

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2023

NOTES

1. Basis of preparation

The condensed consolidated interim financial statements are prepared in accordance with Practice Statement 2016-1, Summary Financial Statements issued by the Institute of Chartered Accountants of Jamaica (ICAJ). Management discloses the consolidated statement of financial position, consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows. These condensed consolidated interim financial statements are derived from the unaudited condensed consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary ("the Group") as of and for the period ended June 30, 2023, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Jamaican Companies Act.

2. Accounting policies

These condensed consolidated interim financial statements as of and for the period ended June 30, 2023, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2022. Any new accounting standards amendments or interpretations which became effective in this financial year, were adjusted on the Group's financial position or results.

3. Basic and diluted earnings per share

Basic and diluted earnings per share is computed by dividing the consolidated net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

4. Comparative information

Where necessary, the comparative figures are reclassified to conform with the current year's presentation.

5. Accounts receivable from related parties

Accounts receivable from related parties includes a deposit investment account of J\$2.0 billion (US\$12.7 million) in CEMEX Innovation Holding Limited, which generates interest at an annual rate equal to Western Asset USD Institutional Liquid Reserves Fund rate plus 30 basis points on a daily basis of a year of 360 days.

6. Total cost of sales and operating expenses

During the six-month period ending June 30, 2023, the Company undertook the planned major maintenance of its major production equipment in January and February 2023. In this period, the Company incurred higher costs due to 1) excess inventory items consumed in "Raw material and consumables", 2) additional hired manpower in "Personnel remuneration and benefits", 3) general higher maintenance cost in "Repairs and maintenance" and 4) higher "Changes in inventories of finished goods and work in progress". Also, the Company experienced lower production levels of clinker and cement, which resulted in the importation of cement to cover the shortfall.

7. Impact of Ukraine/Russia 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 counter-party relationships in Russia and certain neighbouring countries. In addition, the war impacted global financial markets, which exacerbated economic challenges that already existed as a result of the 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 metric 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 June 30, 2023.

8. Operating earnings before other income and other expenses [expressed in J\$'000]

"Operating earnings before other income and other expenses" by nature is as follows:

	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
Revenue	7,475,133	6,702,036	14,277,380	13,516,786	25,837,228
Expenses:					
Raw material and consumables	557,187	526,308	1,817,898	938,057	1,830,926
Fuel and electricity	1,393,671	1,496,169	2,396,407	2,747,832	5,616,001
Personnel remuneration and benefits	700,780	694,273	1,436,708	1,322,544	2,637,763
Repairs and maintenance	372,962	355,680	1,193,156	703,325	1,408,704
Equipment hire	448,629	372,120	916,447	681,521	1,448,377
Cement transportation, marketing and selling expenses	276,708	266,333	516,315	521,128	933,522
Other operating expenses	326,020	292,246	589,065	508,397	1,090,381
Depreciation, impairment and amortisation	369,057	362,663	736,376	725,216	1,446,126
Changes in inventories of finished goods and work in progress	67,385	125,568	1,075,548	615,616	746,537
Total cost of sales and operating expenses	4,512,399	4,491,360	10,677,920	8,763,636	17,158,337
Operating earnings before other income and other expenses	2,962,734	2,210,676	3,599,460	4,753,150	8,678,891

9. Other income and other expenses [expressed in J\$'000]

"Other income and other expenses" by nature is as follows:

	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
Other income:					
Insurance claim recovery	1,233	-	1,233	-	80,437
Other	5,655	4,008	5,655	6,919	21,564
Total other income	6,888	4,008	6,888	6,919	102,001
Other expenses:					
Manpower restructuring costs	-	-	-	-	2,557
(Decrease) increase in stockholding and inventory restructuring provision	(98,837)	1,987	2,010	9,101	39,495
Demolition expenses	-	26,196	-	38,948	42,591
Inventory write-off	-	446	-	1,138	2,821
Management fees	50,273	50,284	101,768	101,042	200,656
Royalty and service fees	148,559	132,301	266,005	266,164	474,529
Property, machinery and equipment write-off	-	-	-	-	6,552
Non-recoverable GCT expenses write-off	-	-	-	-	119,553
COVID-19-related expenses	-	704	-	2,210	4,982
Other	(14,794)	21,327	34,743	21,732	22,813
Total other expenses	85,201	233,245	404,526	440,335	916,549
Total other income and other expenses	78,313	229,237	397,638	433,416	814,548

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

J \$'000	UNAUDITED		AUDITED
	Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2022
Balance as at beginning of period	20,038,638	15,779,187	15,779,187
Net income for the period	2,445,637	3,042,017	5,383,867
Remeasurement of employee benefits obligation, net of tax	-	-	202,870
Hedge reserve	(51,454)	16,446	(48,989)
Total comprehensive income for the period	2,394,183	3,058,463	5,537,748
Transaction with owners:			
Dividends	-	-	(1,279,431)
Share-based compensation	-	-	1,134
	-	-	(1,278,297)
Balance as at end of period	22,432,821	18,837,650	20,038,638

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Total other income	6,888	4,008	6,888	6,919	102,001
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Demolition expenses	-	26,196	-	38,948	42,591
Inventory write-off	-	446	-	1,138	2,821
Management fees	50,273	50,284	101,768	101,042	200,656
Royalty and service fees	148,559	132,301	266,005	266,164	474,529
Property, machinery and equipment write-off	-	-	-	-	6,552
Non-recoverable GCT expenses write-off	-	-	-	-	119,553
COVID-19-related expenses	-	704	-	2,210	4,982
Other	(14,794)	21,327	34,743	21,732	22,813
Total other expenses	85,201	233,245	404,526	440,335	916,549
Total other income and other expenses	78,313	229,237	397,638	433,416	814,548

CONDENSED CONSOLIDATED INCOME STATEMENT

Notes	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
Revenue	7,475,133	6,702,036	14,277,380	13,516,786	25,837,228
Cost of sales	(3,796,029)	(3,771,887)	(9,291,354)	(7,414,124)	(14,476,081)
Gross profit	3,679,104	2,930,149	4,986,026	6,102,662	11,361,147
Administrative expenses	(267,881)	(250,243)	(506,755)	(430,623)	(941,870)
Selling expenses	(59,024)	(54,632)	(115,799)	(106,466)	(188,793)
Distribution and logistics expenses	(389,465)	(414,598)	(763,874)	(812,423)	(1,551,818)
(Increase in) recovery of impairment loss on trade accounts receivable	-	-	(138)	-	225
Total operating expenses	(716,370)	(719,473)	(1,386,566)	(1,349,512)	(2,682,256)
Operating earnings before other income and other expenses	2,962,734	2,210,676	3,599,460	4,753,150	8,678,891
Other income	6,888	4,008	6,888	6,919	102,001
Other expenses	(85,201)	(233,245)	(404,526)	(440,335)	(916,549)
Operating earnings	2,884,421	1,981,439	3,201,822	4,319,734	7,864,343
Financial income	29,231	4,020	36,522	7,331	28,240
Financial expenses	4,917	(142,529)	(93,587)	(276,179)	(581,405)
(Loss) gain on foreign exchange	(4,881)	19,458	(74,559)	(19,136)	(68,311)
Earnings before taxation	2,913,688	1,862,388	3,070,198	4,031,750	7,242,867
Taxation charge	(757,450)	(410,915)	(624,561)	(989,733)	(1,859,000)
CONSOLIDATED NET INCOME	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Basic and diluted earnings per share (expressed in \$ per share)	2.53	1.71	2.87	3.57	6.33

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Notes	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
CONSOLIDATED NET INCOME	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Items that will not be reclassified subsequently to the income statement:					
Net actuarial gains from remeasurement of employee benefits obligation	-	-	-	-	270,494
Deferred tax recognised directly in other comprehensive income	-	-	-	-	(67,624)
Items that are or may be reclassified subsequently to the income statement:					
Effects from derivative financial instruments designated as cash flow hedge	25,100	(37,135)	(51,454)	16,446	(48,989)
Total items of other comprehensive income (loss), net	25,100	(37,135)	(51,454)	16,446	153,881
TOTAL COMPREHENSIVE INCOME	2,181,338	1,414,338	2,394,183	3,058,463	5,537,748

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Notes	UNAUDITED		AUDITED
	30.06.23	30.06.22	31.12.22
ASSETS			
CURRENT ASSETS			
Cash at bank and on hand	715,725	800,420	574,457
Trade accounts receivable, net	316,939	447,091	261,020
Other accounts receivable	346,450	113,483	389,791
Inventories, net	4,531,005	4,118,748	5,477,769
Accounts receivable from related parties	1,974,864	710,270	83,105
Other current assets	774,315	263,627	311,199
Total current assets	8,659,298	6,453,639	7,097,341
NON-CURRENT ASSETS			
Property, machinery and equipment, net	22,831,392	22,939,725	23,038,419
Other non-current assets	-	2,702	-
Total non-current assets	22,831,392	22,942,427	23,038,419
TOTAL ASSETS	31,490,690	29,396,066	30,135,760
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	99,249	1,680,957	57,876
Trade payables	2,517,318	2,904,445	3,306,357
Accounts payable to related parties	318,854	995,085	612,182
Other current liabilities	2,491,989	1,649,407	2,125,142
Total current liabilities	5,427,410	7,229,894	6,101,557
NON-CURRENT LIABILITIES			
Long-term debt	-	-	608,208
Other financial obligations	91,226	102,686	77,954
Employee benefits obligation	970,523	1,161,438	927,461
Deferred tax liabilities	2,464,250	2,028,987	2,298,026
Accounts payable to related parties	9,212	-	-
Other non-current liabilities	95,248	35,411	83,916
Total non-current liabilities	3,630,459	3,328,522	3,995,565
TOTAL LIABILITIES	9,057,869	10,558,416	10,097,122
SHAREHOLDERS' EQUITY			
Share capital:			
Ordinary shares	1,808,837	1,808,837	1,808,837
Capital contribution	3,840,224	3,839,090	3,840,224
Reserves:			
Realised capital gain	1,413,661	1,413,661	1,413,661
Other equity reserves	5,026,306	3,594,338	5,077,760
Accumulated net income	10,343,793	8,181,724	7,898,156
TOTAL SHAREHOLDERS' EQUITY	22,432,821	18,837,650	20,038,638
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	31,490,690	29,396,066	30,135,760

Approved and authorised for issue by the Board of Directors on July 28, 2023 and signed on its behalf by:

Parris A. Lyew-Ayee
Chairman

Yago Castro
Director

DIRECTORS' STATEMENT

Health and Safety

Caribbean Cement Company Limited (CCCL) continued to strengthen its value of health and safety this quarter with several members of staff receiving certificates of completion after participating in a behavioural safety module, designed to effectively develop positive attitudes towards workplace safety.

This quarter also saw the Company undertaking two Vulnerable Road User (VRU) initiatives at its lime plant operations in Clarendon and at its headquarters in Rockfort, Kingston for members of staff. The initiative was organised by the supply chain department and held in conjunction with the country's observance of Road Safety Awareness Month in June.

We also participated in the much-anticipated Grennell's Road Safety workshop and expo, further spreading the message of the VRU initiative as well as the measures undertaken by the Company to ensure safety on our roads.

Sustainability

CCCL continued the promotion and implementation of activities under its Future in Action (FIA) strategy geared towards achieving sustainable excellence through climate action, circularity, and natural resource management with the primary objective of becoming a net-zero company. During this quarter, the Company staged another beach cleanup at the Palisadoes Beach strip in East Kingston, partnering with RUBIS Energy Jamaica Limited (RUBIS) and students from the Excelsior Community College. A total of 150 kilograms of waste was co-processed and 90 kilograms of waste was recycled.

The Company also undertook a tree-planting exercise in observance of Cemex's Sustainability Week, June 5-9, which was held in tandem with the national observance of National Environmental Awareness Week, June 2-8. Several seedlings were planted in a green space close to the administrative block.

Financial Performance

During the first half of the year, the Group realised revenue of \$14.3 billion, representing a 5.6% increase when compared with the corresponding period in 2022. Revenue for the quarter increased by 11.5% to \$7.5 billion over the same quarter last year.

Due to the impact of the high cost experienced from the scheduled annual maintenance exercise in the first quarter of 2023, the Group's "Operating earnings before other income and expenses" was \$3.6 billion, or 24.3% lower than the \$4.8 billion reported for the same six-month period in 2022. For the second quarter, the Group started to realise the benefits from its first quarter investment in maintenance efforts, as evidenced by the operational efficiencies and operative cost containment experienced in the second quarter. The "Operating earnings before other income and expenses" for the quarter was \$3.0 billion, or 34.0% higher than the \$2.2 billion reported for the corresponding quarter in 2022.

For the first half of the year, the Group recorded "Earnings before taxation" of \$3.1 billion, which was lower than the \$4.0 billion reported in 2022. The "Earnings before taxation" for the quarter was \$2.9 billion representing an improvement of 56.4% over the \$1.9 billion achieved in the second quarter last year. Also contributing to the Group's positive "Earnings before taxation" was the effect of the decision to implement a debt and foreign exposure reduction initiative.

The overall "Consolidated net income" of \$2.4 billion for the second quarter was higher than the corresponding period in 2022 by \$0.6 billion.

"Earnings per share" for the quarter was \$2.53, an increase of \$0.82 when compared to the \$1.71 for the corresponding period in 2022.

In relation to the cash flows, "Net cash provided by operating activities" was \$3.3 billion for the six-month period and \$1.1 billion for the quarter. The cash flow generation during the quarter and the available cash at the beginning of the period have allowed the Group to invest \$2.0 billion during the first half of the year and \$0.8 billion during the second quarter.

Outlook

Caribbean Cement Company Limited continues the implementation of the requisite business strategies to ensure sustainability of its operations. The Company remains optimistic about its financial position, buoyed by the large number of real estate developments slated to come on stream especially in the parishes of Trelawny and St. James. Furthermore, recent pronouncements about the new high-end tourism developments in the eastern part of the island, which feature premium villas, augur well for the Company. The Company will continue to carry out its flagship concrete road solution programme, with several communities slated to benefit from the intervention in short order.

Parris A. Lyew-Ayee

Parris A. Lyew-Ayee
Chairman
July 28, 2023

Yago Castro

Yago Castro
Director
July 28, 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Notes	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
OPERATING ACTIVITIES					
Consolidated net income	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Adjustments for:					
Depreciation and amortisation of assets	369,057	362,663	736,376	725,216	1,446,126
Increase in (recovery of) impaired trade accounts receivable	-	-	138	-	(225)
Interest income	(29,231)	(4,020)	(36,522)	(7,331)	(28,240)
Interest expenses	(13,437)	36,005	77,118	61,570	151,104
Taxation charge	757,450	410,915	624,561	989,733	1,859,000
Property, machinery and equipment write-off	-	-	-	-	6,552
Increase in rehabilitation provision	-	-	-	-	39,241
Inventory write-off	-	-	-	-	2,821
Increase in (reduction of) inventory obsolescence provision	-	-	-	409	(61,647)
(Decrease) increase in stockholding and inventory restructuring provision	(98,837)	1,987	2,010	9,101	39,495
Employee benefit expenses	2,872	5,979	5,744	11,958	23,916
Unwinding of discount on preference shares	-	100,382	-	201,893	402,235
Unwinding of discount on rehabilitation provision	5,536	1,242	11,071	2,491	10,701
Unwinding of discount on lease liabilities	2,996	4,900	5,410	10,225	17,365
Unrealised foreign exchange (gains) losses, net	(23,339)	(12,206)	29,084	(8,833)	(48,755)
Changes in working capital, excluding taxes	(1,746,890)	(1,074,375)	472,296	(2,501,624)	(3,516,928)
Net cash flow provided by operating activities before employee benefits paid, interest received, interest paid and taxation paid	1,382,415	1,284,945	4,372,923	2,536,825	5,726,628
Employee benefits paid	(8,037)	(10,111)	(22,220)	(19,641)	(38,241)
Interest received	29,231	4,020	36,522	7,331	28,240
Interest paid	40,210	(13,302)	(22,990)	(14,391)	(79,603)
Taxation paid	(364,332)	(279,752)	(1,066,994)	(863,388)	(1,422,887)
Net cash flows provided by operating activities	1,079,487	985,800	3,297,241	1,646,736	4,214,137
INVESTING ACTIVITIES					
Property, machinery and equipment, net	(287,949)	(262,531)	(529,349)	(432,934)	(1,259,090)
Accounts receivable from related parties	(808,044)	(293,848)	(1,964,984)	(605,312)	(45,257)
Other non-current assets	-	(2,702)	-	(2,702)	-
Net cash flows used in investing activities	(1,095,993)	(559,081)	(2,494,333)	(1,040,948)	(1,304,347)
FINANCING ACTIVITIES					
(Repayment of) drawdown on long-term debt	-	-	(608,208)	-	616,383
Other financial obligations:					
Repayment of redeemable preference shares	-	-	-	-	(1,843,945)
Dividends paid	-	-	(15,420)	-	(1,264,011)
Payment of lease liabilities	(21,851)	(19,752)	(43,024)	(43,103)	(68,975)
Net cash flows used in financing activities	(21,851)	(19,752)	(666,652)	(43,103)	(2,560,548)
(Decrease) increase in cash at bank and on hand	(38,357)	406,967	136,256	562,685	349,242
Cash conversion effect, net	44,349	(8,238)	5,012	(7,165)	(19,685)
Cash at bank and on hand at beginning of period	709,733	401,691	574,457	244,900	244,900
CASH AT BANK AND ON HAND AT END OF PERIOD	715,725	800,420	715,725	800,420	574,457
Changes in working capital, excluding taxes:					
Trade accounts receivable, net	(13,703)	(64,691)	(55,001)	(122,109)	63,049
Other current assets	(558,942)	(203,828)	(365,250)	(214,607)	(490,499)
Inventories	(209,395)	(653,738)	944,754	(688,152)	(2,018,332)
Trade payables	(287,627)	(425,223)	(802,971)	(1,561,982)	(1,122,256)
Other current liabilities	(677,223)	273,105	750,764	85,226	51,110
Changes in working capital, excluding taxes	(1,746,890)	(1,074,375)	472,296	(2,501,624)	(3,516,928)

CONDENSED CONSOLIDATED INCOME STATEMENT

J\$'000	Notes	UNAUDITED				AUDITED
		Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
		2023	2022	2023	2022	2022
Revenue		7,475,133	6,702,036	14,277,380	13,516,786	25,837,228
Cost of sales		(3,796,029)	(3,771,887)	(9,291,354)	(7,414,124)	(14,476,081)
Gross profit		3,679,104	2,930,149	4,986,026	6,102,662	11,361,147
Administrative expenses		(267,881)	(250,243)	(506,755)	(430,623)	(941,870)
Selling expenses		(59,024)	(54,632)	(115,799)	(106,466)	(188,793)
Distribution and logistics expenses		(389,465)	(414,598)	(763,874)	(812,423)	(1,551,818)
(Increase in) recovery of impairment loss on trade accounts receivable		-	-	(138)	-	225
Total operating expenses		(716,370)	(719,473)	(1,386,566)	(1,349,512)	(2,682,256)
Operating earnings before other income and other expenses	8	2,962,734	2,210,676	3,599,460	4,753,150	8,678,891
Other income		6,888	4,008	6,888	6,919	102,001
Other expenses	9	(85,201)	(233,245)	(404,526)	(440,335)	(916,549)
Operating earnings		2,884,421	1,981,439	3,201,822	4,319,734	7,864,343
Financial income		29,231	4,020	36,522	7,331	28,240
Financial expenses		4,917	(142,529)	(93,587)	(276,179)	(581,405)
(Loss) gain on foreign exchange		(4,881)	19,458	(74,559)	(19,136)	(68,311)
Earnings before taxation		2,913,688	1,862,388	3,070,198	4,031,750	7,242,867
Taxation charge		(757,450)	(410,915)	(624,561)	(989,733)	(1,859,000)
CONSOLIDATED NET INCOME		2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Basic and diluted earnings per share (expressed in \$ per share)	3	2.53	1.71	2.87	3.57	6.33

DIRECTORS' STATEMENT

Health and Safety

Caribbean Cement Company Limited (CCCL) continued to strengthen its value of health and safety this quarter with several members of staff receiving certificates of completion after participating in a behavioural safety module, designed to effectively develop positive attitudes towards workplace safety.

This quarter also saw the Company undertaking two Vulnerable Road User (VRU) initiatives at its lime plant operations in Clarendon and at its headquarters in Rockfort, Kingston for members of staff. The initiative was organised by the supply chain department and held in conjunction with the country's observance of Road Safety Awareness Month in June.

We also participated in the much-anticipated Grennell's Road Safety workshop and expo, further spreading the message of the VRU initiative as well as the measures undertaken by the Company to ensure safety on our roads.

Sustainability

CCCL continued the promotion and implementation of activities under its Future in Action (FIA) strategy geared towards achieving sustainable excellence through climate action, circularity, and natural resource management with the primary objective of becoming a net-zero company. During this quarter, the Company staged another beach cleanup at the Palisadoes Beach strip in East Kingston, partnering with RUBiS Energy Jamaica Limited (RUBiS) and students from the Excelsior Community College. A total of 150 kilograms of waste was co-processed and 90 kilograms of waste was recycled.

The Company also undertook a tree-planting exercise in observance of Cemex's Sustainability Week, June 5-9, which was held in tandem with the national observance of National Environmental Awareness Week, June 2-8. Several seedlings were planted in a green space close to the administrative block.

Financial Performance

During the first half of the year, the Group realised revenue of \$14.3 billion, representing a 5.6% increase when compared with the corresponding period in 2022. Revenue for the quarter increased by 11.5% to \$7.5 billion over the same quarter last year.

Due to the impact of the high cost experienced from the scheduled annual maintenance exercise in the first quarter of 2023, the

Group's "Operating earnings before other income and expenses" was \$3.6 billion, or 24.3% lower than the \$4.8 billion reported for the same six-month period in 2022. For the second quarter, the Group started to realise the benefits from its first quarter investment in maintenance efforts, as evidenced by the operational efficiencies and operative cost containment experienced in the second quarter. The "Operating earnings before other income and expenses" for the quarter was \$3.0 billion, or 34.0% higher than the \$2.2 billion reported for the corresponding quarter in 2022.

For the first half of the year, the Group recorded "Earnings before taxation" of \$3.1 billion, which was lower than the \$4.0 billion reported in 2022. The "Earnings before taxation" for the quarter was \$2.9 billion representing an improvement of 56.4% over the \$1.9 billion achieved in the second quarter last year. Also contributing to the Group's positive "Earnings before taxation" was the effect of the decision to implement a debt and foreign exposure reduction initiative.

The overall "Consolidated net income" of \$2.4 billion for the second quarter was higher than the corresponding period in 2022 by \$0.6 billion.

"Earnings per share" for the quarter was \$2.53, an increase of \$0.82 when compared to the \$1.71 for the corresponding period in 2022.

In relation to the cash flows, "Net cash provided by operating activities" was \$3.3 billion for the six-month period and \$1.1 billion for the quarter. The cash flow generation during the quarter and the available cash at the beginning of the period have allowed the Group to invest \$2.0 billion during the first half of the year and \$0.8 billion during the second quarter.

Outlook

Caribbean Cement Company Limited continues the implementation of the requisite business strategies to ensure sustainability of its operations. The Company remains optimistic about its financial position, buoyed by the large number of real estate developments slated to come on stream especially in the parishes of Trelawny and St. James. Furthermore, recent pronouncements about the new high-end tourism developments in the eastern part of the island, which feature premium villas, augur well for the Company. The Company will continue to carry out its flagship concrete road solution programme, with several communities slated to benefit from the intervention in short order.

Parris A. Lyew-Ayee

Parris A. Lyew-Ayee
Chairman
July 28, 2023

Yago Castro

Yago Castro
Director
July 28, 2023

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

J\$'000	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
CONSOLIDATED NET INCOME	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Items that will not be reclassified subsequently to the income statement:					
Net actuarial gains from remeasurement of employee benefits obligation	-	-	-	-	270,494
Deferred tax recognised directly in other comprehensive income	-	-	-	-	(67,624)
Items that are or may be reclassified subsequently to the income statement:					
Effects from derivative financial instruments designated as cash flow hedge	25,100	(37,135)	(51,454)	16,446	(48,989)
Total items of other comprehensive income (loss), net	25,100	(37,135)	(51,454)	16,446	153,881
TOTAL COMPREHENSIVE INCOME	2,181,338	1,414,338	2,394,183	3,058,463	5,537,748

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

J\$'000	UNAUDITED				AUDITED
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
OPERATING ACTIVITIES					
Consolidated net income	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Adjustments for:					
Depreciation and amortisation of assets	369,057	362,663	736,376	725,216	1,446,126
Increase in (recovery of) impaired trade accounts receivable	-	-	138	-	(225)
Interest income	(29,231)	(4,020)	(36,522)	(7,331)	(28,240)
Interest expenses	(13,437)	36,005	77,118	61,570	151,104
Taxation charge	757,450	410,915	624,561	989,733	1,859,000
Property, machinery and equipment write-off	-	-	-	-	6,552
Increase in rehabilitation provision	-	-	-	-	39,241
Inventory write-off	-	-	-	-	2,821
Increase in (reduction of) inventory obsolescence provision	-	-	-	409	(61,647)
(Decrease) increase in stockholding and inventory restructuring provision	(98,837)	1,987	2,010	9,101	39,495
Employee benefit expenses	2,872	5,979	5,744	11,958	23,916
Unwinding of discount on preference shares	-	100,382	-	201,893	402,235
Unwinding of discount on rehabilitation provision	5,536	1,242	11,071	2,491	10,701
Unwinding of discount on lease liabilities	2,996	4,900	5,410	10,225	17,365
Unrealised foreign exchange (gains) losses, net	(23,339)	(12,206)	29,084	(8,833)	(48,755)
Changes in working capital, excluding taxes	(1,746,890)	(1,074,375)	472,296	(2,501,624)	(3,516,928)
Net cash flow provided by operating activities before employee benefits paid, interest received, interest paid and taxation paid	1,382,415	1,284,945	4,372,923	2,536,825	5,726,628
Employee benefits paid	(8,037)	(10,111)	(22,220)	(19,641)	(38,241)
Interest received	29,231	4,020	36,522	7,331	28,240
Interest paid	40,210	(13,302)	(22,990)	(14,391)	(79,603)
Taxation paid	(364,332)	(279,752)	(1,066,994)	(863,388)	(1,422,887)
Net cash flows provided by operating activities	1,079,487	985,800	3,297,241	1,646,736	4,214,137
INVESTING ACTIVITIES					
Property, machinery and equipment, net	(287,949)	(262,531)	(529,349)	(432,934)	(1,259,090)
Accounts receivable from related parties	(808,044)	(293,848)	(1,964,984)	(605,312)	(45,257)
Other non-current assets	-	(2,702)	-	(2,702)	-
Net cash flows used in investing activities	(1,095,993)	(559,081)	(2,494,333)	(1,040,948)	(1,304,347)
FINANCING ACTIVITIES					
(Repayment of) drawdown on long-term debt	-	-	(608,208)	-	616,383
Other financial obligations:					
Repayment of redeemable preference shares	-	-	-	-	(1,843,945)
Dividends paid	-	-	(15,420)	-	(1,264,011)
Payment of lease liabilities	(21,851)	(19,752)	(43,024)	(43,103)	(68,975)
Net cash flows used in financing activities	(21,851)	(19,752)	(666,652)	(43,103)	(2,560,548)
(Decrease) increase in cash at bank and on hand	(38,357)	406,967	136,256	562,685	349,242
Cash conversion effect, net	44,349	(8,238)	5,012	(7,165)	(19,685)
Cash at bank and on hand at beginning of period	709,733	401,691	574,457	244,900	244,900
CASH AT BANK AND ON HAND AT END OF PERIOD	715,725	800,420	715,725	800,420	574,457
Changes in working capital, excluding taxes:					
Trade accounts receivable, net	(13,703)	(64,691)	(55,001)	(122,109)	63,049
Other current assets	(558,942)	(203,828)	(365,250)	(214,607)	(490,499)
Inventories	(209,395)	(653,738)	944,754	(688,152)	(2,018,332)
Trade payables	(287,627)	(425,223)	(802,971)	(1,561,982)	(1,122,256)
Other current liabilities	(677,223)	273,105	750,764	85,226	51,110
Changes in working capital, excluding taxes	(1,746,890)	(1,074,375)	472,296	(2,501,624)	(3,516,928)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

J\$'000	UNAUDITED		AUDITED
	30.06.23	30.06.22	31.12.22
	ASSETS		
CURRENT ASSETS			
Cash at bank and on hand	715,725	800,420	574,457
Trade accounts receivable, net	316,939	447,091	261,020
Other accounts receivable	346,450	113,483	389,791
Inventories, net	4,531,005	4,118,748	5,477,769
Accounts receivable from related parties	5	1,974,864	710,270
Other current assets	774,315	263,627	311,199
Total current assets	8,659,298	6,453,639	7,097,341
NON-CURRENT ASSETS			
Property, machinery and equipment, net	22,831,392	22,939,725	23,038,419
Other non-current assets	-	2,702	-
Total non-current assets	22,831,392	22,942,427	23,038,419
TOTAL ASSETS	31,490,690	29,396,066	30,135,760
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	99,249	1,680,957	57,876
Trade payables	2,517,318	2,904,445	3,306,357
Accounts payable to related parties	318,854	995,085	612,182
Other current liabilities	2,491,989	1,649,407	2,125,142
Total current liabilities	5,427,410	7,229,894	6,101,557
NON-CURRENT LIABILITIES			
Long-term debt	-	-	608,208
Other financial obligations	91,226	102,686	77,954
Employee benefits obligation	970,523	1,161,438	927,461
Deferred tax liabilities	2,464,250	2,028,987	2,298,026
Accounts payable to related parties	9,212	-	-
Other non-current liabilities	95,248	35,411	83,916
Total non-current liabilities	3,630,459	3,328,522	3,995,565
TOTAL LIABILITIES	9,057,869	10,558,416	10,097,122
SHAREHOLDERS' EQUITY			
Share capital:			
Ordinary shares	1,808,837	1,808,837	1,808,837
Capital contribution	3,840,224	3,839,090	3,840,224
Reserves:			
Realised capital gain	1,413,661	1,413,661	1,413,661
Other equity reserves	5,026,306	3,594,338	5,077,760
Accumulated net income	10,343,793	8,181,724	7,898,156
TOTAL SHAREHOLDERS' EQUITY	22,432,821	18,837,650	20,038,638
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	31,490,690	29,396,066	30,135,760

Approved and authorised for issue by the Board of Directors on July 28, 2023 and signed on its behalf by:

Parris A. Lyew-Ayee Chairman
Parris A. Lyew-Ayee

Yago Castro Director
Yago Castro

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

J\$'000	UNAUDITED		AUDITED
	Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2022
Balance as at beginning of period	20,038,638	15,779,187	15,779,187
Net income for the period	2,445,637	3,042,017	5,383,867
Remeasurement of employee benefits obligation, net of tax	-	-	202,870
Hedge reserve	(51,454)	16,446	(48,989)
Total comprehensive income for the period	2,394,183	3,058,463	5,537,748
Transaction with owners:			
Dividends	-	-	(1,279,431)
Share-based compensation	-		