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

Amendments to IFRS 10, *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*
Available for adoption/ effective date deferred indefinitely

The amendments clarify the recognition of gains or losses in the Parent's financial statements for the sale or contribution of assets between an investor and its associate or joint venture.

(3) REVENUE

The Group's revenue is mainly originated from the sale and distribution of cement, ready-mix concrete, aggregates, packaging and other construction materials. The Group grants credit for terms ranging from 3 to 60 days depending on the type and risk of each customer. For the years ended December 31, 2022 and 2021 revenue, after eliminations between related parties resulting from consolidation, is as follows:

	2022 $	2021 $
From the sale of goods associated with the Group's main activities	2,061,227	1,896,518

The Group sells its products primarily to distributors in the construction industry, with no specific geographic concentration within the countries in which the Group operates. As of and for the years ended December 31, 2022 and 2021, no single customer individually accounted for a significant amount of the reported amounts of sales or in the balances of trade accounts receivable. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

Information on revenue by reportable segment and primary geographical markets for the years 2022 and 2021 is presented in note 4.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(4) FINANCIAL INFORMATION BY SEGMENT

Reportable segments represent the components of the Group that engage in business activities from which the Group may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's top management to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available. The Group operates geographically and by lines of business on a country basis. For the reported periods, the Group's main lines of business are 1) cement, 2) concrete, and 3) packaging and the Group's geographical segments are as follows: 1) Trinidad and Tobago, 2) Jamaica, 3) Barbados and 4) Guyana. The accounting policies applied to determine the financial information by reportable segment are consistent with those described in note 2.

Each reportable segment's operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM"), to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group has identified the Group's Managing Director as its CODM.

The Group is organised and managed on the basis of the main product lines provided which are cement, concrete and packaging. Management records and monitors the operating results of each of the business units separately for the purpose of making decisions about resource allocations and performance assessment. Transfer pricing between operating segments is on an arm's length basis.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(4) FINANCIAL INFORMATION BY SEGMENT (CONTINUED)

Selected information of the consolidated financial statements by reportable segment for the years 2022 and 2021 was as follows:

	Cement $	Concrete $	Packaging $	Adjustments $	Total $
2022					
Total revenue	2,220,832	54,495	28,292	-	2,303,619
Inter-segment revenue	(206,950)	(3,841)	(31,601)	-	(242,392)
Third-party revenue	2,013,882	50,654	(3,309)	-	2,061,227
Depreciation	126,597	8,462	433	-	135,492
Write-off of property, machinery and equipment	57,015	-	-	-	57,015
Earnings before taxation	159,312	3,560	6,945	-	169,817
Segment assets	3,372,241	125,003	97,559	(1,237,504)	2,357,299
Segment liabilities	2,460,136	46,718	7,933	(1,032,581)	1,482,206
Capital expenditure	(112,609)	(2,684)	-	-	(115,293)
Operating cash flows	157,361	141	(3,989)	-	153,513
Investing cash flows	(110,656)	(1,906)	-	-	(112,562)
Financing cash flows	(29,339)	(383)	-	-	(29,722)
Net increase (decrease) in cash and cash equivalents	17,366	(2,148)	(3,989)	-	11,229
2021					
Total revenue	2,037,673	67,272	40,212	-	2,145,157
Inter-segment revenue	(208,981)	(3,605)	(36,053)	-	(248,639)
Third-party revenue	1,828,692	63,667	4,159	-	1,896,518
Depreciation	119,707	6,740	596	-	127,043
Reversal of impairment losses on property, machinery and equipment	21,799	-	-	-	21,799
Earnings (loss) before taxation	229,529	14,704	(554)	-	243,679
Segment assets	3,261,356	132,690	73,313	(1,073,192)	2,394,167
Segment liabilities	2,316,206	45,571	14,273	(874,075)	1,501,975
Capital expenditure	(141,764)	(6,136)	-	-	(147,900)
Operating cash flows	296,986	5,989	(5,510)	-	297,465
Investing cash flows	(134,184)	(4,472)	1,184	-	(137,472)
Financing cash flows	(170,696)	-	-	-	(170,696)
Net (decrease) increase in cash and cash equivalents	(7,894)	1,517	(4,326)	-	(10,703)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(4) FINANCIAL INFORMATION BY SEGMENT (CONTINUED)

Selected information of the consolidated financial statements by geographical segment for the years 2022 and 2021 was as follows:

	2022			2021		
	Revenue[1] $	Property, machinery and equipment $	Additions to fixed assets $	Revenue[1] $	Property, machinery and equipment $	Additions to fixed assets $
Trinidad and Tobago	476,848	399,645	43,981	401,102	401,490	33,433
Jamaica	1,099,524	999,993	55,372	1,056,508	992,813	79,001
Barbados	53,302	153,190	11,793	49,867	213,118	33,340
Guyana	171,986	38,335	4,147	140,322	39,184	2,126
Others	259,567	-	-	248,719	-	-
Total	2,061,227	1,591,163	115,293	1,896,518	1,646,605	147,900

[1] The revenue information above represents third-party revenue based on the location of the customers' operations. Other countries include the OECS islands.

(5) COST OF SALES, OPERATING EXPENSES, DEPRECIATION AND AMORTISATION

	2022 $	2021 $
(i) Consolidated cost of sales and operating expenses during 2022 and 2021 by nature are as follows:		
Personnel remuneration and benefits	301,675	283,660
Fuel and electricity	331,617	318,190
Miscellaneous operating and production expenses	182,634	169,737
Raw materials and consumables	440,553	444,668
Equipment hire and haulage	179,244	162,602
Repairs and maintenance	86,608	75,987
Changes in finished goods and work in progress	17,901	2,062
Impairment (reversal) loss on trade accounts receivable	(857)	819
Depreciation (note 5 (iii))	135,492	127,043
Total cost of sales and operating expenses	1,674,867	1,584,768

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(5) COST OF SALES, OPERATING EXPENSES, DEPRECIATION AND AMORTISATION (CONTINUED)

	2022 $	2021 $
(ii) The total expenses included in the consolidated income statement are as follows:		
Cost of sales	1,379,886	1,326,431
Administrative expenses	128,024	116,619
Selling expenses	15,943	18,653
Distribution and logistics expenses	151,014	123,065
	1,674,867	1,584,768
(iii) Depreciation and amortisation recognised during 2022 and 2021 are detailed as follows:		
Included in cost of sales	(119,712)	(116,346)
Included in administrative, selling, distribution and logistics expenses	(15,780)	(10,697)
	(135,492)	(127,043)

Consolidated income statement

Trinidad Cement Limited includes the line item titled “Operating earnings before other expenses and other income and credits” considering that it is a relevant operating measure for the Group’s management. The line items “Other expenses” and “Other income and credits” consist primarily of income 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. Under IFRS, the inclusion of certain subtotals such as “Operating earnings before other expenses and other income and credits” and the display of the consolidated income statement vary significantly by industry and company according to specific needs.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(6) OTHER EXPENSES AND OTHER INCOME AND CREDITS

The details of the line items "Other expenses" and "Other income and credits" in 2022 and 2021 were as follows:

	2022 $	2021 $
Other expenses:		
Restructuring costs	(96,175)	(27,659)
Related company royalties and management fees	(36,410)	(4,332)
Write-off of property, machinery and equipment	(57,015)	-
	(189,600)	(31,991)
Other income and credits:		
Other income	8,034	-
Past service cost of pension and post-retirement employee benefits (note 18)	3,864	30,249
Reversal of impairment losses on property, machinery and equipment	-	21,799
Dividends received	4,119	-
Write-off of property, machinery and equipment	-	2
Gain from the sale of assets and others, net	-	1,790
	16,017	53,840

Restructuring costs

In 2022, restructuring costs mainly refer to termination payments, legal expenses and inventory write-downs and other provisions.

Reversal of impairment losses on property, machinery and equipment

During 2021, the Group performed a valuation of the property, machinery and equipment to ascertain the fair value less cost to sell. Consequently, the Group reversed $21.8 million of impairment losses. The reversal of impairment losses was recorded in "Other income and credits".

Other income

In 2022, other income mainly comprises insurance claim proceeds and reversals of inventory provisions.

Dividends received

During 2022, dividend income was received from East Lake Development Company Limited ("ELDCL"). ELDCL is an investee of RML.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(6) OTHER EXPENSES AND OTHER INCOME AND CREDITS (CONTINUED)

Restructuring of operations in Barbados

During 2022, the Group committed to a plan to restructure the cement manufacturing operation of a subsidiary in Barbados due to the persistently rising costs and increased competition in ACCL's primary markets. The restructuring will occur during 2023. Following communication of the plan in 2022, the Group recognised expenses totalling $129,689 regarding the restructuring comprising the following:

	2022 $
The following expenses were included in restructuring costs:	
Expected employee termination payments	(29,166)
Inventory write-downs	(48,158)
	(77,324)
The following expenses were included in past service cost of pension and post-retirement employee benefits:	
Past service cost of pension and post-retirement employee benefits (note 18)	3,864
The following expenses were included in write-off of property, machinery and equipment:	
Fixed asset write-off	(52,229)
	(125,689)

The Group's restructuring of ACCL mainly comprises the discontinuation of clinker production. Fixed assets utilised in ACCL's clinker production with a carrying value of $52,229 were written off. Due to the age, physical condition and nature of these assets, disposal of these assets was not deemed to be a viable option for the Group. In this circumstance the value in use and the fair value of these assets were estimated to be nil, and the carrying value was written off.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(7) FINANCIAL EXPENSE

The details of financial expense in 2022 and 2021 were as follows:

	2022 $	2021 $
Interest expense	(26,649)	(46,153)
Unwinding of discount on lease liabilities (note 24)	(2,532)	(2,897)
Net interest on pension and other post-retirement obligations (note 18)	(4,741)	(10,455)
Foreign exchange results	(10,316)	(30,445)
	(44,238)	(89,950)

(8) CASH AND CASH EQUIVALENTS

As of December 31, 2022, consolidated cash and cash equivalents consisted of:

	2022 $	2021 $
Cash at bank and on hand	87,004	75,655

(9) TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2022, consolidated trade accounts receivable, net consisted of:

	2022 $	2021 $
Trade accounts receivable	65,646	82,507
Allowances for expected credit losses	(16,398)	(20,939)
	49,248	61,568

Under the Expected Credit Loss ("ECL") model, the Group segments its accounts receivable in a matrix by country, type of client or homogeneous credit risk and days past due and determines for each segment an average rate of ECL, considering actual credit loss experience over the last 60 months and analyses of future delinquency, that is applied to the balance of the accounts receivable and on origination of the trade accounts receivable. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 360 days or more past due.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(9) TRADE ACCOUNTS RECEIVABLE, NET (CONTINUED)

As of December 31, 2022, the balances of trade accounts receivable and the allowance for ECL were as follows:

	2022			2021		
	Accounts receivable $	ECL allowance $	ECL average rate	Accounts receivable $	ECL allowance $	ECL average rate
Trinidad and Tobago	16,373	(1,525)	9%	18,461	(5,211)	28%
Jamaica	11,645	(1)	0%	14,247	(11)	0%
Barbados	33,464	(13,650)	41%	42,586	(13,724)	32%
Guyana	4,164	(1,222)	29%	7,213	(1,993)	28%
Total	65,646	(16,398)	25%	82,507	(20,939)	25%

Changes in the allowance for ECL in 2022 and 2021, were as follows:

	2022 $	2021 $
Allowances for ECL at beginning of year	20,939	22,819
Charged to income statement	(857)	819
Accounts receivable written off during the year.	(4,018)	(2,519)
Foreign currency translation effects	334	(180)
Allowances for ECL at end of year	16,398	20,939

(10) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2022, consolidated other accounts receivable consisted of:

	2022 $	2021 $
Sundry receivables and prepayments	31,097	9,852
Loans to employees and others	2,553	1,432
Value added tax	31,177	16,465
Due from related companies (note 25)	9,171	6,911
	73,998	34,660

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(11) INVENTORIES, NET

As of December 31, 2022, the consolidated balance of inventories was summarised as follows:

	2022 $	2021 $
Finished goods	46,289	34,301
Work-in-process	68,191	34,694
Raw materials	16,464	15,556
Materials and spare parts	243,129	222,768
Inventory in transit	43,285	17,203
	417,358	324,522

For the years ended December 31, 2022 and 2021, inventories are shown net of inventory impairment losses of $86.6 million and $42.5 million, respectively.

During the year, inventories of $857,536 (2021: $843,617) were recognised as an expense and included in cost of sales.

During the year there was inventory write-offs amounting to $47,382 (2021: $6,062) which is recorded in "Other expenses" (see note 6).

The changes in the inventory provision for obsolescence for the year ended December 31, 2022 and 2021 are as follows:

	2022 $	2021 $
Inventory obsolescence provision at beginning of period	42,480	47,559
Expense charged to consolidated income statement	53,894	6,062
Write-offs of inventories during the period	(3,723)	(8,862)
Write-back of provisions during the period	(6,165)	(2,078)
Foreign currency translation effects	132	(201)
Inventory obsolescence provision at end of period	86,618	42,480

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(12) INVESTMENTS

As of December 31, 2022, consolidated other investments and non-current accounts receivable were summarised as follows:

	2022 $	2021 $
Investments in strategic equity securities[1]	1	1
	1	1

[1] This is a strategic investment in a property development company. The Group holds a 10% minority shareholding and does not exercise control.

(13) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2022, consolidated property, machinery and equipment, net and the changes in such line item during 2022 and 2021, were as follows:

	Land and mineral reserves $	Buildings $	Machinery and equipment $	Construction in progress $	Total $
2022					
Cost at beginning of year	128,427	326,392	3,541,481	243,240	4,239,540
Accumulated depreciation	(26,228)	(219,355)	(2,347,352)	-	(2,592,935)
Net book value at beginning of year	102,199	107,037	1,194,129	243,240	1,646,605
Capital expenditures	778	785	2,183	111,547	115,293
Disposals	-	-	-	-	-
Reclassifications	10,836	21,246	92,419	(119,704)	4,797
Depreciation for the year	(3,856)	(17,044)	(114,592)	-	(135,492)
Write-off of property, machinery and equipment	-	(6,594)	(42,520)	(7,901)	(57,015)
Foreign currency translation effects	692	668	13,216	2,399	16,975
Net book value at end of year	110,649	106,098	1,144,835	229,581	1,591,163
Cost at end of year	145,465	338,460	3,598,222	229,581	4,311,728
Accumulated depreciation	(34,816)	(232,362)	(2,453,387)	-	(2,720,565)
Net book value at end of year	110,649	106,098	1,144,835	229,581	1,591,163

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(13) PROPERTY, MACHINERY AND EQUIPMENT, NET (CONTINUED)

Write-off of property, machinery and equipment

In 2022, the Group wrote off assets earmarked for abandonment pursuant to its communicated restructuring plan with a carrying value of $52,229 (note 6) and also wrote off other discontinued or discarded assets with a carrying value of $4,786.

	Land and mineral reserves	Buildings	Machinery and equipment	Construction in progress	Total
	$	$	$	$	$
2021					
Cost at beginning of year	133,160	325,248	3,681,228	145,995	4,285,631
Accumulated depreciation	(27,022)	(224,408)	(2,331,123)	-	(2,582,553)
Net book value at beginning of year	106,138	100,840	1,350,105	145,995	1,703,078
Capital expenditures	2,063	6,338	4,836	134,663	147,900
Disposals	-	(1,841)	(1,158)	-	(2,999)
Reclassifications	700	1,195	30,066	(31,961)	-
Depreciation for the year	(2,441)	(13,283)	(111,319)	-	(127,043)
Reversal of impairment losses on property, machinery and equipment	-	17,193	4,606	-	21,799
Foreign currency translation effects	(4,261)	(3,405)	(83,007)	(5,457)	(96,130)
Net book value at end of year	102,199	107,037	1,194,129	243,240	1,646,605
Cost at end of year	128,427	326,392	3,541,481	243,240	4,239,540
Accumulated depreciation	(26,228)	(219,355)	(2,347,352)	-	(2,592,935)
Net book value at end of year	102,199	107,037	1,194,129	243,240	1,646,605

Reversal of impairment losses on property, machinery and equipment

In 2021, the Group performed a valuation of the property, machinery and equipment to ascertain the fair value less cost to sell. Consequently, the Group reversed $21.8 million. The reversal of impairment losses was recorded in "Other income and credits" (note 6).

Right of use assets

Right of use assets recorded in property, machinery and equipment are disclosed in note 24.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS

(14.1) SHORT-TERM AND LONG-TERM DEBT

As of December 31, 2022, the Group´s consolidated debt summarised by interest rates and currencies, was as follows:

	2022			2021		
	Short-term $	Long-term $	Total $	Short-term $	Long-term $	Total $
TYPE						
USD floating rate debt	-	169,691	169,691	-	170,980	170,980
TTD floating rate debt	-	267,439	267,439	-	267,780	267,780
	-	437,130	437,130	-	438,760	438,760
Effective rate [1]						
USD floating rate debt	-	9.85%		-	5.04%	
TTD floating rate debt	-	3.40%		-	3.37%	

	2022				2021			
	Short-term $	Long-term $	Total $	Effective rate[1] $	Short-term $	Long-term $	Total $	Effective rate[1] $
CURRENCY								
USD	-	169,691	169,691	9.85%	-	170,980	170,980	5.04%
TTD	-	267,439	267,439	3.40%	-	267,780	267,780	3.37%
	-	437,130	437,130		-	438,760	438,760	

[1] In 2022 and 2021, the effective rate represents the weighted-average interest rate of the related debt agreements.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.1) SHORT-TERM AND LONG-TERM DEBT (CONTINUED)

	2022			2021		
	Short-term $	Long-term $	Total $	Short-term $	Long-term $	Total $
FACILITY						
Related party loans						
Revolving loan facilities	-	169,691	169,691	-	170,980	170,980
Bank loans						
Term loans	-	267,439	267,439	-	267,780	267,780
	-	267,439	267,439	-	267,780	267,780
	-	437,130	437,130	-	438,760	438,760

Changes in consolidated debt for the year ended December 31, 2022 was as follows:

	2022 $	2021 $
Debt at beginning of year	438,760	612,643
Proceeds from debt	146,256	584,120
Proceeds transferred directly to third parties	6,501	-
Debt repayments	(155,674)	(747,178)
Capitalised interest	-	4,737
Foreign currency translation and accretion effects	1,287	(15,562)
Debt at end of year	437,130	438,760
The maturities of consolidated long-term debt as of December 31, 2022, were as follows:		
2023	-	267,780
2024	142,560	170,980
2025	162,131	-
2026	132,439	-
2027 and thereafter	-	-
	437,130	438,760

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.1) SHORT-TERM AND LONG-TERM DEBT (CONTINUED)

(i) Related party loans ($169.7 million)

On May 28, 2018 and April 25, 2021 the Group negotiated revolving facilities with a related company with the following key terms:

	Maximum available	Interest rate	Maturity date
Floating rate loan A	US$ 52,000	LIBOR 3M + 4.20% (effective rate 4.95%)	May 27, 2025
Floating rate loan B	US$ 50,000	LIBOR 6M + 4.96% (effective rate 5.04%)	April 25, 2024

(ii) Bank loans ($267.4 million)

Trinidad and Tobago bank loans ($267.4 million)

On December 2, 2022 the Group negotiated three (3) 4-year loan facilities with the banks in Trinidad and Tobago. The terms of these loans are disclosed below:

	Maximum available	Interest rate	Maturity date
Term loan C	TTD 135,000	OMO[1] 3m +290bps[2] (effective rate 3.40%)	December 2, 2026
Term loan D	TTD 67,500	OMO 3m +290bps (effective rate 3.40%)	December 2, 2026
Term loan E	TTD 67,500	OMO 3m +290bps (effective rate 3.40%)	December 2, 2026

[1] The abbreviation “OMO” refers to the Government of Trinidad and Tobago securities open market operation trading rate.

[2] The abbreviation “bps” means basis points. One hundred basis points equal 1%.

The loans from the Trinidad and Tobago banks all have similar restrictions and financial covenants which mainly include: a) the consolidated ratio of debt to Operating EBITDA (the “Leverage ratio”); and b) the consolidated ratio of Operating EBITDA to interest expense (the “Coverage ratio”). These financial ratios are calculated according to the formulas established in the debt contracts using the consolidated amounts under IFRS. The Group must comply with the following ratios for each quarter:

Interest coverage ratio	> = 3.00
Consolidated net debt to consolidated EBITDA	< = 3.75

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.1) SHORT-TERM AND LONG-TERM DEBT (CONTINUED)

(iii) Jamaican bank loans ($0.0 million)

	Maximum available	Interest rate	Maturity date
Revolving credit line	JMD 3,076,000	7.45%	November 30, 2023

The loans from the local bank in Jamaica have financial covenants which mainly include: a) the ratio of debt to Operating EBITDA (the "Leverage ratio"); and b) the ratio of Operating EBITDA to interest expense (the "Coverage ratio"). These financial ratios are calculated according to the formulas established in the debt agreement using the amounts under IFRS. The Group must comply with a Coverage Ratio and a Leverage Ratio for each quarter as follows:

Coverage ratio	> = 1.20
Leverage ratio	< = 4.00

The company exercised the option to make early repayments and paid the balance in full during 2021.

As of December 31, 2022, other financial obligations in the consolidated statement of financial position are detailed as follows:

	2022			2021		
	Short-term $	Long-term $	Total $	Short-term $	Long-term $	Total $
IFRS 16 lease liabilities (note 24)	7,501	15,325	22,826	7,091	19,325	26,416

Changes in consolidated IFRS 16 lease liabilities for the years ended December 31, 2022 and 2021 were as follows:

	2022 $	2021 $
Balance at beginning of year	26,416	28,582
New leases	2,731	8,638
Unwinding of discount on lease liabilities (note 7)	2,532	2,897
Payment	(9,443)	(10,565)
Cancellations and remeasurements	501	(2,472)
Foreign currency translation and accretion effects	89	(664)
Balance at end of year	22,826	26,416

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.2) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	2022			2021		
	Short-term and long-term debt $	Other financial obligations $	Total $	Short-term and long-term debt $	Other financial obligations $	Total $
Balance at beginning of year	438,760	26,416	465,176	612,643	28,582	641,225
New long-term debt	146,256	-	146,256	584,120	-	584,120
Debt repayments	(155,674)	(6,911)	(162,585)	(747,178)	(13,037)	(760,215)
Total changes from financing cash flows	(9,418)	(6,911)	(16,329)	(163,058)	(13,037)	(176,095)
New leases & non-cashflow increases in debt	6,501	2,731	9,232	-	8,638	8,638
Capitalised interest and unwinding of discount on lease liabilities (note 7)	-	-	-	4,737	2,897	7,634
Cancellations and remeasurements	-	501	501	-	-	-
Foreign currency translation and accretion effects	1,287	89	1,376	(15,562)	(664)	(16,226)
Balance at end of year	437,130	22,826	459,956	438,760	26,416	465,176

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.3) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

The carrying amounts of cash and cash equivalents, trade accounts receivable, other accounts receivable, taxation recoverable, trade payables, other current and non-current liabilities, taxation payable as well as short-term debt and other financial obligations, approximate their corresponding estimated fair values due to the short-term maturity and revolving nature of these financial assets and liabilities.

The estimated fair value of the Group´s long-term debt is level 2 and is either based on estimated market prices for such or similar instruments, considering interest rates currently available for the Group to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to the Group. As of December 31, 2022, the carrying amounts of fixed interest rate debt and their respective fair values were the same because institutions indicative rates quoted remained unchanged.

The fair value hierarchy determined by the Group for its derivative financial instruments are level 2. There is no direct measure for the risk of the Group or its counterparties in connection with the derivative instruments. Therefore, the risk factors applied for the Group's liabilities originated by the valuation of such derivatives were extrapolated from publicly available risk discounts for other public debt instruments of the Group and its counterparties.

The estimated fair value of derivative instruments fluctuates over time and is determined by measuring the effect of future relevant economic variables according to the yield curves shown in the market as of the reporting date. These values should be analysed in relation to the fair values of the underlying transactions and as part of the Group's overall exposure attributable to fluctuations in interest rates and foreign exchange rates. The notional amounts of derivative instruments do not represent amounts of cash exchanged by the parties, and consequently, there is no direct measure of the Group's exposure to the use of these derivatives. The amounts exchanged are determined on the basis of the notional amounts and other terms included in the derivative instruments.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.3) FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

As of December 31, 2022, liabilities or assets carried at fair value in the consolidated statements of financial position are included in the following fair value hierarchy categories:

	2022				2021			
	Level 1 $	Level 2 $	Level 3 $	Total $	Level 1 $	Level 2 $	Level 3 $	Total $
Assets measured at fair value								
Derivative financial instruments (note 14.4)	-	-	-	-	-	2,185	-	2,185

(14.4) DERIVATIVE FINANCIAL INSTRUMENTS

During the reported periods, in compliance with the guidelines established by its Risk Management Committee, the restrictions set forth by its debt agreements and its hedging strategy, the Group held derivative instruments, with the objectives of changing the risk profile and fixing the price of fuels.

As of December 31, 2022, the notional amounts and fair values of the Group's derivative instruments were as follows:

	2022		2021	
	Notional amount $	Fair value $	Notional amount $	Fair value $
Fuel price hedging	-	-	2,185	2,185

At December 31, 2022, the aggregate notional amount of the contract is $nil (US$nil) [2021: $2.185 million (US$0.316 million)], with an estimated aggregate fair value of $nil (US$nil) [2021: $2.185 million (US$0.316 million)]. The contract was designated as a cash flow hedge of diesel fuel consumption, and as such, changes in its fair value were recognised initially in other comprehensive income and were recycled to the income statement as the

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.4) DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

related diesel volumes were consumed. Fair value gains of a hedge contract recognised in other comprehensive income in 2021 amounting to $2.185 million (US$0.316 million) were recycled through the income statement in 2022.

(14.5) RISK MANAGEMENT

Enterprise risks may arise from any of the following situations: i) the potential change in the value of assets owned or reasonably anticipated to be owned, ii) the potential change in value of liabilities incurred or reasonably anticipated to be incurred, iii) the potential change in value of services provided, purchased or reasonably anticipated to be provided or purchased in the ordinary course of business, iv) the potential change in the value of assets, services, inputs, products or commodities owned, produced, manufactured, processed, merchandised, leased or sold or reasonably anticipated to be owned, produced, manufactured, processed, merchandised, leased or sold in the ordinary course of business, or v) any potential change in the value arising from interest rate or foreign exchange rate exposures arising from current or anticipated assets or liabilities.

In the ordinary course of business, the Group is exposed to commodities risk, including the exposure from inputs such as fuel, coal, petcoke, gypsum and other industrial materials which are commonly used by the Group in the production process, and expose the Group to variations in prices of the underlying commodities. To manage this and other risks, such as credit risk, interest rate risk, foreign exchange risk and liquidity risk, considering the guidelines set forth by the Board of Directors, which represent the Group's risk management framework and which are supervised by several committees, the Group's management establishes specific policies that determine strategies oriented to obtain natural hedges to the extent possible, such as avoiding customer concentration on a determined market or aligning the currencies portfolio in which the Group incurred its debt with those in which the Group generates its cash flows.

As of December 31, 2022, these strategies are sometimes complemented with the use of derivative financial instruments as mentioned in note 14.4, such as the commodity forward contracts on fuels negotiated to fix the price of these underlying commodities.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

The main risk categories are mentioned below:

(i) Credit risk

Credit risk is the risk of financial loss faced by the Group if a customer or counterparty to a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2022, the maximum exposure to credit risk is represented by the balance of financial assets on the consolidated statement of financial position. Management has developed policies for the authorisation of credit to customers. Exposure to credit risk is monitored constantly according to the payment behaviour of debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customer's payment capacity, as well as past behaviour regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the Group's management requires guarantees from its customers and financial counterparties with regard to financial assets.

The Group's management has established a policy of low risk tolerance which analyses the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery. The review includes external ratings, when references are available, and in some cases bank references. Thresholds of purchase limits are established for each client, which represent the maximum purchase amounts that require different levels of approval. Customers that do not meet the levels of solvency requirements imposed by the Group can only carry out transactions by paying cash in advance. In response to the COVID-19 pandemic, the Group has updated the forward-looking analysis in its ECL model with the applicable macroeconomics projections. As of December 31, 2022, considering the Group's best estimate of potential expected losses based on the ECL model developed by the Group (note 9), the allowance for doubtful accounts was $16,398 (2021: $20,939).

On December 31, 2022 and 2021 the Group had 5 and 8 customers respectively that owed the Group more than $2 million each and which accounted for 30% and 43% respectively of all trade accounts receivable.

The Group sells its products primarily to distributors and retailers in the construction industry. The Group manages its concentration risk by frequent and diligent reviews of its largest customers' operations

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

to ensure that it remains economically viable and will be able to settle liabilities in a timely manner.

The aged receivable balances are regularly monitored. Allowances are determined upon origination of the trade accounts receivable and are based on a model that calculates the ECL of the trade accounts receivable and are recognised over their term. The Group estimates ECL on trade accounts receivable using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers. The following table provides information about the ECL for trade accounts receivable as at December 31, 2022 and 2021. All overdue balances are reviewed and assessed. If the assessment concludes that collection of the balances is improbable or that litigation may be required, the specific balances are identified and a 100% provision for expected credit losses is recorded. In the following table, the specific and over 360 category is considered credit impaired, In 2022, based on the credit experiences balances aged 271 -360 days were fully provided although not considered credit impaired.

	2022			2021		
	Accounts receivable $	ECL allowance $	ECL average rate	Accounts receivable $	ECL allowance $	ECL average rate
0-30	49,171	(603)	1%	61,481	(738)	1%
31-60	227	(28)	12%	193	(18)	9%
61-90	441	(107)	24%	499	(47)	9%
91-180	148	(50)	34%	147	(53)	36%
181-270	110	(61)	55%	205	(107)	52%
271-360	7	(7)	100%	32	(26)	81%
Specific and over 360	15,542	(15,542)	100%	19,950	(19,950)	100%
	65,646	(16,398)	25%	82,507	(20,939)	25%

Credit risks from balances with banks and financial institutions which are reputable in the local markets are managed in accordance with policy. Investments of surplus funds are made only with approved counterparties

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

Credit risks from other financial assets mainly comprising loans to employees, value added tax refundable and due from related companies have been assessed as being very low. Loans to employees can be recovered from employee benefits not yet paid. Value added taxes are repayable by the taxation authorities. The credit risks of balances due from government departments designated as taxation authorities are assessed to be low. Due from related parties are unsecured and no provision has been established at year end for these balances. Related parties comprise CEMEX, S.A.B. de C.V. and its subsidiaries. The settlement of related party transactions is managed by the treasury department of the CEMEX group based on clearly defined policies. These balances are due within 30 days of year end. Based on the effective administration of these policies we have assessed the credit risk of balances due from related companies to be low.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates, which only affects the Group's results if the fixed-rate long-term debt is measured at fair value. All of the Group's fixed-rate long-term debt is carried at amortised cost and therefore is not subject to interest rate risk. The Group's accounting exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates, which, if such rates were to increase, may adversely affect its financing cost and the results for the period.

Nonetheless, it is not economically efficient to concentrate on fixed rates at a high point when the interest rates market expects a downward trend. That is, there is an opportunity cost for continuing to pay a determined fixed interest rate when the market rates have decreased and the entity may obtain improved interest rate conditions in a new loan

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risk (continued)

or debt issuance. The Group manages its interest rate risk by balancing its exposure to fixed and variable rates while attempting to reduce its interest costs. In addition, when the interest rate of a debt instrument has turned relatively high as compared to current market rates, the Group intends to renegotiate the conditions or repurchase the debt, to the extent the net present value of the expected future benefits from the interest rate reduction would exceed the cost and commissions that would have to be paid in such renegotiation or repurchase of debt.

The following table shows the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's earnings before tax:

	2022			2021		
	Increase/ decrease in basis points	Effect on earnings before taxation $	Effect on equity $	Increase/ decrease in basis points	Effect on earnings before taxation $	Effect on equity $
Floating rate debt	+50	(2,186)	(1,530)	+50	(2,194)	(1,536)
	-50	2,186	1,530	-50	2,194	1,536

As of December 31, 2022 $170 million of the Group's debt is linked to the LIBOR rate. There is no definite date to migrate to the alternate risk-free rates, although the Group considers to gradually migrate its financial instruments with no effect in the financial statements.

The Group's treasury department monitors and manages the Group's transition to alternative rates. The department evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The department reports to the Company's Board of Directors quarterly and collaborates with other business functions as needed.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(iii) Foreign currency risk (continued)

exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. Due to its geographic diversification, the Group's revenues and costs are generated and settled in various countries and in different currencies. For the year ended December 31, 2022, approximately 29% (2021: 25%) of the Group's net sales, before eliminations resulting from consolidation, were generated in Trinidad and Tobago, 50% (2021: 53%) in Jamaica, 14% (2021: 16%) in Barbados and 7% (2021: 6%) in Guyana.

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, on earnings before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity:

	2022			2021		
	Increase/ decrease in US/Euro rate	Effect on earnings before taxation $	Effect on equity $	Increase/ decrease in US/Euro rate	Effect on earnings before taxation $	Effect on equity $
Dollars	+1%	(2,152)	(1,506)	+1%	(2,336)	(1,635)
	-1%	2,152	1,506	-1%	2,336	1,635
Euros	+1%	(5)	(4)	+1%	(4)	(3)
	-1%	5	4	-1%	4	3

As of December 31, 2021, approximately 39% (2021: 39%) of the Group's financial debt was USD denominated, 61% (2021: 61%) was TTD denominated and 0% (2021: 0%) was JMD denominated. The denomination of financial debt is closely related to the amount of revenues generated in such currencies; therefore, the Group considers that the foreign currency risk related to these amounts of debt is low. Nonetheless, the Group cannot guarantee that it will generate sufficient revenues in USD, TTD and JMD from its operations to service these obligations. As of December 31, 2022, the Group had not implemented any derivative financing hedging strategy to address this foreign currency risk. Nonetheless, the Group may enter into derivative financing hedging strategies in the future if either of its debt portfolio currency mix, interest rate mix, market conditions and/or expectations changes.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(iii) Foreign currency risk (continued)

As of December 31, 2022, the Group's consolidated net monetary assets (liabilities) by currency were as follows:

	Trinidad and Tobago $	Jamaica $	Barbados $	Guyana $	Total $
2022					
Monetary assets	65,747	40,747	37,909	17,418	161,821
Monetary liabilities	(530,307)	(199,381)	(20,645)	(32,138)	(782,471)
	(464,560)	(158,634)	17,264	(14,720)	(620,650)
Out of which:					
USD	(126,500)	(58,736)	18,553	(20,813)	(187,496)
TTD	(336,460)	-	-	-	(336,460)
Euros	(856)	(2,312)	-	-	(3,168)
JMD	-	(97,586)	-	-	(97,586)
Other currencies	(744)	-	(1,289)	6,093	4,060
	(464,560)	(158,634)	17,264	(14,720)	(620,650)
2021					
Monetary assets	56,992	28,566	66,426	13,090	165,074
Monetary liabilities	(580,098)	(240,442)	(47,612)	(12,840)	(880,992)
	(523,106)	(211,876)	18,814	250	(715,918)
Out of which:					
USD	(181,227)	(71,352)	29,257	(10,324)	(233,646)
TTD	(341,715)	-	-	-	(341,715)
Euros	(164)	-	(247)	(4)	(415)
JMD	-	(140,524)	-	-	(140,524)
Other currencies	-	-	(10,196)	10,578	382
	(523,106)	(211,876)	18,814	250	(715,918)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(iv) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business activities and maximise shareholder value. As at the reporting date, there were no externally imposed capital ratio requirements.

The Group manages its capital structure and makes adjustments, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient funds available to meet its obligations. In addition to cash flows provided by its operating activities, in order to meet the Group's overall liquidity needs for operations, servicing debt and funding capital expenditures, the Group relies on cost-cutting and operating improvements to optimise capacity utilisation and maximise profitability, as well as borrowing under credit facilities, proceeds of debt and equity offerings, and proceeds from asset sales. The Group is exposed to risks from changes in foreign currency exchange rates, prices and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which it operates, any one of which may materially affect the Group's results and reduce cash from operations. The maturities of the Group's contractual obligations are included in notes 14.1 and 24.

The Group has a reverse factoring arrangement with local banks with regard to supplier invoices. These reverse factoring arrangements enable the Group's suppliers to discount their receivables from Group companies to the banks. From the Group's perspective, these arrangements do not change the payment terms or amounts of the discounted supplier invoices. This arrangement is offered to suppliers who may voluntarily enrol in the programme. The reverse factoring arrangements give rise to liquidity risk because the Group has concentrated $76,798 (2021: $152,642) of its trade payables liabilities with local banks rather than with a diverse group of suppliers. The Group may also obtain other sources of funding from these financial institutions providing the reverse

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(v) Liquidity risk (continued)

factoring arrangement. If the Group were to encounter any difficulty in meeting its obligations, such a concentration would increase the risk that the entity might have to pay a significant amount, at one time, to one counterparty. Management has assessed that the Group is not reliant on extended payment terms and the Group's suppliers have not generally become accustomed to, or reliant on, earlier payment under the reverse factoring arrangement. If the financial institution were to withdraw the reverse factoring arrangement, that withdrawal would not affect the Group's ability to settle liabilities when they are due.

The table below summarises the maturity profile of the Group's financial liabilities based on their undiscounted cash flows as at December 31. The balance includes principal and interest over the remaining term to maturity and therefore would differ from the carrying amounts shown in the consolidated statement of financial position.

	On demand $	1 year $	2 to 5 years $	>5 years $	Total $
2022					
Borrowings	-	16,917	462,201	-	479,118
Interest and finance charges	-	740	-	-	740
Trade payables	-	278,518	-	-	278,518
Due to group companies	-	43,257	-	-	43,257
Sales and withholding tax payable	-	20,964	-	-	20,964
Interest payable	-	25,944	-	-	25,944
Advances from customers	-	170,507	-	-	170,507
Other financial obligations	158	8,472	15,087	4,926	28,643
	158	565,319	477,288	4,926	1,047,691

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(14) FINANCIAL INSTRUMENTS (CONTINUED)

(14.5) RISK MANAGEMENT (CONTINUED)

(v) Liquidity risk (continued)

	On demand $	1 year $	2 to 5 years $	>5 years $	Total $
2021					
Borrowings	-	18,017	459,435	-	477,452
Interest and finance charges	-	1,847	-	-	1,847
Trade payables	-	356,507	-	-	356,507
Due to group companies	-	55,241	-	-	55,241
Sales and withholding tax payable	-	17,860	-	-	17,860
Interest payable	-	17,801	-	-	17,801
Advances from customers	-	54,206	-	-	54,206
Other financial obligations	-	9,459	17,376	8,018	34,853
	-	530,938	476,811	8,018	1,015,767

(15) TRADE PAYABLES

As of December 31, 2022, consolidated trade payables were as follows:

	2022 $	2021 $
Trade payables - reverse factoring arrangement	76,798	152,642
Trade payables	201,720	203,865
	278,518	356,507

Information about the Group's exposure to currency and liquidity risk is included in note 14.

The Group participates in a reverse factoring arrangement under which its suppliers may elect to receive early payment of their invoices from participating banks by factoring their receivable from the Group. Under the arrangement, the banks agree to pay an amount to participating suppliers in respect of invoices owed by the Group and receive settlement from the Group at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and enable willing suppliers to sell their receivables due from the Group to the banks before their due dates.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(15) TRADE PAYABLES (CONTINUED)

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with the suppliers that are not participating. The Group does not incur any additional interest towards the banks on the amounts due to the suppliers. The Group therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables but discloses disaggregated amounts in the notes. All payables under the reverse factoring arrangement are classified as current at December 31, 2022 and 2021.

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating.

(16) OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2022, consolidated other current liabilities were as follows:

	2022 $	2021 $
Due to group companies	43,257	55,241
Sales and withholding tax payable	20,964	17,860
Interest payable	740	1,847
Advances from customers	25,944	17,801
Other accounts payable and accrued expenses	170,507	146,365
	261,412	239,114

The Group performs its contract obligations within each operating cycle and therefore advances from customers are included in revenue during the following financial period as goods and services are provided to customers.

In the regulatory environment of Trinidad and Tobago the group has continued to experience protracted processing times for the issuance of mining licences. At the time of issuing these financial statements a mining licence has not been issued by the Government in response the Company's application. Management assesses that the possibility of disruption to its operations resulting from this scenario to be remote. The Group has recognised the appropriate obligation to the Government within "Other accounts payable and accrued expenses".

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(17) PROVISIONS

	2022 $	2021 $
As of December 31, 2022, consolidated provisions were as follows:		
Rehabilitation provision	6,118	3,068
Legal provisions	24,079	24,447
Restructuring provision (note 6)	29,166	-
Other provisions	4,437	3,076
	63,800	30,591
Non-current provisions	5,809	2,718
Current provisions	57,991	27,873
	63,800	30,591
The movements in the consolidated provision during 2022 and 2021 were as follows:		
Balance at beginning of year	30,591	33,665
Additions or increases in estimates	31,537	5,220
Decreases in estimates and reversals of unused amounts	1,147	(7,914)
Payments	(998)	(387)
Unwinding of discount on rehabilitation provision	1,261	216
Foreign currency translation	262	(209)
Balance at end of year	63,800	30,591
The rehabilitation provision is disclosed in the statement of consolidated financial position under the following captions:		
Other current liabilities	309	350
Other non-current liabilities	5,809	2,718
	6,118	3,068

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS

Defined contribution pension plans

The Group participates in a defined contribution pension plan which is managed by an independent party. This plan is mandatory for all categories of permanent employees of CCCL and its subsidiaries. Contributions are 10% of pensionable salary for both employee and employer. The amount of annual pension at any date shall be that pension which can be secured by the accumulated contribution plus interest to that date. The Group's contributions in the year amounted to $2,877 (2021: $2,451).

Defined benefit pension plans

The plans expose the Group to currency, interest rate, market risks and actuarial risks such as longevity.

The Trinidad Cement Limited Employees' Pension Fund Plan, a defined benefit plan, is sectionalised for funding purposes into two segments (2021: three segments) to provide retirement pensions to the retirees of Trinidad Cement Limited ("TCL") and Readymix (West Indies) Limited ("RML"). Another pension plan, resident in Barbados, covers the employees of Arawak Cement Company Limited and Premix and Precast Concrete Incorporated.

TCL Packaging Limited ("TPL") gave notice to cease its participation in the Pension Plan with effect from October 31, 2022. In accordance with the Plan's trust deed and rules, the assets allocated to provide benefits for TPL's former employees were used to purchase annuity policies to secure the members' pension benefits. The benefits for TPL members are being secured by the purchase of individual annuity policies. Once the annuity policies have been issued and members' benefits have been secured, the Plan has no further liability for the TPL members. The financial impact of these divestments was $1.224 million and was treated as a past service cost and was reflected in other income (note 6) shown in the following tables.

The restructuring of Arawak Cement Company Limited's operations took place in March 2023. The actuaries recorded an experience gain arising from 52 vested terminations. The financial impact of these terminations was $2.04 million and was treated as a negative past service cost and was reflected in other income (note 6) shown in the following tables.

The Parent Company's employees and employees of RML are members of the Trinidad Cement Limited Employees' Pension Fund Plan (the Plan). This is a defined benefit pension plan which provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of triennial actuarial valuations carried out by an independent professional actuary. The Actuarial Valuation report as at December 31, 2021 revealed that the

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

TCL section was in surplus by $9,757 and the RML section by $9,191. The next triennial actuarial valuation is due as at December 31, 2024.

The 2021 report recommended service contribution rates for TCL and RML as a percentage of salaries of 10%.

Projected benefit obligations were computed by qualified actuaries using the projected unit credit method to determine the present value of defined benefit obligations for the years ended December 31, 2022 and 2021.

The Group offers post-retirement medical benefits to retirees of TCL, TPL and the CCCL group whereby the Group pays premiums for medical health insurance policies for retired employees and their spouses.

Actuarial results related to pension and other post-retirement benefits are recognised in earnings and/or in OCI for the period in which they are generated, as appropriate. For the years ended December 31, 2022 and 2021, the effects of pension plans and other post-employment benefits are summarised as follows:

	Pensions		Other benefits		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Net period cost (income):						
Recorded in operating costs and expenses						
Service cost	11,248	12,278	5,448	4,576	16,696	16,854
Past service cost	(817)	(2,079)	(3,047)	(28,170)	(3,864)	(30,249)
	10,431	10,199	2,401	(23,594)	12,832	(13,395)
Recorded in financial expenses						
Net interest cost	(7,928)	(3,258)	12,669	13,713	4,741	10,455
Recorded in other comprehensive income						
Return on plan assets	123,397	(61,091)	-	-	123,397	(61,091)
Actuarial gains for the period	(17,456)	(24,006)	(21,706)	(20,545)	(39,162)	(44,551)
	105,941	(85,097)	(21,706)	(20,545)	84,235	(105,642)
	108,444	(78,156)	(6,636)	(30,426)	101,808	(108,582)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

For the years 2022 and 2021, actuarial (gains) losses for the period were generated by the following main factors:

	Pensions		Other benefits		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Actuarial (gains) losses due to experience	(9,625)	(14,622)	5,955	(19,115)	(3,670)	(33,737)
Actuarial gains due to demographic assumptions	-	-	-	-	-	-
Actuarial gains due to financial assumptions	(7,831)	(9,384)	(27,661)	(1,430)	(35,492)	(10,814)
	(17,456)	(24,006)	(21,706)	(20,545)	(39,162)	(44,551)

As of December 31, 2022, the reconciliation of the actuarial benefit obligation and pension plan assets is presented as follows:

	Pensions		Other benefits		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Change in benefit obligation:						
Projected benefit obligation at beginning of the period	(920,029)	(928,548)	(195,146)	(238,240)	(1,115,175)	(1,166,788)
Service cost	(10,324)	(9,926)	(2,401)	23,594	(12,725)	13,668
Interest cost	(55,215)	(51,221)	(12,669)	(13,733)	(67,884)	(64,954)
Actuarial gains	17,456	24,006	21,706	20,545	39,162	44,551
Employee contributions	(3,783)	(3,727)			(3,783)	(3,727)
Benefits paid	90,191	49,374	8,879	9,033	99,070	58,407
Foreign currency translation	96	13	(759)	3,655	(663)	3,668
Projected benefit obligation at end of the period	(881,608)	(920,029)	(180,390)	(195,146)	(1,061,998)	(1,115,175)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

	Pensions		Other benefits		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**	**$**	**$**
Change in plan assets:						
Fair value of plan assets at beginning of the period	1,053,403	978,349		-	1,053,403	978,349
Administrative costs	(107)	(273)	-	-	(107)	(273)
Return on plan assets	(41,657)	115,574	-	-	(41,657)	115,574
Actuarial gains	(18,598)	-	-	-	(18,598)	-
Employee contributions	3,783	3,371	-	-	3,783	3,371
Employer contributions	6,377	5,731	-	-	6,377	5,731
Benefits paid	(90,191)	(49,374)	-	-	(90,191)	(49,374)
Foreign currency translation	2,445	25	-	-	2,445	25
Fair value of plan assets at end of the period	915,455	1,053,403	-	-	915,455	1,053,403
Net projected asset (liability) in the consolidated statement of financial position	33,847	133,374	(180,390)	(195,146)	(146,543)	(61,772)

Employee benefits are disclosed in the consolidated statement of financial position under the following captions:

	2022	2021
	$	**$**
Non-current assets	33,847	133,374
Non-current liabilities	(180,390)	(195,146)
	(146,543)	(61,772)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

As of December 31, 2022, the major categories of plan assets and the fair value of the total plan assets are as follows:

	2022				2021			
	Level 1 $	Level 2 $	Level 3 $	Total $	Level 1 $	Level 2 $	Level 3 $	Total $
Cash	45,613	-	-	45,613	61,741	-	-	61,741
Equities	459,179	-	-	459,179	532,344	-	-	532,344
Bonds	-	435,065	-	435,065	-	456,907	-	456,907
Mortgages	-	-	2,006	2,006	-	-	2,411	2,411
Total plan assets	504,792	435,065	2,006	941,863	594,085	456,907	2,411	1,053,403

The most significant assumptions used in the determination of the benefit obligation were as follows:

	2022			2021		
	Trinidad and Tobago %	Jamaica %	Barbados %	Trinidad and Tobago %	Jamaica %	Barbados %
Discount rates	6.00	13.00	8.30	6.00	9.00	8.30
Rate of return on plan assets	3.74	-	8.30	3.20	-	7.75
Rate of salary increases	4.50	-	4.80	4.50	-	4.80
Future medical premium increases	5.00	11.00	-	5.00	11.50	-
	Years	Years	Years	Years	Years	Years
Post-retirement mortality for retirees at age 60: Male	21.90	-	-	21.80	-	-
Post-retirement mortality for retirees at age 60: Female	26.10	-	-	26.10	-	-

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

In Jamaica post-employment mortality for active members and mortality for pensioners is based on the 1994 Group Annuity Mortality Tables (GAM 94 table) (U.S. mortality tables) with no age setback. In Barbados post-employment mortality for active members and mortality for pensioners is based on 1994 Uninsured Pensioner Generational Tables with Projection Scale AA.

The Group expects to contribute $13.0 million to its pension and other post-retirement benefits in 2023

As of December 31, 2022, the aggregate projected benefit obligation ("PBO") for pension plans and other post-employment benefits and the plan assets by country were as follows:

	2022			2021		
	PBO $	Assets $	Deficit $	PBO $	Assets $	Deficit $
Trinidad and Tobago	(989,847)	881,201	(108,646)	(1,026,642)	996,635	(30,007)
Jamaica	(41,362)	-	(41,362)	(49,238)	-	(49,238)
Barbados	(30,788)	34,250	3,462	(39,295)	56,768	17,473
	(1,061,997)	915,451	(146,546)	(1,115,175)	1,053,403	(61,772)

Sensitivity analysis of pension and other post-employment benefits during the reported periods

For the year ended December 31, 2022, the Group performed sensitivity analyses on the most significant assumptions that affect the PBO, considering reasonable independent changes of plus or minus 50 basis points in each of these assumptions. The increase (decrease) that would have resulted in the PBO of pensions and other post-employment benefits as of December 31, 2022 are shown below:

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(18) PENSIONS AND POST-EMPLOYMENT BENEFITS (CONTINUED)

Defined benefit pension plans (continued)

	Pensions		Other benefits		Total	
	+50 bps	-50 bps	+50 bps	-50 bps	+50 bps	-50 bps
	$	$	$	$	$	$
Assumptions:						
Discount rate sensitivity	(47,738)	52,897	(12,248)	14,052	(59,986)	66,949
Salary increase rate sensitivity	11,609	(10,795)			11,609	(10,795)
Future medical premium increases sensitivity	-	-	14,097	(12,463)	14,097	(12,463)

	Pensions	Other benefits	Total
	+1 year	+1 year	+1 year
Assumptions:			
Life expectancy of pensioners	12,224	6,463	18,687

(19) TAXATION

(19.1) TAXATION EXPENSE FOR THE PERIOD

The amounts of taxation expense in the consolidated income statement for 2022 and 2021 are summarised as follows:

	2022	2021
	$	$
Current taxation expense	(75,895)	(59,435)
Deferred taxation (expense) credit	(36,117)	6,175
	(112,012)	(53,260)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(19) TAXATION (CONTINUED)

(19.2) DEFERRED TAXATION

As of December 31, 2022, the main temporary differences that generated the consolidated deferred taxation assets and liabilities are presented below:

	2022 $	2021 $
Deferred taxation assets:		
Tax loss carryforwards and other tax credits	18,795	29,734
Trade payables and other liabilities	14,537	13,963
Other post-retirement benefits	69,147	70,867
Total deferred taxation assets, net	102,479	114,564
Deferred taxation liabilities:		
Property, machinery and equipment	(191,713)	(180,190)
Others	(13,212)	(18,931)
Total deferred taxation liabilities, net	(204,925)	(199,121)
Net deferred taxation liabilities	(102,446)	(84,557)

Other deferred taxation liabilities represent the tax effect of timing differences on the pension plan and prepaid expenses.

The movements in consolidated deferred taxation during 2022 and 2021 were as follows:

	2022 $	2021 $
Balance as of January 1	(84,557)	(69,707)
Deferred taxation (charged) credited to the income statement	(36,117)	6,175
Deferred taxation credited (charged) to other comprehensive income	20,896	(29,043)
Foreign currency translation	(2,668)	8,018
Balance as of December 31	(102,446)	(84,557)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(19) TAXATION (CONTINUED)

(19.2) DEFERRED TAXATION (CONTINUED)

Deferred taxation relative to items of other comprehensive income during 2022 and 2021 were as follows:

	2022 $	2021 $
Taxation effects relative to actuarial losses (gains)	20,896	(29,043)
	20,896	(29,043)

Changes in deferred taxation recognised in the consolidated income statement during 2022 and 2021 were as follows:

	2022	2021
Tax loss carryforwards and other tax credits	(10,948)	6,675
Trade payables and other liabilities	574	6,539
Other post-retirement benefits	1,243	(9,808)
Property, machinery and equipment	(8,856)	7,234
Others	(18,130)	(4,465)
Total movements in deferred tax assets and liabilities recognised in the consolidated income statement	(36,117)	6,175

For the recognition of deferred taxation assets, the Group analyses the aggregate amount of self-determined tax loss carryforwards included in its income tax returns in each country where the Group believes, based on available evidence, that the tax authorities would not reject such tax loss carryforwards; and the likelihood of the recoverability of such tax loss carryforwards prior to their expiration through an analysis of estimated future taxable income. If the Group believes that it is probable that the tax authorities would reject a self-determined deferred taxation asset, it would decrease such an asset. Likewise, if the Group believes that it would not be able to use a tax loss carryforward before its expiration or any other tax asset, the Group would not recognise such an asset. Both situations would result in additional income tax expense for the period in which such a determination is made. With the objective to determine whether it is probable that deferred taxation assets will ultimately be realised, the Group takes into consideration all available positive and negative evidence, including factors such as market conditions, industry analysis, expansion plans, projected taxable

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(19) TAXATION (CONTINUED)

(19.2) DEFERRED TAXATION (CONTINUED)

income, carryforward periods, current tax structure, potential changes or adjustments in tax structure, tax planning strategies and future reversals of existing temporary differences. In addition, every reporting period, the Group analyses its actual results versus its estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from the Group's estimates, the deferred taxation asset may be affected, and necessary adjustments will be made based on relevant information. Any adjustments recorded will affect the Group's consolidated income statement in such a period.

As of December 31, consolidated tax loss and tax credits carryforwards expire as follows:

	2022			2021		
	Total $	**Unrecognised $**	**Recognised $**	**Total $**	**Unrecognised $**	**Recognised $**
2022	69,959	69,959	-	69,939	69,939	-
2023	21,391	21,391	-	21,446	21,446	-
2024	123,079	123,079	-	123,337	123,337	-
2025	101,096	101,096	-	966,772	867,657	99,115
2026 and thereafter	950,284	936,370	13,913	-	-	-
	1,265,809	1,251,895	13,913	1,181,494	1,082,739	99,115

(19.3) RECONCILIATION OF EFFECTIVE TAXATION RATE

	2022 $	2021 $
Earnings before taxation	169,817	243,679
Taxation charge	(112,012)	(53,260)
Effective consolidated income tax rate[1]	(66%)	(22%)

[1] The average effective tax rate equals the net amount of income tax revenue or expense divided by income or loss before income taxes, as these line items are reported in the consolidated income statement.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(19) TAXATION (CONTINUED)

(19.3) RECONCILIATION OF EFFECTIVE TAXATION RATE (CONTINUED)

Differences between the financial reporting and the corresponding tax basis of assets and liabilities and the different tax rates and laws applicable to the Group, among other factors, give rise to permanent differences between the statutory tax rate applicable in Trinidad and Tobago, and the effective tax rate presented in the consolidated income statement, which in 2022 and 2021 were as follows:

	2022		2021	
	%	$	%	$
Tax using the Company's domestic tax rate	30%	50,945	30%	73,104
Effect of tax rates in foreign jurisdictions	(11%)	(18,192)	(9%)	(20,667)
Tax effect of:				
Non-deductible expenses	3%	5,442	9%	23,410
Non-taxable income	(11%)	(19,097)	(1%)	(846)
Tax incentives	(0%)	(32)	(0%)	(72)
Revenue tax:				
Business and green fund levies	4%	6,289	2%	5,622
Withholding tax on management fee income	(1%)	(1,039)	1%	1,876
Derecognition (recognition) of deferred tax asset in relation to tax losses	53%	89,535	(9%)	(21,815)
Employment tax credit effect	(4%)	(6,753)	(4%)	(10,347)
Changes in estimate related to prior year	3%	4,914	3%	8,195
Effective consolidated tax rate	66%	112,012	22%	53,260

Derecognition (recognition) of tax losses within the Group arise from the adjustments to recognise tax losses to the extent that the Group has sufficient taxable temporary differences that will result in taxable amounts against which the unused tax losses can be utilised before they expire.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(19) TAXATION (CONTINUED)

(19.4) UNCERTAIN TAX POSITIONS AND SIGNIFICANT TAX PROCEEDINGS

Uncertain tax positions

As at December 31, 2022, a deferred taxation asset of $355.1 million (2021: $324.7 million) in relation to tax losses available for reducing future tax payments was not recognised in the consolidated statement of financial position given a level of uncertainty regarding their utilisation.

In Trinidad and Tobago, the Group has tax losses of $712.4 million (2021: $778.8 million) available for set off against future taxable profits. These losses do not expire. Tax returns are subject to audit by the Board of Inland Revenue ("BIR") within six years of being filed with the BIR.

In Barbados, $379.91 million of tax losses (2021: $398.7 million) are available for set off against future taxable profits. These tax losses expire over a 6-year period ending in 2029.

These losses are subject to agreement with the respective tax authorities.

Significant tax proceedings

The Group's significant tax proceedings are detailed in note 23.1.

(20) SHAREHOLDERS' EQUITY

(20.1) STATED CAPITAL

As of December 31, 2022 and 2021 the breakdown of stated capital was as follows:

Authorised

An unlimited number of ordinary and preference shares of no par value

	2022 $	2021 $
Issued and fully paid		
374,647,704 ordinary shares of no par value	827,732	827,732

All ordinary shares rank equally with regard to the Company's assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.2) UNALLOCATED ESOP SHARES

	Thousands of shares	
	2022	2021
Employee share ownership plan		
Number of shares held – unallocated	2,845	2,845
Number of shares held – allocated	3,447	3,447
	6,292	6,292
	$	$
Cost of unallocated ESOP shares	20,019	20,019
Fair value of shares held - unallocated	11,096	10,185
Fair value of shares held - allocated	13,443	12,340
	24,539	22,525
Charge to the consolidated income statement for provision of shares allocated to employees	-	-

The Parent Company operates an Employee Share Ownership Plan ("ESOP") to give effect to a contractual obligation to pay profit-sharing bonuses to employees via shares of the Parent Company based on a set formula. Employees may acquire additional company shares to be held in trust by the Trustees, but the costs of such purchases are for the employee's account. All permanent employees of the Parent Company and certain subsidiaries are eligible to participate in the ESOP that is directed, including the voting of shares, by a management committee comprising management of the Parent Company and the general employee membership. Independent trustees are engaged to hold in trust all shares in the ESOP as well as to carry out the necessary administrative functions.

Shares acquired by the ESOP are funded by the Parent Company's contributions. The cost of the shares so acquired, and which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at the reporting date.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.3) OTHER EQUITY RESERVES

As of December 31, 2022 and 2021 other equity reserves are summarised as follows:

	2022 $	2021 $
At beginning of period	(325,227)	(305,320)
Other comprehensive loss (income)		
Currency translation (note 20.3 (i))	13,029	(20,654)
Change and realisation in fair value of cash flow hedge (note 20.3 (ii))	(1,690)	747
	11,339	(19,907)
	(313,888)	(325,227)

(i) Foreign currency translation account

This reserve records exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

(ii) Hedging reserve

This account records the effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in shareholders' equity.

Up to December 31, 2021, the Group maintained a forward contract negotiated with CEMEX, S.A.B. de C.V. to hedge the price of diesel fuel with the objective of changing the risk profile and fixing the price of fuel. The carrying value of the hedge of the price of diesel fuel is included in an account receivable from a related party. At December 31, 2022, the aggregate notional amount of the contract is nil [2021: $2.147 million (US$0.316 million)], with an estimated aggregate fair value of nil [2021: $2.147 million (US$0.316 million)]. The contract was designated as a cash flow hedge of diesel fuel consumption, and as such, changes in its fair value were recognised initially in other comprehensive income and were recycled to the income statement as the related diesel volumes were consumed. Fair value gains of a hedge contract recognised in other comprehensive income in 2021 amounting to $0.979 million (US$0.152 million) were recycled through the income statement in 2022.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.4) RESERVES - OCI MOVEMENTS

	Hedging Reserve $	Foreign Currency Translation Account $	Retained Earnings $	Total $
2022				
Currency translation	-	11,889	-	11,889
Change in fair value of cash flow hedge	(2,281)	-	-	(2,281)
Remeasurement gains on pension plans and other post-retirement benefits	-	-	(63,339)	(63,539)
	(2,281)	11,889	(63,339)	(53,731)
2021				
Currency translation	-	(34,302)	-	(34,302)
Change in fair value of cash flow hedge	1,203	-	-	1,203
Remeasurement gains on pension plans and other post-retirement benefits	-	-	76,599	76,599
	1,203	(34,302)	76,599	43,500

(20.5) NON-CONTROLLING INTEREST

Material Partly Owned Subsidiaries - (Non-controlling Interests)

The financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity held by non-controlling interests:

Name	Country of Incorporation and Operation	2022	2021
Caribbean Cement Company Limited (Group)	Jamaica	26%	26%
Readymix (West Indies) Limited	Trinidad and Tobago	1.67%	1.67%
TCL Packaging Limited	Trinidad and Tobago	20%	20%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	0%	35%

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.5) NON-CONTROLLING INTEREST (CONTINUED)

	2022 $	2021 $
Accumulated balances of material non-controlling interests		
Caribbean Cement Company Limited (Group)	161,053	109,218
Readymix (West Indies) Limited	1,134	1,673
TCL Packaging Limited	13,637	7,779
TCL Ponsa Manufacturing Limited	-	7,051
	175,824	125,721

In December 2022 the Group acquired an additional 35% interest in TCL Ponsa Manufacturing Limited ("TPM"), increasing its ownership from 65% to 100%. The carrying amount of TPM's net asset in the Group's consolidated financial statement on the date of the acquisition was $21.406 million.

	2022 $
Carrying amount of non-controlling interest acquired (21.406 million x 35%)	7,492
Consideration paid to non-controlling interest	6,501
An increase in equity attributable to owners of the parent company	991

The increase in equity attributable to owners of the company comprised an increase in retained earnings of $0.991 million.

	2022 $	2021 $
Net income (loss) allocated to material non-controlling interests		
Caribbean Cement Company Limited (Group)	65,448	50,287
Readymix (West Indies) Limited	16	174
TCL Packaging Limited	6,064	(1,186)
TCL Ponsa Manufacturing Limited	441	371
	71,969	49,646

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.5) NON-CONTROLLING INTEREST (CONTINUED)

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Caribbean Cement Company Limited (Group) $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $
Summarised income statement for 2022:				
Revenue	1,136,810	64,466	-	28,292
Cost of sales	(636,943)	(51,464)	-	(23,308)
Operating expenses	(119,936)	(11,505)	2,937	(2,141)
Other expenses, net	(36,118)	618	27,164	(1,485)
Financial expenses, net	(9,549)	1,445	243	(62)
Earnings before taxation	334,264	3,560	30,344	1,296
Taxation charge	(81,713)	(1,588)	(24)	-
Net earnings from continuing operations	252,551	1,972	30,320	1,296
Total comprehensive income (loss)	255,015	(4,905)	29,289	1,295
Non-controlling interest	66,049	(82)	5,858	441
Summarised income statement for 2021:				
Revenue	1,064,409	76,516	11,743	28,469
Cost of sales	(625,070)	(56,566)	(9,607)	(24,308)
Operating expenses	(112,956)	(6,421)	1,313	(1,704)
Other expenses, net	(19,700)	792	(4,595)	(1,299)
Financial expenses, net	(51,255)	383	(401)	(97)
Earnings (loss) before taxation	255,428	14,704	(1,547)	1,061
Taxation charge	(61,381)	(7,136)	(4,317)	-
Net earnings (loss) from continuing operations	194,047	7,568	(5,864)	1,061
Total comprehensive income (loss)	139,224	14,529	(4,037)	1,061
Non-controlling interest	36,059	243	(808)	372

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.5) NON-CONTROLLING INTEREST (CONTINUED)

	Caribbean Cement Company Limited (Group) $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $
Summarised statement of financial position as at December 31, 2022:				
Inventories, cash and bank balances and other current assets	316,601	51,989	71,690	23,747
Property, machinery and equipment and other non-current assets	1,019,946	73,015	-	2,122
Trade and other payables and other current liabilities	(272,210)	(43,897)	(3,505)	(4,429)
Interest-bearing loans, borrowings and deferred tax and other non-current liabilities	(198,188)	(13,253)	-	-
Total equity	866,149	67,854	68,185	21,440
Attributable to:				
Equity holders of parent	705,096	66,720	54,548	21,440
Non-controlling interests	161,053	1,134	13,637	-
	866,149	67,854	68,185	21,440

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.5) NON-CONTROLLING INTEREST (CONTINUED)

	Caribbean Cement Company Limited (Group) $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $
Summarised statement of financial position as at December 31, 2021:				
Inventories, cash and bank balances and other current assets	185,836	43,379	26,534	24,074
Property, machinery and equipment and other non-current assets	1,016,587	89,312	20,415	2,290
Trade and other payables and other current liabilities	(310,728)	(43,179)	(4,985)	(6,219)
Interest-bearing loans, borrowings and deferred tax and other non-current liabilities	(162,145)	(16,753)	(3,068)	-
Total equity	729,550	72,759	38,896	20,145
Attributable to:				
Equity holders of parent	619,862	71,543	31,117	13,094
Non-controlling interests	109,688	1,216	7,779	7,051
	729,550	72,759	38,896	20,145
Summarised cash flow information for the year ended December 31, 2022:				
Operating	185,422	141	(126)	(3,863)
Investing	(57,391)	(1,906)	-	-
Financing	(112,664)	(383)	-	-
	15,367	(2,148)	(126)	(3,863)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(20) SHAREHOLDERS' EQUITY (CONTINUED)

(20.5) NON-CONTROLLING INTEREST (CONTINUED)

	Caribbean Cement Company Limited (Group) $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $
Summarised cash flow information for the year ended December 31, 2021:				
Operating	317,018	5,989	(5,533)	23
Investing	(75,203)	(6,037)	1,184	-
Financing	(253,757)	-	-	-
	(11,942)	(48)	(4,349)	23

During 2022, Caribbean Cement Company Limited paid dividends to non-controlling interest of $14.671 million (2021: nil).

(21) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income attributable to ordinary equity holders of the Company (the numerator) by the weighted-average number of shares outstanding (the denominator) during the period. The balance of the TCL Employee Share Ownership Plan (ESOP) relating to the cost of unallocated shares held by the ESOP is presented as a separate component in equity. The weighted average number of unallocated shares held by the ESOP during the year is deducted in computing the weighted average number of ordinary shares in issue. The Group has no dilutive potential ordinary shares in issue.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(21) EARNINGS PER SHARE (CONTINUED)

The amounts considered for calculations of earnings per share in 2022 and 2021 were as follows:

	2022	2021
Denominator (thousands of shares)		
Weighted-average number of shares outstanding	374,648	374,648
Weighted-average number of unallocated shares held by the ESOP	(2,845)	(2,845)
Weighted-average number of shares	371,803	371,803
	$	$
Numerator		
Net earnings from continuing operations	57,805	190,419
Less: non-controlling interest net income	(71,969)	(49,646)
Controlling interest net (loss) income from continuing operations	(14,164)	140,773
Controlling interest net (loss) income from continuing operations – for basic earnings per share calculations	(14,164)	140,773
Controlling interest net (loss) income from continuing operations – for diluted earnings per share calculations	(14,164)	140,773
Net income from discontinued operations	-	-
Basic and diluted earnings per share		
Controlling interest basic (loss) earnings per share	(0.0381)	0.3786
Controlling interest basic (loss) earnings per share from continuing operations	(0.0381)	0.3786

(22) COMMITMENTS

(22.1) GUARANTEES AND PLEDGED ASSETS

On April 26, 2017, Trinidad Cement Limited repaid the Amended and Restated Credit Agreement loan ("5-yr syndicated loan") with the proceeds of a revolving loan from a related party. Therefore, the Group's assets which were pledged as security are expected to be released once the discharged instruments are lodged at the relevant government agency.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(22) COMMITMENTS (CONTINUED)

(22.2) OTHER COMMITMENTS

The Group had contractual capital commitments of $28.5 million as at December 31, 2022 and $27 million as at December 31, 2021.

As at December 31, 2022 the Group had a contractual obligation to purchase fuel of $91,903 during the 12-month period thereafter.

(23) LEGAL PROCEEDINGS

(23.1) CONTINGENCIES FROM LEGAL PROCEEDINGS

The Group is involved in various legal proceedings, which have not required the recognition of accruals, considering that the probability of loss is less than probable or remote. In certain cases, a negative resolution may represent a decrease in future revenues, an increase in operating costs or a loss. Nonetheless, until all stages in the procedures are exhausted in each proceeding, the Group cannot assure the achievement of a final favourable resolution. There are contingent liabilities which have not been recognised amounting to $16.4 million (2021: $16.6 million) for various claims, assessments, bank guarantees and bonds against the Group. Included therein, are primarily industrial relations matters which are currently occupying the attention of the industrial court, pending legal actions and other claims in which the Group is involved. Based on the information provided by the Group's attorneys-at-law, owing to the uncertainty of the outcome of these possible liabilities, no provision has been made in these consolidated financial statements in respect of these matters.

The Board of Inland Revenue (the "BIR") had disallowed expenditure claimed by the Parent Company in respect of the following fiscal years:

Fiscal Year	Disallowed Expenditure $	Additional Tax Assessed $
2010	247.4 M	12.9 M
2011	129.3 M	30.8 M

The two matters of the Parent Company were heard together on March 24, 2021 and it was indicated that the Respondent informed that they were not amenable to resolving the matters amicably and requested that the Court give directions to further both matters. It was ordered for both matters that

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(23) LEGAL PROCEEDINGS (CONTINUED)

(23.1) CONTINGENCIES FROM LEGAL PROCEEDINGS (CONTINUED)

Statements of Agreed Facts were to be filed on or before May 14, 2021. An adjourned date was set after the filing of the Statements of Agreed Facts to confirm whether affidavit evidence was required. The matter was adjourned to November 11, 2021, at which point the trial date of March 21, 2022 was reserved with March 22nd and 23rd. The Company's witness statements have been finalised and were sent to the Court on January 28, 2022. On March 22nd, the proceedings began with the Respondent's application for an adjournment and vacating of the trial dates. The reasons provided were: (i) that the Respondent had only recently retained senior counsel who needed more time to prepare and (ii) the unavailability of 2 of their 3 witnesses (one due to injury and the other was under a quarantine order). TCL opposed the application on the grounds that (i) there was no reason to explain why senior counsel was retained so late in the proceedings and that, in any event, given Dr Denbow's experience, that there was still sufficient time for the Respondent to prepare for trial and (ii) the Appellant's witnesses were already summoned to Court and ready for cross-examination. After some deliberation the Court agreed with the Appellant and the trial proceeded with the Appellant's opening statement and cross-examination of the Appellant's witnesses Lorena Moreno and Osben Cuffie. Perry Urkin was called to give evidence on March 23rd. Subsequent to the cross-examination of the above witnesses, the trial was adjourned to May 2, 2022 at 10 a.m. for the cross-examination of the Respondent's remaining witnesses. May 19, 2022 had also been reserved in the event another day was required to continue cross-examination. The hearing scheduled for May 19th was deferred without notice. July 8th was set as new date to continue the cross-examination. On July 8th, the Court gave July 12, 2022 to continue with the cross-examination of the BIR's final witness.

On July 12th, the BIR's final witness, Ms Sherina Ramtahal, was cross-examined and the following dates were agreed for the filing of written submissions:

a. The Appellant to file submissions on or before August 23, 2022

b. The Respondent to file its response on or before October 4, 2022

c. The Appellant to file a reply, if any, on or before October 25, 2022

The Court was adjourned for review of submissions on November 3, 2022 at 11 a.m. The two matters were heard together. The Court granted our application to file our submissions to August 30th and the Appellant's

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(23) LEGAL PROCEEDINGS (CONTINUED)

(23.1) CONTINGENCIES FROM LEGAL PROCEEDINGS (CONTINUED)

submissions were filed on that date. Ms. Broomes advised the Court that the Respondent was electing not to file written submissions. The Court adjourned the matter for decision to February 7, 2023 at 11:30 a.m. On February 6, 2023, the matter was postponed, and no new date was set.

During 2021, we were successful in opposing the BIR's application at the Court of Appeal. The Court agreed with the arguments in its totality made by us and additionally the Court agreed that the Appellant's application would not have met the criteria necessary to grant an extension of time in any event. Even though the BIR had the option to appeal this decision and had 21 days from the decision at the Court of Appeal to file for leave to appeal to the Privy Council, the BIR decided not to appeal and then the cases for years 2007, 2008 and 2009 were closed.

The subsidiary in Guyana (the subsidiary) was given a commitment by the Government of Guyana in 2006 to have the corporate tax rate for non-commercial companies of 30 percent made applicable to its operations. Subsequent action by the Guyana Revenue Authority (the GRA) held that the corporate tax rate for commercial companies of 40 percent was applicable. The subsidiary computes its corporation tax liability on the basis of the original commitment received while it contests through court action failure to honour the original commitment. As at December 31, 2020 no new date had been given but the Arbitrators posed further questions to the parties. No timeline was fixed for the submission. The responses to the further questions were submitted by external counsel on January 20, 2021. A response dated January 21, 2021, was submitted by the subsidiary to the Arbitrators. The matter was heard on April 11, 2022. Counsel for both parties indicated that the facts are not in dispute and cross-examination is not necessary. As such, the witness statements were deemed the prima facie evidence of the parties. The Arbitrators ordered written submissions by both parties on or before May 24, 2022, and, if necessary, submissions in reply on or before the June 6, 2022. (Attorneys had sought an extension of time for the filing of written submissions and the reply). The submission was sent to the Panel of Arbitrators on February 16, 2023 and we now await a date for decision. There is no deadline or date fixed for the decision. No provision has been made in these consolidated financial statements for the higher tax rate as the possible liability is not considered probable.

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(24) LEASES

The Group leases real estate (property, warehouse and factory facilities) and machinery and equipment (mobile equipment and motor vehicles). Real estate leases have a term of 3 to 20 years and machinery and equipment leases have a term of 3 to 5 years. Some leases provide for periodic renegotiation of payments to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. For certain leases, the Group is restricted from entering into any sub-lease arrangements. The Group adopted IFRS 16 *Leases* effective January 1, 2019.

The following balances were included in property, machinery and equipment (note 13):

	2022			2021		
	Buildings $	Machinery and Equipment $	Total $	Buildings $	Machinery and Equipment $	Total $
Cost at beginning of year	21,862	17,887	39,749	20,325	18,936	39,261
Accumulated depreciation	(6,237)	(7,804)	(14,041)	(5,919)	(6,173)	(12,092)
Net book value at beginning of year	15,625	10,083	25,708	14,406	12,763	27,169
Additions to right-of-use assets included in capital expenditure	549	2,182	2,731	3,131	5,507	8,638
Depreciation	(2,518)	(1,370)	(3,888)	(4,012)	(2,961)	(6,973)
Remeasurements and cancellations	-	-	-	2,100	(5,226)	(3,126)
Net book value at end of year	13,656	10,895	24,551	15,625	10,083	25,708

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(24) LEASES (CONTINUED)

	2022			2021		
	Buildings $	Machinery and Equipment $	Total $	Buildings $	Machinery and Equipment $	Total $
Cost at end of year	22,411	18,830	41,241	21,862	17,887	39,749
Accumulated depreciation	(8,755)	(7,935)	(16,690)	(6,237)	(7,804)	(14,041)
Net book value at end of year	13,656	10,895	24,551	15,625	10,083	25,708

	2022 $	2021 $
The following balances were included in the consolidated statement of cash flows		
Depreciation	3,888	6,973
Interest expense on lease liabilities	2,532	2,897
Interest paid	(2,532)	(2,897)
Repayment of loans	(8,685)	(7,668)
The following balances were included in the consolidated income statement		
Lease expense of low-value assets	-	186
Lease expense of short-term leases	17,875	16,949

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(24) LEASES (CONTINUED)

The table below summarises the maturity profile of the Group's lease liabilities as at December 31, 2022 and 2021. The balance includes future interest over the remaining term to maturity and therefore would differ from the carrying amounts shown in the consolidated statement of financial position.

	2022				2021			
	1 year $	2 to 5 years $	>5 years $	Total $	1 year $	2 to 5 years $	>5 years $	Total $
Lease liabilities	8,564	12,566	6,759	27,889	7,091	12,566	6,759	26,416
Interest	2,368	4,810	1,259	8,437	2,368	4,810	1,259	8,437
Total lease payments	10,932	17,376	8,018	36,326	9,459	17,376	8,018	34,853

(25) RELATED PARTIES

All significant balances and transactions between the entities that constitute the Group have been eliminated in the preparation of the consolidated financial statements. These balances with related parties resulted primarily from: (i) the sale and purchase of goods between group entities; (ii) the invoicing of administrative services and other services rendered between group entities; and (iii) loans between related parties.

When market prices and/or market conditions are not readily available, the Group conducts transfer pricing studies in the countries in which it operates to ensure compliance with regulations applicable to transactions between related parties.

The Group has entered into related party transactions with CEMEX, S.A.B. de C.V. ("CEMEX"). The following table provides the total amount of transactions and balances at year end that have been entered into with the CEMEX Group for the relevant financial year:

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(25) RELATED PARTIES (CONTINUED)

	2022 $	2021 $
Sales for the year	49,438	45,897
Purchases for the year	298,596	187,962
Management fee expenses	6,722	26,534
Due from related companies	9,171	6,911
Due to related companies	43,257	55,241
Long-term debt (note 14)	169,691	170,980
Interest charges	12,881	12,224

Outstanding trade receivables and trade payable balances are unsecured and interest free and no provision has been established at year end for these balances. Within the CEMEX Group related party credit terms of 30 days are applicable to due to and due from related party balances.

CEMEX, S.A.B. de C.V. ("CEMEX") has provided a guarantee to lenders regarding TTD borrowings.

	2022 $	2021 $
Key management compensation of the Group		
Short-term employment benefits	29,224	21,804
Pension plan and post-retirement benefits	477	377
Directors' fees	680	508

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

(26) GOODWILL

	2022 $	2021 $
Cost	269,147	269,147
Accumulated impairment	(269,147)	(269,147)
Net book amount	-	-

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(26) GOODWILL (CONTINUED)

Goodwill was acquired through business combinations with Caribbean Cement Company Limited and subsidiaries of Readymix (West Indies) Limited. The recoverable amount of business units has been determined using pre-tax cash flow projections approved by the Board of Directors and applying sensitivity analysis to the data.

The recoverable amount of the cash generating units was determined using value in use calculations. The calculation of value in use is most sensitive to assumptions regarding market share, gross margins and discount rates.

(27) MAIN SUBSIDIARIES

The Group's subsidiaries are as follows:

		% Interest	
Subsidiary	**Principal activities**	**2022**	**2021**
Readymix (West Indies) Limited	Concrete batching	98.33	98.33
TCL Packaging Limited	Packaging production	80.00	80.00
TCL Ponsa Manufacturing Limited	Packaging production	100.00	65.00
TCL Leasing Limited	Leasing	100.00	100.00
RML Property Development Limited	Property development	100.00	100.00
Caribbean Cement Company Limited	Cement production	74.10	74.10
Rockfort Mineral Bath Complex Limited	Spa facility	74.10	74.10
Arawak Cement Company Limited	Cement production	100.00	100.00
TCL Trading Limited (non-trading)	Cement distribution	100.00	100.00
TCL (Nevis) Limited	Holding company	100.00	100.00
TCL Guyana Inc.	Cement distribution	100.00	100.00
Arawak Concrete Solutions Limited (non-trading)	Concrete batching	100.00	100.00
TTLI Trading Limited	Cement distribution	100.00	100.00
TGI Concrete Solutions Inc. (non-trading)	Concrete batching	100.00	100.00
TCL (Grenada) Limited (non-trading)	Cement distribution	100.00	100.00

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(28) IMPACT OF RUSSIA/UKRAINE CONFLICT

On February 24, 2022 the geopolitical situation in Eastern Europe intensified with the invasion of Ukraine by Russia. The war continues to evolve as global sanctions were imposed, immediately impacting entities that have counterparty relationships in Russia and certain neighbouring countries. In addition, the war impacted global financial markets, adding to economic challenges that already existed as a result of the COVID-19 global pandemic, including issues such as supply-chain disruptions and rising inflation.

The Group has concluded that, given the composition of our statement of financial position, its exposure to the negative impacts of these risks is not significant to its profitability and going concern. However, through its risk management function, the Group continuously assesses the impact of such risks and has an established series of early warning indicators through various risk metrics to ensure that liquidity and capital positions are in place to sufficiently support the operations of the Group. There were no material changes in valuations or impairment positions as at December 31, 2022.

(29) SUBSEQUENT EVENTS

The restructuring of ACCL that was initiated in 2022 was completed in March 2023. ACCL suspended its clinker production on March 15, 2023. The company's operations were focused on the grinding of clinker and cement production. ACCL adjusted its workforce and retained 30% of the employees. This measure was necessary to secure the continued viability of ACCL (note 6).

(30) RECLASSIFCATIONS

During 2022, the Group modified the classification of certain balances to improve the relevance of the presented statements. Comparative amounts in the income statement and statement of financial position were reclassified for consistency.

Reconciliations of the amounts disclosed for 2021 in these consolidated financial statements to the amounts disclosed for 2021 in the consolidated financial statements for the year ended December 31, 2021 are explained as follows:

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(30) RECLASSIFCATIONS (CONTINUED)

		Impact of Reclassifications		
	Note	As previously stated $	Adjustments $	As restated $
(i) Consolidated Income Statement				
Year Ended December 31, 2021				
Operating expenses	5	(257,518)	257,518	-
Impairment of trade accounts receivable	5	(819)	819	-
Administrative expenses	5	-	(116,619)	(116,619)
Selling expenses	5	-	(18,653)	(18,653)
Distribution and logistics expenses	5	-	(123,065)	(123,065)
(ii) Consolidated Statement of Financial Position				
December 31, 2021				
CURRENT LIABILITIES				
Other current liabilities	16	266,987	(27,873)	239,114
Provisions	17	-	27,873	27,873
(iii) Consolidated Statement of Cash Flows				
Year Ended December 31, 2021				
OPERATING ACTIVITIES				
Other items, net		(1,792)	2	(1,790)
Write-off (reversal of impairment) of property, machinery and equipment		(21,799)	(2)	(21,801)
Financial expense paid		(25,317)	(2,927)	(28,244)
Net cash flows from operating activities		300,392	(2,927)	297,465
INVESTING ACTIVITIES				
Purchase of property, machinery and equipment		(147,900)	8,638	(139,262)
Net cash flows used in investing activities		(146,110)	8,638	(137,472)

Notes to the Consolidated Financial Statements (continued)

As of December 31, 2022 (Thousands of Trinidad and Tobago dollars)

(30) RECLASSIFCATIONS (CONTINUED)

		Impact of Reclassifications		
	Note	**As previously stated $**	**Adjustments $**	**As restated $**
FINANCING ACTIVITIES				
Repayment of debt, net		(163,058)	163,058	-
Other financial obligations, net		(1,927)	1,927	-
Proceeds from debt		-	584,120	584,120
Repayment of debt		-	(747,178)	(747,178)
Other financial obligations		-	7,668	(7,668)
Financial income received		-	30	30
Net cash flows used in financing activities		(164,985)	(5,711)	(170,696)

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