CEMEX

CARIB CEMENT

BUILDING A GREATER JAMAICA

Living Our Green Vision

Annual Report 2022

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

1) The production and marketing of Carib Plus Vertua cement that generates 15% less 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 is of the highest quality, resulting in durable structures that are long-lasting and strong

4) Minimising resource usage in our production and distribution processes

Living Our Green Vision includes:

Health & Safety

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

Contents

Living Our Green Vision

Company Overview

OUR MISSION

Caribbean Cement Company Limited is committed to meeting the needs of its customers by providing high-quality building solutions in an environmentally friendly manner, through a competent, inspired and motivated team, thereby achieving the financial objectives of its shareholders whilst adding value to the community.

COMPANY OVERVIEW

Caribbean Cement Company Limited (CCCL) is a publicly listed company which has been in operation since 1952. Its primary activities are the manufacture and sale of Carib Plus Vertua and High-Early (HE) Strength Cement. Its main plant and operations are situated in Rockfort, Kingston with additional quarry operations in both St. Andrew and St. Thomas. CCCL produces high-quality products using 100% indigenous raw materials, all mined within 10 miles of the plant. CCCL is a member of the TCL Group, of which Cemex, S.A.B. de C.V is the majority shareholder. The Rockfort Mineral Bath Complex Limited, is the only subsidiary of the Caribbean Cement Company Limited.

ABOUT Cemex

Cemex is a global building materials company which delivers high-quality products and reliable services to customers and communities around the world. Cemex has a rich history of improving the well-being of those it serves through innovative building solutions, efficiency advancements, and its efforts to promote a sustainable future.

Strategic Framework

Vision:
Building a Brighter Future

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

Strategic Priorities:
- Health & Safety
- Customer Centricity
- Innovation
- Sustainability
- EBITDA Growth

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.

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

Living Our Green Vision includes:

Customer-Centricity

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


WE PROUDLY USE
CARIB CEMENT
BUILDING A GREATER JAMAICA


FOR LASTING BEAUTY


Welcome To
BITUMIX
WE PROUDLY USE
CARIB CEMENT
BUILDING A GREATER JAMAICA

Corporate Information

CARIBBEAN CEMENT COMPANY LIMITED

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 and High-Early (HE) Strength Cement. CCCL has one subsidiary, Rockfort Mineral Bath Complex Limited, a national heritage site and mineral spa.

REGISTERED OFFICE

Rockfort, Kingston,
Jamaica, W.I.
Tel: (876) 928 6232-5
Fax: (876) 928-7381
Website: www.caribcement.com

BOARD OF DIRECTORS

Mr. Parris A. Lyew-Ayee, CD
Chairman and Non-Executive Director

Mr. Francisco Aguilera Mendoza
Managing Director, TCL Group

Mr. Yago Castro Izaguirre
Managing Director, CCCL

Mr. Luis Ali Moya

Mr. Hollis N. Hosein
Non-Executive Director

The Hon Peter Moses, OJ
Non-Executive Director

Mrs. Dania Jocelyn Heredia Ramirez

COMPANY SECRETARY

Mr. Craig Lloyd Neil

EXECUTIVE TEAM

Mr. Yago Castro Izaguirre
Managing Director

Mr. Miguel Roberto Estrada Sanchez
Group Cement Operations and Technical Manager

Mr. Rogelio Barahona
Sales & Commercial Manager

EXECUTIVE TEAM - Cont'd

Mr. Rohan Anderson
Process Manager

Mr. Christopher Brown
Production Manager

Mr. Christopher Bryan
Capital Projects Manager

Mr. Jorge Camelo
Human Resource Director, TCL Group

Mr. Craig Lloyd Neil
Legal Counsel/Company Secretary

Mr. Angel Rivera
Supply Chain Manager

Mr. Anthony Jones
Head of Finance

Mr. Victor Aceituno Melgar
Strategic Planning Manager

Mr. Pablo Bahamon Palencia
Maintenance Manager

Ms. Kelly Cadavid Lopez
Quality, Quarry & Environment Manager

Mr. Randy Nunez Fuentes
Procurement Manager

Mr. Garen Williams
Distribution Sales Manager

Mr. Norville Clarke
Group Enterprise Risk Manager

Mr. Andre Nelson
Industrial and Building Solutions Manager

SUBSIDIARY COMPANY

Rockfort Mineral Bath Complex Limited

ATTORNEYS-AT-LAW

Charles Piper & Associates
13a North Avenue
Kingston 5

DunnCox
48 Duke Street
Kingston

Myers Fletcher & Gordon
21 East Street
Kingston

Patterson Mair Hamilton
Temple Court
85 Hope Road
Kingston 6

REGISTRAR & TRANSFER AGENT

Sagicor Bank Jamaica Limited
28-48 Barbados Avenue
Kingston 5

STOCK EXCHANGE ON WHICH THE COMPANY IS LISTED

Jamaica Stock Exchange
40 Harbour Street
Kingston

AUDITORS

KPMG
The Victoria Mutual Building
6 Duke Street
Kingston

BANKERS

Citibank, N.A.
National Commercial Bank Jamaica Limited
Bank of Nova Scotia, Jamaica Limited

Ten-Year Financial Summary

(In $'000 except for items with *)

	2022	2021	2020	2019
	Income Statement			
Revenue	25,837,228	23,840,001	20,108,049	17,764,664
Earnings (loss) Before Taxation	7,242,867	5,711,427	4,424,900	2,737,414
Taxation (charge) Credit	(1,859,000)	(1,369,795)	(1,228,207)	(853,736)
Net income	5,383,867	4,341,632	3,196,693	1,883,678
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	9,310,469	8,402,058	7,822,827	5,851,647
	Statement of Financial Position			
Total Assets	30,135,760	27,508,449	26,321,009	27,100,548
Total Liabilities	10,097,122	11,729,262	14,789,087	18,790,024
Shareholders' Equity	20,038,638	15,779,187	11,531,922	8,310,524
	Financial Ratios			
*Net Profit Margin	21%	18%	16%	11%
*Basic and Diluted Earnings Per Share	6.33	5.10	3.76	2.21
*Shareholders' Equity Per Share	23.54	18.54	13.55	9.76
*Shareholders' Return on Equity	27%	28%	28%	23%
*P/E Ratio	9.56	13.70	16.72	37.69
*Dividend Per Share ($ per share)	1.5032	-	-	-
*Total Debt/Equity Ratio	0.04	0.10	0.58	1.48
	Other Data			
*Number of Shares Issued ('000)	851,138	851,138	851,138	851,138
*Closing Share Price	60.48	69.86	62.81	83.41
Market Capitalisation	51,476,826	59,460,501	53,457,428	70,993,104
Dividends Paid	1,279,431	-	-	-
Depreciation Charged	1,446,126	1,515,255	1,536,260	1,603,850
Capital Expenditure	1,258,274	1,686,304	778,029	1,334,340
Working Capital Surplus (deficit)	995,784	(4,273,449)	(3,252,390)	(1,483,548)
Total debt	744,038	1,651,387	6,673,180	12,325,429
Long-term debt	608,208	-	4,442,650	9,155,656
Total third party debt	135,830	204,805	183,452	146,843
Parent company debt	-	1,446,582	2,047,078	3,022,930
	Operational Data			
*Production (tonnes)				
Cement	957,204	979,297	940,005	758,829

2018	2017	2016	2015	2014	2013
Income Statement					
17,573,931	16,513,084	15,780,756	15,431,897	14,356,017	12,089,484
3,294,661	1,510,411	1,350,862	1,726,388	255,985	(3,079)
(828,568)	(398,677)	(49,160)	(180,248)	(117,000)	117,000
2,466,093	1,111,734	1,301,702	1,546,140	138,985	113,921
5,318,949	2,979,450	2,702,838	2,576,658	961,070	1,470,090
Statement of Financial Position					
26,792,437	11,542,061	10,419,488	10,851,391	9,574,598	9,121,856
20,374,256	3,202,031	2,680,612	4,414,217	4,683,564	4,369,807
6,418,181	8,340,030	7,738,876	6,437,174	4,891,034	4,752,049
Financial Ratios					
14%	7%	8%	10%	1%	1%
2.90	1.31	1.53	1.82	0.16	0.13
7.54	9.80	9.09	7.56	5.75	5.58
38%	13%	17%	24%	3%	2%
14.62	24.78	22.75	10.48	15.06	26.92
-	-	-	-	-	-
2.36	0.07	0.01	0.27	0.52	0.43
Other Data					
851,138	851,138	851,138	851,138	851,138	851,138
42.40	32.46	34.80	19.03	2.41	3.50
36,088,251	27,627,939	29,619,602	16,197,156	2,051,243	2,978,983
-	-	-	-	-	-
1,153,830	531,602	495,688	396,931	364,828	319,207
16,663,006	2,234,050	1,699,091	810,904	599,091	578,530
(1,470,873)	789,965	1,053,992	1,286,956	793,628	1,245,920
15,158,567	547,931	104,041	1,715,593	2,531,824	2,040,914
11,387,028	-	-	-	-	739,476
-	-	-	-	779,600	808,810
3,771,539	547,931	104,041	1,715,593	1,752,224	1,232,104
Operational Data					
787,411	845,932	911,325	807,817	830,061	824,893

Chairman’s Statement

Parris A. Lyew-Ayee, CD
Chairman

DEAR SHAREHOLDERS:

On behalf of the Board, it is indeed my great honour to present Caribbean Cement Company Limited’s Annual Report for the year ended December 31, 2022.

Health and Safety

One of the hallmarks of our business at Caribbean Cement Company Limited (CCCL) to which we ascribe the utmost value and priority is health and safety, which is on page one of every meeting, interaction, and event. Our goal is to have the safe return of those interacting with our operations to their families, thus upholding our commitment to Zero4Life, which means having zero recordable injuries, job-related illnesses, preventable vehicular incidents, and environmental events. We are proud of the steadfast dedication of our team to health and safety as we have had no major incidents for the year. The company’s continued participation in the many traffic management initiatives, health, and safety behavioural modules to encourage positive attitudes towards a safe work culture, and the driving academy trainings are a testament to our commitment to the protection and value of each life, whether visitor, staff, or contractor.

Financial Performance

We are happy to report yet another steady year of operating performance for Caribbean Cement Company Limited, which has been undergirded by sound strategic management. Despite exogenous shocks caused by the Russia - Ukraine conflict, which resulted in an increase in fuel prices, supply chain disruptions, and other operational expenses, the company earned revenue of $25.8 billion, representing growth of 8% when compared to 2021. This increase in revenue was driven by strategies employed to recover the market and stabilise our operations.

Operations

As we continue to leverage Cemex’s global knowledge and expertise to establish best practices and common processes to maximise operational effectiveness and achieve greater value for our stakeholders, Caribbean Cement Company Limited was pleased to break ground in 2022 for the expansion of its operations. Joining us on this momentous occasion were Cemex Chief Executive Officer, Fernando González, and several members of the company’s executive team, as well as the Jamaican Prime Minister, The Most Honourable Andrew Holness, and some members of his Cabinet. The expansion aims for an up to 30% increase in the cement company’s capacity, through an investment of approximately US$40 million for the first phase of the project. It is expected that the expansion will strengthen the self-sufficiency of the national cement industry, while setting the basis to export and reinforce our ability to serve the growing construction sector in Jamaica and the Caribbean. During this event, we also unveiled our beautiful art mural, “Reignited for Unity”, done jointly with the Government of Mexico to commemorate the 60th anniversary of Jamaica’s independence.

We were also pleased to successfully meet both local and international standards, and to retain our plant operational certifications, reflecting our continued focus on compliance.

Future in Action

As we continue to be responsible corporate citizens, charged with being good stewards of the environment, the company undertook several strategies in furtherance of its Future in Action initiative, which is geared towards achieving sustainable excellence through climate action, circularity, and natural resource management with the primary objective of becoming a truly net-zero company. To this end, in February 2022, the company officially rolled out its Carib Plus Vertua low-carbon cement, resulting in a more than seven percent decrease in net specific carbon dioxide. The company also introduced the Ultimate Technology to Industrial Savings (UTIS) system, which separates hydrogen and oxygen from water and injects the hydrogen gas and oxygen gas directly into the kiln for continuous combustion, as a means of increasing its fuel substitution rate to further lower its carbon footprint. These initiatives run parallel to the company's ongoing National Programme for the Environmentally Sound Management of End-of-Life Pneumatic Tyres initiative with the government, to utilise tyre-derived fuel in cement production thereby further reducing the company's carbon footprint.

Social Impact

Caribbean Cement Company Limited will continue to contribute positively to social development and create sustainable partnerships with our communities and stakeholders through our vibrant and meaningful Corporate Social Responsibility programmes. Working alongside the National Environment and Planning Agency, the company participated in the state-run agency's "Adopt-A-Beach" programme and staged several beach cleanups at the Palisadoes and Sirgany beaches in East Kingston. The company also retrieved Cemex jumbo bags from its industrial customers and handed them over to the National Fisheries Authority to be used to clean the Pedro Cays, Jamaica's main commercial and artisanal fishing grounds. We also staged several road safety awareness initiatives through our Vulnerable Road User programme to encourage the safe usage of the road among children, cyclists, and the elderly.

We remain committed and attentive to the needs of our communities through the distribution of scholarships and will continue the expansion of flagship programmes such as concrete road and pavement solutions to improve the lives and wellbeing of the communities in which we operate.

Outlook

Notwithstanding the company's continued strengthening of its financial position, we remain vigilant to extrinsic forces and will implement, where necessary, strategies to mitigate risks. Additionally, continuous improvements to its plant, property, and equipment to ensure better and improved levels of productivity and efficiency, and to achieve higher levels of customer satisfaction will be undertaken. Ongoing training of staff in areas of diversity and inclusion will continue to be a mainstay of the company as we progress towards building a more efficient and inclusive workforce.

The Board of Directors wishes to thank the management team led by Managing Director, Mr. Yago Castro for his ongoing stewardship, the employees, distributors, shareholders and other stakeholders for their continued support and loyalty as we provide everyone with high-quality service.

We also wish to express gratitude to our parent company, Cemex, for the continued confidence placed in us over the year to execute its mandate of not only building a greater Jamaica but also a better and sustainable future.

Parris A. Lyew-Ayee

Parris A. Lyew-Ayee, CD
Chairman

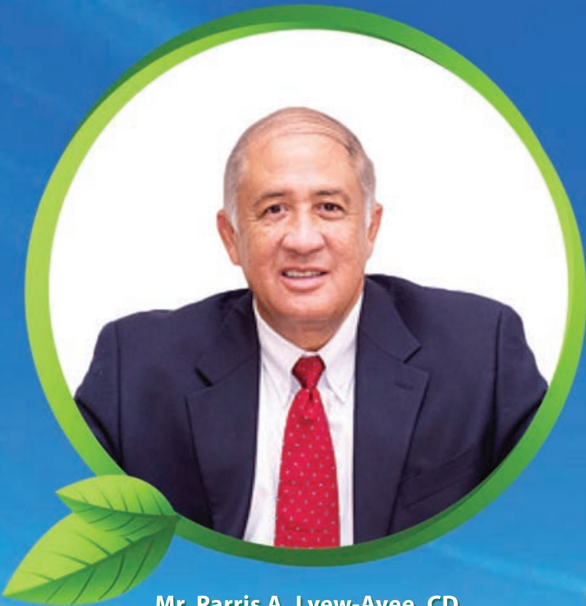
Living Our Green Vision includes:

Sustainability

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


Vertua®
CLASSIC

BOARD OF DIRECTORS



Mr. Parris A. Lyew-Ayee, CD
Chairman and Non-Executive Director

Mr. Francisco Aguilera Mendoza
Managing Director, TCL Group

Mr. Yago Castro Izaguirre
Managing Director

Mrs. Dania Jocelyn Heredia Ramirez
Director

Mr. Hollis N. Hosein
Non-Executive Director

Mr. Luis Gilberto Ali Moya
Director

Mr. Peter Moses, OJ
Non-Executive Director

Living Our Green Vision

About Our Board of Directors

Mr. Parris A. Lyew-Ayee, CD
Chairman and Non-Executive Director

Parris A. Lyew-Ayee was first a member of the Board of Directors of Caribbean Cement Company Limited from 1991 to 1999. He re-joined the Board in 2006 and was appointed Chairman the following year. Mr. Lyew-Ayee holds a BSc honours degree in Special Geology from The University of the West Indies, and a Master of Engineering degree in Mineral Engineering Management from the Pennsylvania State University. He is a member and former President of the Geological Society of Jamaica; a member of the International Committee for Studies of Bauxites, Alumina and Aluminium (ICSOBA); and a member of the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers.

A Geologist and Mineral Engineer, Mr. Lyew-Ayee worked at the Jamaica Bauxite Institute from its inception in 1976, and was its Executive Director for 23 years, before retiring in June 2018. For his long career, and service to the bauxite/alumina industry in Jamaica, the Government of Jamaica awarded him the Order of Distinction (Rank of Officer) in 1988, then the Order of Distinction (Rank of Commander) in 2007. The International Association for the Study of Bauxite, Alumina and Aluminium (ICSOBA) awarded him its prestigious Gold Medal in 1988 for his contribution to the international bauxite and alumina industry.

Mr. Francisco Aguilera Mendoza
Managing Director, TCL Group

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 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.

Mr. Yago Castro Izaguirre
Managing Director

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.

Mrs. Dania Jocelyn Heredia Ramirez
Director

Dania Jocelyn Heredia Ramirez is a Magna Cum Laude Attorney with a master's degree in Business and Economic Law from the Pontificia Universidad Católica Madre y Maestra (PUCMM) and an MBA from Barna Management School, both in the Dominican Republic.

Mrs. Heredia has held positions as Corporate Attorney in leading Dominican companies, including Verizon and the Dominican Association of Customs-Free Zone. She also worked as Director and Defender of the Public Defender's programme of the Commissioner in support of the Reform and Modernisation of Justice.

In 2005, Mrs. Heredia joined Cemex Dominican Republic as Corporate Affairs and Legal and

About Our Board of Directors (continued)

Environmental Director, overseeing the Operations for the Dominican Republic and the Caribbean. As Director, she is responsible for the implementation and enforcement of the Company's policies related to Economic Competition, Code of Ethics and Anti-Corruption, and supervises all the legal aspects for the Dominican Republic, Puerto Rico and Haiti.

She is a member of the Board of Directors of the National Network of Business Support to Environmental Protection (ECORED).

Mr. Hollis N. Hosein
Non-Executive Director

Hollis N. Hosein is a former Group Finance Manager of the TCL Group and has extensive and diverse experience in the areas of Financial Management, General Management and Auditing.

Mr. Hosein is a Fellow of the Association of Certified Chartered Accountants (FCCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT).

He is Chairman of the Board Audit and Finance Committee and a member of the Human Resource Board sub-committee of Caribbean Cement Company Limited. He is a former Chairman of the Board of Directors for TCL Guyana Inc.

He has a long history of lending voluntary assistance to several charitable projects in Trinidad & Tobago.

Mr. Luis Gilberto Ali Moya
Director

Luis Gilberto Ali Moya was appointed Director of Administration of the Cemex Group for South America, Central America and the Caribbean in October 2019. Between January 2016 and October 2019 he held the post of TCL Group Finance Manager.

Prior to joining the TCL Group, Mr. Ali Moya served in the positions of Financial and Cost Analyst (Cemex, Venezuela); Business Process Coordinator (D.H.L, Costa Rica); and most recently, as Business Service Organisation Manager (Cemex, Costa Rica).

Mr. Ali Moya earned his Bachelor of Accounting degree from the Universidad Católica "Andres Bello" in Caracas, Venezuela (1997). He then went on to attain an MBA from the Universidad Latinoamericana de Ciencia y Tecnología in San Jose, Costa Rica (2009).

The Hon Peter Moses, OJ
Non-Executive Director

Peter Moses is a noted banking executive who retired in March 2017 from the post of CEO of Citibank after a 42-year career.

He has served on several Boards in the public and private sectors as well as through voluntary service. These include roles such as: President of the Jamaica Bankers' Association, President of the Private Sector Organisation of Jamaica (PSOJ), President of the American Chamber of Commerce (AMCHAM), Director of the Jamaica Exporters' Association (JEA), Director of the Jamaica Drug Abuse Committee, Member of the Review Board for the Jamaica Constabulary Force (JCF), Member of the Review Committee for Petrojam and Chairman of the Public Sector Reform Oversight Committee.

He is currently the Chairman of First Global Bank and a Director of Grace Kennedy Limited. He serves on the Executive of Calabar High School and is the President of the Real Mona Football Club.

His contributions to nation building have been recognised by the Government of Jamaica which has conferred upon him the Commander of the Order of Distinction (CD) and Order of Jamaica (OJ).

Directors' Report

The Directors submit this report and the audited Financial Statements for the year ended December 31, 2022.

FINANCIAL RESULTS
Results for the year are shown on pages 47 to 95 in the Financial Statements. These results reflect the operations and financial position of the Company and its subsidiary, Rockfort Mineral Bath Complex Limited.

HIGHLIGHTS OF THE YEAR ($ Thousands)		
	2022	**2021**
Turnover	25,837,228	23,840,001
Net Profit	5,383,867	4,341,632
Total Net Assets	20,038,638	15,779,187
Profit per Stock Unit	$6.33	$5.10

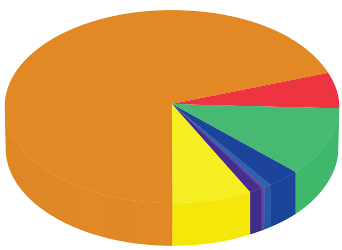
TEN LARGEST STOCKHOLDERS AS AT DECEMBER 31, 2022		
NAME OF COMPANY	**NUMBER OF SHARES**	**%**
TCL (NEVIS) LIMITED	558,688,942	65.64
TRINIDAD CEMENT LIMITED	71,876,497	8.44
CEMEX OPERACIONES MÉXICO, S.A. de C.V.	42,187,482	4.96
JCSD TRUSTEE SERVICES LIMITED - SIGMA EQUITY	11,199,676	1.32
SAGICOR POOLED EQUITY FUND	10,548,012	1.24
SAGICOR SELECT FUND LIMITED – ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	6,827,319	0.80
GUARDIAN LIFE LIMITED	6,274,357	0.74
MAYBERRY JAMAICAN EQUITIES LIMITED	4,849,169	0.57
SJIML A/C 3119	3,898,654	0.46
PAM - POOLED EQUITY FUND	3,757,762	0.45
TOTAL	**720,107,870**	**84.62**

DIRECTORS' STOCKHOLDINGS AS AT DECEMBER 31, 2022	
Parris A. Lyew-Ayee	10,000
TOTAL	**10,000**

Directors' Report (continued)

SENIOR MANAGERS' STOCKHOLDINGS AS AT DECEMBER 31, 2022	
Garen Williams	25,000
Jorge Camelo Ramirez	125
TOTAL	**25,125**

DISTRIBUTION OF SHAREHOLDING AS AT DECEMBER 31, 2022



GROUPING	UNITS	% HOLDINGS
CEMEX	42,187,482	4.96
TCL GROUP	630,565,439	74.09
FINANCIAL INSTITUTIONS	78,088,073	9.17
PENSION FUNDS	22,087,504	2.60
GOVERNMENT	3,321,741	0.39
CHURCHES, CLUBS & ASSOC.	1,591,285	0.19
COMPANIES	7,342,288	0.86
INDIVIDUALS	65,952,779	7.74

With the exception of the Director listed above, no Director or any person/company connected to him has a stockholding interest in the Company.

The Directors wish to express thanks to the management and staff for their continued commitment and hard work in 2022.

On behalf of the Board of Directors.

Parris A. Lyew-Ayee, CD
Chairman

Corporate Governance

Caribbean Cement Company Limited is committed to adhering to the principles and practices of good corporate governance. The company recognises that a robust corporate governance system redounds to the overall benefit of the organisation by fostering better performance, lowering risk of scandal as well as 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 through the establishment of a comprehensive and efficient framework of policies, procedures and systems and the promotion of a responsible corporate culture.

The company has adopted a Corporate Governance Policy which was compiled with reference to the United Kingdom Combined Code on Corporate Governance, the Private Sector Organization Code on Corporate Governance and the Corporate Governance Guidelines set out in the Jamaica Stock Exchange Main Market Rules. The Corporate Governance Policy may be viewed on the company's website at www.caribcement.com.

Board Composition

The Board of Caribbean Cement Company Limited comprises of executive and non-executive directors. Three (3) directors, including the Chairman are non-executive and the remaining four(4) are executive.

The company's Articles of Incorporation require that the directors of the company be no less than three and no more than twelve. The Board is currently of sufficient size to ensure that the requirements of the company's business are met and that changes to the Board's composition and that of its committees can be managed without undue disruption.

The Board and its Committees have an appropriate balance of skills, experience, independence, and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively.

Independence

Idependence as defined by the company's Corporate Governance Policy as the absence of undue influence and bias which can be affected by the intensity of the relationship between the director and the company. An independent director is a director who is free of any interest, position, association, or relationship that might influence or reasonably be perceived to influence, in a material respect his or her capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of the company and its shareholders generally.

Directors' Access to Management and Independent Advice

The Board has unrestricted access to members of management and any information it considers relevant. Management provides the Board with frequent reports and when necessary, members of the management team are invited to attend Board meetings to provide insight into matters being discussed.

Directors, especially independent directors, have access to independent professional advice at the company's expense where such advice is necessary to discharge their responsibilities as directors.

Board Sub-Committees

To enable the efficient discharge of its responsibilities, the Board has established three (3) sub-committees. The sub-committees are the Audit and Finance Committee, Corporate Governance Committee and the Human Resource Committee..

Audit and Finance Committee

The Audit and Finance Committee is comprised of four directors, three of whom are independent. The Committee has oversight responsibilities for the qualitative aspect of financial reporting to the shareholders and reviewing the financial process, the system of internal controls, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct. These responsibilities include:

1. Recommending the appointment of external auditors.

Corporate Governance (continued)

2. Assessing the suitability and independence of external auditors.
3. Following-up on recommendations made by internal and external auditors.
4. Overseeing all aspects of the company-audit firm relationship.
5. Monitoring the performance of the internal audit function ensuring its objectivity and independence in the completion of its duties and responsibilities.
6. Monitoring the integrity of the financial statements of the company, and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgments contained in them.
7. Overseeing the establishment, implementation, and assessment of the risk management function.
8. Assessing compliance with applicable laws and regulations.
9. Ensuring that an effective system of internal controls is established and maintained.

The members of the Committee are:

Hollis N. Hosein (Chair)
Parris A. Lyew-Ayee, CD
Luis Gilberto Ali Moya
Peter Moses, OJ

Corporate Governance Committee

The Corporate Governance Committee is committed to achieving best-practice standards in corporate governance. The responsibilities of the Corporate Governance Committee include but are not limited to the following:

1. Periodically reviewing the company's internal regulations, with special emphasis on corporate governance and compliance policies, and proposing such amendments and updates to the Board of Directors for approval or submission to the shareholders at their general meeting, as may be necessary for their ongoing development and improvement.
2. Promoting the company's corporate governance strategy.

The members of the Committee are:

Dania Jocelyn Heredia Ramirez (Chair)
Francisco Aguilera Mendoza
Peter Moses, OJ

Human Resource Committee

The role of the Human Resource Committee is to develop and/or review policies and goals relevant to executive compensation and development and to make appropriate recommendations to the Board. The responsibilities of the committee include but are not limited to the following:

1. Formulating policies for the company's human resource management function and making recommendations to the Board for approval and adoption.
2. Reviewing, approving and ensuring compliance with existing administrative policies and recommending to the Board the adoption of proposals for all senior managers and executives.
3. Ensuring that the company's Human Resource Department provides efficient services utilising equitable, transparent and contemporary performance management measures and systems.
4. Acting autonomously and approving on its own account, specific human capital initiatives and recommendations that fall within the overall ambit of pre-existing Board approved policies and systems.

The members of the Committee are:

Peter Moses, OJ (Chair)
Hollis N. Hosein
Dania Jocelyn Heredia Ramirez

Attendance at Board and Committee Meetings

The Board meets based on the pre-approved schedule of meetings for the year. Directors are required to attend board meetings and assigned committee meetings, to prepare and actively participate in meetings. The involvement and commitment of directors is evidenced by their regular board and

Corporate Governance (continued)

committee meeting attendance as shown in the table below.

Director	Board	Audit & Finance Committee	Corporate Governance Committee	Human Resource Committee
Parris A. Lyew-Ayee, CD	5/5	5/5	N/A	N/A
Yago Castro Izaguirre	5/5	N/A	N/A	N/A
Francisco Aguilera Mendoza	5/5	N/A	1/1	N/A
Hollis N. Hosein	4/5	5/5	N/A	1/1
Peter Moses, OJ	5/5	5/5	1/1	1/1
Dania Joycelyn Heredia Ramirez*	5/5	2/5	1/1	1/1
Luis Gilberto Ali Moya	5/5	4/5	N/A	N/A

**Member resigned as at September 16, 2022.*

Directors' Remuneration

Executive directors do not receive remuneration for services performed.

The remuneration of the non-executive directors is determined by an ordinary resolution of the shareholders of the company in accordance with its Articles of Incorporation. The remuneration provided is on the premise that it should be sufficient to attract, retain and motivate directors of the quality required to run the company successfully. In making a recommendation to the shareholders of the company on the remuneration of directors, the Board is guided by the company's Remuneration Policy which provides that remuneration should be determined in accordance with the following principles:

- remuneration based on time required, expertise and experience
- compensation for legal exposure
- comparability with similar companies
- official overseas travel for Board duties

The company compensates its directors fairly and aligns remuneration with the company's strategy. The compensation of directors is made up solely of fees, which are determined by their membership on various committees and any other objective circumstances that the Board may consider. Directors do not receive any share-based compensation.

Living Our Green Vision includes:

Standards & Warranties

Caribbean Cement Company Limited 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.

EXECUTIVE **TEAM**

Left - Right:

Mr. Yago Castro Izaguirre, Managing Director
Mr. Miguel Roberto Estrada Sanchez, Group Cement Operations and Technical Manager
Mr. Pablo Bahamon, Maintenance Manager
Mr. Jorge Camelo, Human Resource Manager
Mr. Victor Aceituno Melgar, Strategic Planning Manager

Left - Right:

Mr. Rogelio Barahona
Sales & Commercial Manager

Mr. Garen Williams
Sales Distribution Manager

Left - Right:

Ms. Kelly Cadavid Lopez
Quality, Quarry and Environment Manager

Mr. Randy Johan Nuñez Fuentes
Procurement Manager

Left - Right:

Mr. Norville Clarke
Group Enterprise Risk Manager

Mr. Andre Nelson
Industrial and Building Solutions Manager

Left - Right:

Mr. Christopher Bryan
Capital Projects Manager

Mr. Craig Neil
Legal Counsel and Company Secretary

Left - Right:

Mr. Christopher Brown - Production Manager
Mr. Anthony Jones - Head of Finance
Mr. Angel Rivera - Supply Chain Manager
Mr. Rohan Anderson - Process Manager

Living Our Green Vision

Managing Director's Report & Management Discussion

Yago Castro Izaguirre
Managing Director

HEALTH AND SAFETY

The health and safety of our employees, suppliers and all stakeholders who enter our plants and quarries remain our number one priority. Through our application of the Health and Safety Management System, we have attained 1,928 days without a lost time incident (LTI) among employees at the Rockfort Plant and 2,741 days without an LTI within our quarries. While we continue to have no major incidents involving direct employees, our contractors remain a cause for concern with one LTI involving a contracted worker occurring in October 2022. This was a reminder to the operations that regardless of having achieved three years LTI-free prior to this incident, safety has no memory. We continue with improvements in traffic management, guarding and isolation around the .plant, implementation of pandemic management initiatives, as well as the completion of various behavioural safety training programmes, which included 365 behavioural safeties; lock out, tag out, try out; and standard works with our staff. As part of the Cemex Global Supply Chain safety programme, all seven modules of the driving school journey were completed along with Vulnerable Road Users outreach programmes, which engaged schools and other associations representing some of the most exposed on our roadways.

There were also several initiatives to improve our emergency response. These included refresher training on emergency response procedures, first aid, and firefighting training as well as fire drills.

Our health programme continues to focus on the completion of annual medicals as a means of 'knowing your numbers' and taking a proactive approach to health. There were also monthly campaigns launched to provide relevant information on various health topics.

COVID-19 AND OUR ACTIONS

While the Covid virus remains with us, a shift in protocols enabled the company to safely return to in-person sessions which have assisted with morale and overall mental health. We continue to monitor global situations while always providing feedback and tools for all stakeholders to make informed decisions.

ENVIRONMENT AND QUALITY

FUTURE IN ACTION – COMMITTED TO NET ZERO CO_2

CCCL will continue to implement strategies to achieve its goal of a 47 per cent reduction in CO_2 emissions by 2030 as part of its "Future in Action" programme, which focuses on achieving sustainable excellence through climate action, circularity, and natural resource management. The company has already begun to reap dividends through this strategy, having realised a reduction in its carbon footprint of five per cent per tonne of cement with the introduction of Carib Plus Vertua last February.

CCCL is also continuing to advance its efforts to promote a circular economy, including participating in different initiatives like the National Environment and Planning Agency's "Adopt-A-Beach" programme. Through this initiative, waste was collected from three beach cleanups, and was finally disposed of in our cement kiln.

Managing Director's Report & Management Discussion (continued)

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 leverage 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. During 2022, we launched a new product, High-Early (HE) Low Carbon Industrial Cement, in alignment with our Future in Action strategy to develop a product with a lower carbon footprint, while maintaining the quality and performance of our products. All cement dispatched in 2022 met the Jamaica Standard (JS) and American Society for Testing and Materials (ASTM) product specifications, and our in-house laboratory has also successfully demonstrated technical competence in conducting eight (8) standard test methods on cement by maintaining our ISO 17025:2017 Plant certification, continuing to be the only accredited laboratory in the Caribbean.

CUSTOMER CENTRICITY

During another year filled with challenges and achievements, Carib Cement rose to the occasion to meet the demand from the booming construction industry in Jamaica. To successfully meet those demands of our customers, we focused on improving our performance and strengthening our ability to create greater value for our customers. We furthered our E-invoice system by offering paperless invoices to our customers via email. We also reinforced the implementation of our Electronic Delivery Ticketing Module that preassigns paperless access to both pickup and delivery customers making the delivery process seamless and transparent. In partnership with the marketing demands of our retail customers, we were able to offer them enhanced brand visibility through signage. Our 'cement sold here' signs were revamped and offered to customers for greater impact and brand recognition in the marketplace. We went a step further to incorporate the brand on the tarpaulins that are used as a protective covering for our cement haulages. We continue to offer flexibility in customer payment methods by initiating a drive to switch from cheques to direct deposit and wire transfers. Every day, we strive to improve, to innovate, and to be recognised as the company that offers the best experience to its customers.

Managing Director's Report & Management Discussion (continued)

MARKET REVIEW

In Jamaica, the total domestic cement demand had continuously been strong though it showed a slight decrease in 2022 by approximately 5.3% compared with the previous year. This was due to a particular reduction in the consumption of the residential housing sector, which contributed to Caribbean Cement Company Limited's total domestic sales volume decreasing by the same 5.3% in comparison to 2021.

FINANCIALS

Regarding the company's financial performance, Caribbean Cement Company Limited earned revenue of $25.8 billion, representing growth of 8% when compared to 2021. The increase in revenue was related to a price strategy to recover the market decrease and the increase of the cost driven by high inflation.

The net operating earnings before other expenses for the period were $8.7 billion; while the operating earnings after other expenses were $7.9 billion, representing an increase of $1.0 billion when compared to the prior year.

Despite the decrease in production and sales, the company has been able to offset some of the increase in operating costs and expenses based on operational efficiencies achieved through the improvement of our main equipment and operational processes.

The company recorded earnings before taxation of $7.2 billion, representing an improvement over the $5.7 billion achieved last year. The overall consolidated net income of $5.4 billion was higher than that of the previous year by $4.3 billion.

In relation to cash flow, the net cash provided by operating activities was $4.2 billion for the year, which is lower in comparison to 2021, forcing the company to incur a long-term debt of $0.6 billion.

OPERATIONS

Carib Cement continues with its implementation of the multi-year capital expenditure plan during 2022. The investment for this year was $1.3 billion which comprised a portfolio of sixty-two (62) projects with classification of engineering solutions, procurement and installation of new assets and technologies and the construction of new facilities. The programme sought to improve general areas of safety, environmental (CO_2 reduction, dust mitigation) plant automation, IT, security, and plant improvements. Some noteworthy accomplishments were engineering for kiln upgrades, replacement of switchgears for transformer no. 4, new admin building phase1, plc palletiser and fm4 motor.

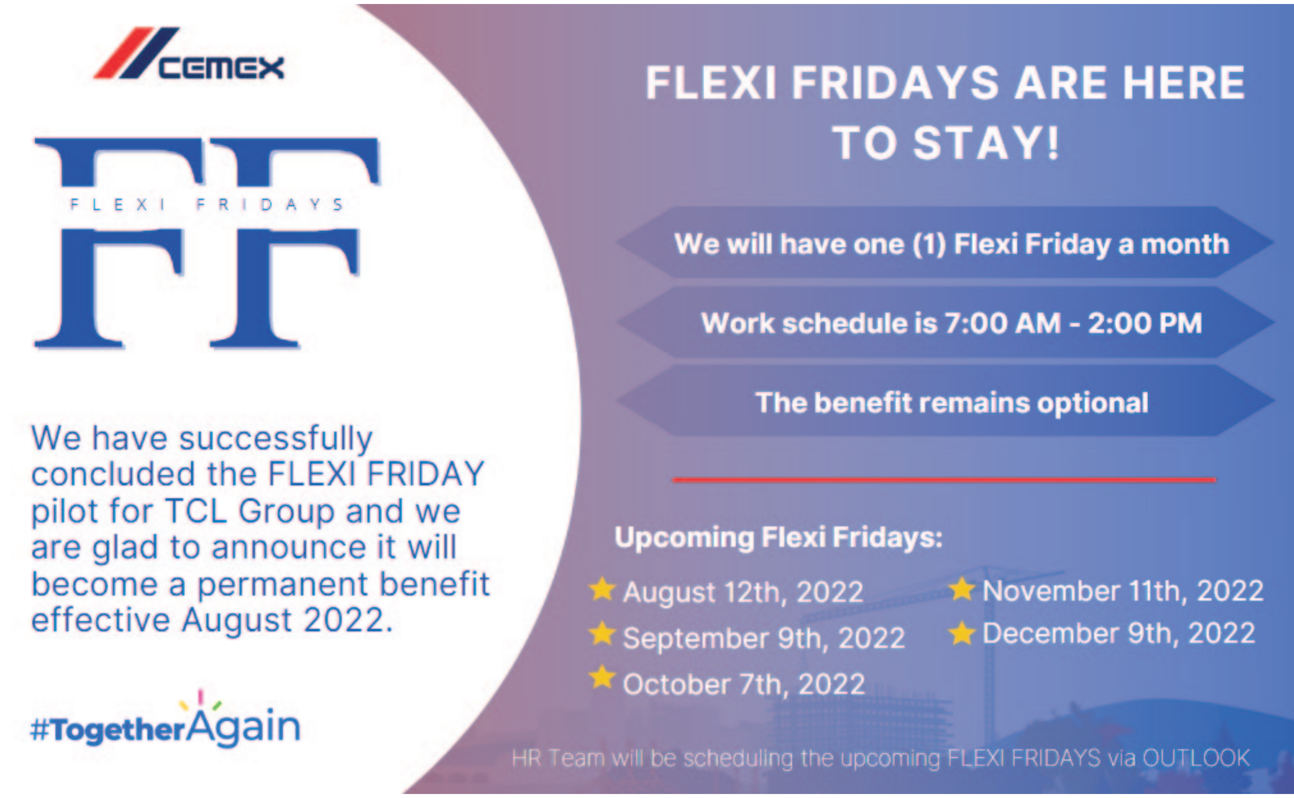
HUMAN CAPITAL

As a transition year from the pandemic, 2022 brought significant cultural and procedural changes to the company. Our policies and programmes were tailored to meet the new ways of working, which entailed

Managing Director's Report & Management Discussion (continued)

new flexible work arrangements; notwithstanding we maintain our standards and protocols of health and safety as it is our top priority to ensure our employees and other stakeholders remain safe despite the change in dynamics.

Delivering a delightful workforce experience is one of our organisational goals as we believe it contributes to energise, innovate, and maximise our people´s potential to be the best version of themselves. To enable this, we began the implementation and change management process for platforms such as SAP and SUCCESSFACTORS, which are pivotal for the success of broader and impactful projects that have the intention of improving the services provided to our staff. A lot of effort was placed on detecting areas of improvement and generating action plans as well as implementing initiatives to generate a healthy and more balanced culture – specially in this reality - through behaviours that integrate work and personal life balance, closeness, and connectivity as well as productive interactions.



Managing Director's Report & Management Discussion (continued)

TRAINING AND DEVELOPMENT

As we continue to adjust to life post pandemic, the priority remains to offer a wide range of training to our employees, both physically and virtually, using the resources available to us. The enablement of Cemex's learning platforms such as DEGREED and Cemex University has allowed us to expand our training offerings as our employees now have access to the different academies and programmes tailored to the company to gain a better understanding of global priorities, protocols, and policies, as well as allowing our staff to gain new skillsets that we believe are required to be better equipped to face the new challenges.

We continue to foster our relationship with universities as we believe in engaging the next generation of talented individuals through programmes such as internships, entry level operations, professionals in development and Cemex Campus.

MACROECONOMIC OUTLOOK

After the rebound in the Gross Domestic Product (GDP) of 4.6% observed in 2021, a slight decrease had been observed for 2022 with a GDP of 4.0%. However, the Jamaican dollar depreciated by an average of 5.0%. The inflation rate for 2022 (8.8%) was higher than the target (4% to 6%), mainly driven by increment in the price of restaurants & accommodation services, food & non-alcoholic beverages, alcoholic beverages, tobacco & narcotics, clothing & footwear, and furnishings, house-hold equipment & routine household maintenance.

Meanwhile, the construction sector continues with the good dynamic of the past years, where in 2021 it was driven by the residential projects and in 2022, the commercial and civil works projects. For 2023, we expect that the commercial projects will continue to be the main driver together with the industrial sector, while the rest of the channels continue with their organic growth.

The main challenge for 2023 and the coming years will be to continue recovering from the levels of economic growth prior to the pandemic. 2022 was a good starting point but there is still a way to go. The creation of employment through local production and projects should be a key contributor to this goal.

Yago Castro Izaguirre
Managing Director

Living Our Green Vision includes: Innovation

Caribbean Cement Company Limited 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.

Social Impact

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.

Scan to view video highlights >>

Scan Me

Managing Director of Caribbean Cement Company Limited (CCCL), 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.

Social Impact (continued)

Managing Director, Yago Castro (second from right), is joined by CCCL's Industrial and Building Solutions Manager, Andre Nelson (right) and Social Impact Specialist, 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. Also pictured from (third left) is Member of Parliament for East Rural St. Andrew, Juliet Holness and Councillor for the Harbour View Division, Oliver Clue.

Caribbean Cement Company Limited'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. At left is farmer, Ian Barrett.

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 Manager, 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.

Social Impact (continued)

Sustainability: Future In Action

Industrial and Building Solutions Manager, 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.

Caribbean Cement Company Limited's Managing Director, Yago Castro (left), is joined by CCCL's Human Resource Manager, Jorge Camelo in planting a tree during the observance of Sustainability Week.

Social Impact (continued)

Scan Me

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!

Andre Nelson (left) and Communications and Social Impact Coordinator, Chad Bryan share a photo following the collection of refuse from the Pedro Cays using Cemex jumbo bags, which were donated to the National Fisheries Authority. The bags were retrieved from industrial customers as part of an ongoing recycling initiative to repurpose used jumbo bags.

Groundbreaking Ceremony:
Carib Cement's USD 40m Kiln-5 Expansion Project

Scan Me

From left: Cemex's Chief Executive Officer, Fernando Gonzalez; is joined by Prime Minister 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 a ceremony to break ground for the expansion of Carib Cement's Kiln-5 project at the cement company's packing plant in Rockfort, Kingston on August 24. A key component of this major investment is the equipment which will be installed, allowing us to optimise our heat consumption in the cement manufacturing process. The occasion also marked the unveiling of the Jamaica/Friendship Mural, "Reignited for Unity".

Cemex's CEO Fernando Gonzalez (second right), is joined by Prime Minister, the Most Hon. Andrew Holness (second left) to unveil the Jamaica/Friendship mural, "Reignited for Unity", at the cement company's packing plant in Rockfort, Kingston on August 24. The occasion also saw ground broken for the expansion of Carib Cement's kiln-5 project. Others from left are Ambassador from Mexico to Jamaica, His Excellency Juan Jose Gonzalez Mijares; Wife of the Prime Minister and Member of Parliament for East Rural St. Andrew, the Most Hon. Juliet Holness and Minister of Culture, Gender, Entertainment and Sport, Hon. Olivia Grange.

Groundbreaking Ceremony (continued)

Mexican Muralist, Irving Cano (right), presents Cemex's Chief Executive Officer, Fernando Gonzalez (left) with a gift at a ceremony hosted by Caribbean Cement Company Limited to break ground for the expansion of the company's kiln in August 2022. Others from second left are, Mexican Ambassador to Jamaica, His Excellency Juan Jose Gonzalez Mijares and Minister of Culture, Gender, Entertainment and Sport, Hon. Olivia Grange.

Chairman of Caribbean Cement Company Limited, Parris Lyew-Ayee CD., (centre) introduces Chairman of Trinidad Cement Limited, David Inglefield (right), to President of the Jamaica Manufacturers and Exporters Association (JMEA), John Mahfood.

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INDEPENDENT AUDITORS' REPORT

To the Stockholders of
<u>CARIBBEAN CEMENT COMPANY LIMITED</u>

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of Caribbean Cement Company Limited ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), set out on pages 47 to 95 which comprise the Group and Company's statements of financial position as at December 31, 2022, the Group's and Company's income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2022, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and the Jamaican Companies Act.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying amount of inventories

See note 11 of the consolidated financial statements

Key audit matter	**How the matter was addressed in our audit**
The estimation of the physical quantities of stockpiles is a key audit matter because there might be errors in the conversion and calculation of the quantities of raw materials such as gypsum and clinker which are combined to produce cement. Additionally, the provision for the dead stock cement and aged clinker is based on management's estimate which involves significant judgement. Due to the significant volume of material and spare parts held by the group and the frequency of transactions, there is an inherent risk that material misstatements could arise due to the quantity of inventory items being incorrectly recorded.	Our audit procedures in response to this matter, included: • Testing controls over the reconciliation of the stockpile measurement to the final inventory listing. • Attending the year-end physical stock counts for selected locations including those where the Group engaged independent surveyors to assist with the assessment of the inventory stockpile measurements used and the adherence to appropriate stock count processes. • Considering the competence and independence of the surveyors. • Assessing the results of the surveyors reports and seeking to understand and corroborate the reasons for significant or unusual movements in inventory quantities between the accounting records and the results of the inventory stockpile measurements performed as part of the year-end physical stock counts. • Obtaining the inventory valuation calculations, agreeing stock quantities in those calculations to the accounting records, and assessing management's basis for the calculation of the quantity of dead stock cement and aged clinker in silos.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Carrying amount of inventories (continued)

See note 11 of the consolidated financial statements (continued)

Key audit matter	How the matter was addressed in our audit
	Our audit procedures in response to this matter, included (continued): • Challenging the assumptions around the measurement of the quantities of dead stock cement and aged clinker in silos used for making the provision for obsolescence. • Observation of annual inventory counts and selecting a sample of items for testing and agreeing count quantities to final inventory listings. • Conducting roll forward and roll back procedures from the count dates to the year- end date. • Testing the reconciliation of the inventory stock listing to the general ledger. • Considering the adequacy of the Group's disclosures about inventory.

Revenue recognition

See note 3 of the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The main activities of the Group are the manufacture and sale of cement. The Group recognised revenue from the sale of cement mainly generated from domestic sales.	Our audit procedures in response to this matter, included: • Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Revenue recognition (continued)

See note 3 of the consolidated financial statements (continued)

Key audit matter	How the matter was addressed in our audit
We have identified recognition of revenue as a key audit matter because there is a risk of misstatement due to incentives/pressures on management. Further, transactions occurring close to the year-end could be recorded in the wrong financial period.	Our audit procedures in response to this matter, included (continued): • Inspecting customer contracts, on a sample basis, to identify terms and conditions relating to the transfer of risks and rewards of the ownership of the products sold and assessing the Group's timing of recognition of revenue with reference to the requirements of IFRS 15 *Revenue from Contracts* • Comparing revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts and goods delivery notes to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policies. • Comparing, on a sample basis, revenue transactions recorded before and after the financial year end date with goods delivery notes and other relevant documentation to assess whether the revenue had been recognised in the appropriate financial period. • Inspecting underlying documentation for manual journal entries relating to revenue raised during the year and subsequent to the reporting date which were considered to be material or met other specific risk-based criteria.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Valuation of employee benefits obligation

See note 18 of the consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The Group operates a post-retirement medical benefit scheme. Significant estimates are made in valuing the Company's obligation. The valuation is considered to be a significant risk, given the size of the obligation, small changes in the assumptions can have a material financial impact on the Group's financial statements. The key assumptions involved in calculating the obligation are the discount rate, inflation rate and future growth in medical rates. Management appointed an external actuarial expert to assist in determining the assumptions and valuing the obligation. The use of significant assumptions increases the risk that management's estimate can be materially misstated which requires special audit consideration.	Our audit procedures in response to this matter, included: • Evaluating the design and implementation of controls and effectiveness, or lack thereof. • Evaluating the competency and objectivity of the appointed Actuary. • Determining that the actuarial valuation was performed using the projected unit credit method as required under IAS 19 *Employee Benefits* and testing the completeness, existence and accuracy of the beneficiary data provided by management to the actuarial expert. • With the assistance of our actuarial specialists, challenging the actuarial valuation report by considering whether the assumptions and method used were appropriate and consistent with the guidance, inter alia, from the Institute of Chartered Accountants of Jamaica and in accordance with the requirements of the standard. • Considering the appropriateness and adequacy of the accounting policy and disclosures.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Other Information

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

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

When we read the 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 Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the Company'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 and the Company 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 45 to 46, forms part of our auditors' report.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is W. Gihan C. de Mel.

KPMG

Chartered Accountants
Kingston, Jamaica

April 5, 2023

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Appendix to the Independent Auditors' Report

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

- Identify and assess the risks of material misstatement of the 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.

- 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 and Company'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 and Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
To the Stockholders of
CARIBBEAN CEMENT COMPANY LIMITED

Appendix to the Independent Auditors' Report (Continued)

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

CARIBBEAN CEMENT COMPANY LIMITED
Group Income Statement
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
Revenue	**3**	$	25,837,228	23,840,001
Cost of sales	**5(ii)**		(14,476,081)	(14,007,828)
Gross profit			**11,361,147**	**9,832,173**
Administrative expenses			(941,870)	(826,718)
Selling expenses			(188,793)	(196,400)
Distribution and logistics expenses			(1,551,818)	(1,478,348)
Recovery of impairment loss on trade receivables			225	26
Total operating expenses	**5(ii)**		**(2,682,256)**	**(2,501,440)**
Operating earnings before other expenses, net	**5(i)**		**8,678,891**	**7,330,733**
Other income	**6**		102,001	4,977
Other expenses	**6**		(916,549)	(448,907)
Operating earnings			**7,864,343**	**6,886,803**
Financial income			28,240	12,300
Financial expenses	**7**		(581,405)	(670,895)
Loss on foreign exchange			(68,311)	(516,781)
Earnings before taxation			**7,242,867**	**5,711,427**
Taxation charge	**19.1**		(1,859,000)	(1,369,795)
CONSOLIDATED NET INCOME		$	**5,383,867**	**4,341,632**
Basic and diluted earnings per stock unit (expressed in $ per stock unit)	**21**		**6.33**	**5.10**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Comprehensive Income
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
CONSOLIDATED NET INCOME		$	**5,383,867**	**4,341,632**
Items that will not be reclassified subsequently to the income statement:				
Net actuarial gains (losses) from remeasurement of employee benefits obligation	**18**		270,494	(179,630)
Deferred tax recognised directly in other comprehensive income	**19.2**		(67,624)	44,908
			202,870	(134,722)
Items that are or may be reclassified subsequently to the income statement:				
Effects from derivative financial instruments designated as cash flow hedge	**16.4**		(48,989)	40,355
			(48,989)	40,355
Total items of other comprehensive income (loss), net			**153,881**	**(94,367)**
TOTAL COMPREHENSIVE INCOME		**$**	**5,537,748**	**4,247,265**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Financial Position
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
ASSETS				
CURRENT ASSETS				
Cash at bank and on hand.	**8**	$	574,457	244,900
Trade accounts receivable, net	**9**		261,020	324,808
Other accounts receivable	**10**		389,791	76,781
Inventories, net	**11**		5,477,769	3,440,106
Accounts receivable from related parties	**22.1**		83,105	121,565
Other current assets	**12**		311,199	68,282
Total current assets			7,097,341	4,276,442
NON-CURRENT ASSETS				
Property, machinery and equipment, net	**14**		23,038,419	23,232,007
Total non-current assets			23,038,419	23,232,007
TOTAL ASSETS		$	**30,135,760**	**27,508,449**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Other financial obligations	**16.2**	$	57,876	1,514,153
Trade payables			3,306,357	4,451,098
Accounts payable to related parties.	**22.1**		612,182	872,852
Other current liabilities	**17**		2,125,142	1,711,788
Total current liabilities			6,101,557	8,549,891
NON-CURRENT LIABILITIES				
Long-term debt	**16.1**		608,208	-
Other financial obligations	**16.2**		77,954	137,234
Employee benefits obligation	**18**		927,461	1,123,716
Deferred tax liabilities......	**19.2**		2,298,026	1,885,512
Other non-current liabilities	**17**		83,916	32,909
Total non-current liabilities			3,995,565	3,179,371
TOTAL LIABILITIES			10,097,122	11,729,262
STOCKHOLDERS' EQUITY				
Share capital:				
Ordinary stock units.	**20.1**		1,808,837	1,808,837
Capital contribution	**20.1**		3,840,224	3,839,090
Reserves:				
Realised capital gain	**20.2(a)**		1,413,661	1,413,661
Other equity reserves	**20.2(b)**		5,077,760	3,577,892
Accumulated net income	**20.2(c) (iii)**		7,898,156	5,139,707
Total stockholders' equity			20,038,638	15,779,187
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$	**30,135,760**	**27,508,449**

These consolidated financial statements on pages 47 to 95 were approved by the Board of Directors on April 5, 2023 and signed on their behalf by:

Parris A. Lyew-Ayee Chairman

Parris A. Lyew-Ayee

Director

Yago Castro

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Cash Flows
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
OPERATING ACTIVITIES				
Consolidated net income		$	**5,383,867**	**4,341,632**
Adjustments for:				
Depreciation and amortisation of assets	**5(i), 14**		1,446,126	1,515,255
Loss on disposal of property, machinery and equipment			-	5,761
Net recovery of impaired receivables	**9**		(225)	(26)
Interest income			(28,240)	(12,300)
Interest expense	**7**		151,104	267,719
Taxation charge	**19.1**		1,859,000	1,369,795
Property, machinery and equipment write-off	**14**		6,552	-
Increase (decrease) in rehabilitation provision	**17**		39,241	(13,879)
Inventory write off	**6**		2,821	184
(Reduction) increase of inventory obsolescence provision	**11**		(61,647)	60,489
Increase (reversal) of stockholding and inventory restructuring provision	**6**		39,495	(4,977)
Employee benefit expenses	**18**		23,916	15,198
Unwinding of discount on preference shares	**7, 16.2**		402,235	376,010
Unwinding of discount on rehabilitation provision	**7, 17**		10,701	4,845
Unwinding of discount on lease liabilities	**7**		17,365	22,321
Unrealised foreign exchange (gains) losses, net			(48,755)	262,838
Changes in working capital, excluding taxes			(3,516,928)	528,018
Net cash flow provided by operating activities before employee benefits, and taxes			**5,726,628**	**8,738,883**
Employee benefits paid	**18**		(38,241)	(31,585)
Interest received			28,240	12,300
Interest paid			(79,603)	(210,950)
Taxation paid			(1,422,887)	(1,422,939)
Net cash flows provided by operating activities			**4,214,137**	**7,085,709**
INVESTING ACTIVITIES				
Acquisition of property, machinery and equipment	**14**		(1,259,090)	(1,686,304)
Proceeds from disposal of assets			-	135
Accounts receivable from related parties			(45,257)	-
Net cash flows used in investing activities			**(1,304,347)**	**(1,686,169)**
FINANCING ACTIVITIES				
Proceeds from long-term debt	**16.1**		616,383	-
Repayment of long-term debt	**16.1**		-	(4,442,650)
Other financial obligations:				
Repayment of redeemable preference shares	**16.2(a)**		(1,843,945)	(1,167,440)
Dividends paid			(1,264,011)	-
Payment of lease liabilities	**16.2(b)**		(68,975)	(57,216)
Net cash flows used in financing activities			**(2,560,548)**	**(5,667,306)**
Increase (decrease) in cash at bank and on hand			349,242	(267,766)
Cash conversion effect, net			(19,685)	(470)
Cash at bank and on hand at beginning of year			244,900	513,136
CASH AT BANK AND ON HAND AT END OF YEAR	**8**	**$**	**574,457**	**244,900**
Changes in working capital, excluding taxes:				
Trade accounts receivable, net		$	63,049	(183,381)
Other current assets			(490,499)	87,003
Inventories			(2,018,332)	(1,125,094)
Trade payables			(1,122,256)	1,337,818
Other current liabilities			51,110	411,672
Changes in working capital, excluding taxes		**$**	**(3,516,928)**	**528,018**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Changes in Stockholders' Equity
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Ordinary stock	Capital contribution	Reserves: Realised capital	Reserves: Other equity reserves	Reserves: Accumulated net income	Reserves: Total reserves	Total capital & reserves
Balance as of December 31, 2020		$	**1,808,837**	**3,839,090**	**1,413,661**	**2,564,656**	**1,905,678**	**5,883,995**	**11,531,922**
Net income			-	-	-	-	4,341,632	4,341,632	4,341,632
Transfer to capital redemption fund reserve	20.2(b) (i)		-	-	-	972,881	(972,881)	-	-
Other comprehensive income:									
Net actuarial losses from remeasurements of defined benefit pension plans			-	-	-	-	(134,722)	(134,722)	(134,722)
Effects from derivative financial instruments designated as cash flow hedge			-	-	-	40,355	-	40,355	40,355
Balance as of December 31, 2021			**1,808,837**	**3,839,090**	**1,413,661**	**3,577,892**	**5,139,707**	**10,131,260**	**15,779,187**
Net income			-	-	-	-	5,383,867	5,383,867	5,383,867
Transfer to capital redemption fund reserve	20.2(b) (i)		-	-	-	1,548,857	(1,548,857)	-	-
Other comprehensive income:									
Net actuarial losses from remeasurements of defined benefit pension plans			-	-	-	-	202,870	202,870	202,870
Effects from derivative financial instruments designated as cash flow hedge			-	-	-	(48,989)	-	(48,989)	(48,989)
Transaction with owners:									
Dividends	20.2(d)		-	-	-	-	(1,279,431)	(1,279,431)	(1,279,431)
Share-based compensation	20.1(ii) (b)		-	1,134	-	-	-	-	1,134
Balance as of December 31, 2022		$	**1,808,837**	**3,840,224**	**1,413,661**	**5,077,760**	**7,898,156**	**14,389,577**	**20,038,638**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Income Statement
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes	Year ended December 31 2022	2021
Revenue	3	$ 25,837,228	23,840,001
Cost of sales	5(ii)	(14,476,081)	(14,007,828)
Gross profit		**11,361,147**	**9,832,173**
Administrative expenses		(920,518)	(805,620)
Selling expenses		(188,793)	(196,399)
Distribution and logistics expenses		(1,551,818)	(1,478,348)
Recovery of impairment loss on trade receivables		225	26
Total operating expenses	5(ii)	**(2,660,904)**	**(2,480,341)**
Operating earnings before other expenses, net	5(i)	**8,700,243**	**7,351,832**
Other income	6	102,001	4,977
Other expenses	6	(930,973)	(460,551)
Operating earnings		**7,871,271**	**6,896,258**
Financial income		28,240	12,300
Financial expenses	7	(581,405)	(670,895)
Loss on foreign exchange		(68,311)	(516,781)
Earnings before taxation		**7,249,795**	**5,720,882**
Taxation charge	19.1	(1,859,000)	(1,369,795)
NET INCOME		**5,390,795**	**4,351,087**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Comprehensive Income
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
NET INCOME		$	**5,390,795**	**4,351,087**
Items that will not be reclassified subsequently to the income statement:				
Net actuarial gains (losses) from remeasurement of employee benefits obligation	**18**		270,494	(179,630)
Deferred tax recognised directly in other comprehensive income	**19.2**		(67,624)	44,908
			202,870	(134,722)
Items that are or may be reclassified subsequently to the income statement:				
Effects from derivative financial instruments designated as cashflow hedge	**16.4**		(48,989)	40,355
			(48,989)	40,355
Total items of other comprehensive income (loss), net			**153,881**	**(94,367)**
TOTAL COMPREHENSIVE INCOME		**$**	**5,544,676**	**4,256,720**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Financial Position
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
ASSETS				
CURRENT ASSETS				
Cash at bank and on hand	**8**	$	574,452	244,860
Trade accounts receivable, net	**9**		261,020	324,802
Other accounts receivable	**10**		389,500	76,781
Inventories, net	**11**		5,477,769	3,440,106
Accounts receivable from related parties	**21.1**		83,105	121,565
Accounts receivable from subsidiary	**21.4**		21,712	13,926
Other current assets	**12**		311,199	68,282
Total current assets			7,118,757	4,290,322
NON-CURRENT ASSETS				
Property, machinery and equipment, net	**14**		23,037,049	23,230,465
Total non-current assets			23,037,049	23,230,465
TOTAL ASSETS		$	**30,155,806**	**27,520,787**
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Other financial obligations	**16.2**	$	57,876	1,514,153
Trade payables			3,305,630	4,448,875
Accounts payable to related parties	**22.1**		612,182	872,852
Other current liabilities	**17**		2,124,406	1,711,768
Total current liabilities			6,100,094	8,547,648
NON-CURRENT LIABILITIES				
Long-term debt	**16.1**		608,208	-
Other financial obligations	**16.2**		77,954	137,234
Employee benefits obligations	**18**		927,461	1,123,716
Deferred tax liabilities	**19.2**		2,298,026	1,885,512
Other non-current liabilities	**17**		83,916	32,909
Total non-current liabilities			3,995,565	3,179,371
TOTAL LIABILITIES			10,095,659	11,727,019
STOCKHOLDERS' EQUITY				
Share capital:				
Ordinary stock units	**20.1**		1,808,837	1,808,837
Capital contribution	**20.1**		3,840,224	3,839,090
Reserves:				
Realised capital gain	**20.2(a)**		1,413,656	1,413,656
Other equity reserves	**20.2(b)**		5,077,760	3,577,892
Accumulated net income	**20.2(c) (iii)**		7,919,670	5,154,293
Total stockholders' equity			20,060,147	15,793,768
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$	**30,155,806**	**27,520,787**

These financial statements on pages 47 to 95 were approved by the Board of Directors on April 5, 2023 and signed on their behalf by:

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

Director
Yago Castro

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Cash Flows
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Year ended December 31 2022	2021
OPERATING ACTIVITIES				
Net income		$	**5,390,795**	**4,351,087**
Adjustments for:				
Depreciation and amortisation of assets	**5(i), 14**		1,445,953	1,515,157
Loss on disposal of property, machinery and equipment			-	5,761
Net recovery of impaired receivables	**9**		(225)	(26)
Interest income			(28,240)	(12,300)
Interest expense	**7**		151,104	267,719
Taxation charge	**19.1**		1,859,000	1,369,795
Property, machinery and equipment write-off	**14**		6,552	-
Increase (decrease) in rehabilitation provision	**17**		39,241	(13,879)
Inventory write off	**6**		2,821	184
(Reduction) increase of inventory obsolescence provision	**11**		(61,647)	60,489
Reversal of stockholding and inventory restructuring provision	**6**		39,495	(4,977)
Employee benefit expenses	**18**		23,916	15,198
Unwinding of discount on preference shares	**7, 16.2**		402,235	376,010
Unwinding of discount on rehabilitation provision	**7, 17**		10,701	4,845
Unwinding of discount on lease liabilities	**7**		17,365	22,321
Unrealised foreign exchange (gains) losses, net			(48,755)	262,838
Changes in working capital, excluding taxes			(3,523,649)	517,115
Net cash flow provided by operating activities before employee benefits, net financial expenses and taxes			**5,726,662**	**8,737,337**
Employee benefits paid	**18**		(38,241)	(31,585)
Interest received			28,240	12,300
Interest paid			(79,603)	(210,950)
Taxation paid			(1,422,887)	(1,422,939)
Net cash flows provided by operating activities			**4,214,171**	**7,084,163**
INVESTING ACTIVITIES				
Acquisition of property, machinery and equipment	**14**		(1,259,089)	(1,684,754)
Proceeds from disposal of assets			-	135
Accounts receivable from related parties			(45,257)	-
Net cash flows used in investing activities			**(1,304,346)**	**(1,684,619)**
FINANCING ACTIVITIES				
Proceeds from long-term debt	**16.1**		616,383	-
Repayment of long-term debt	**16.1**		-	(4,442,650)
Other financial obligations:				
Repayment of redeemable preference shares	**16.2(a)**		(1,843,945)	(1,167,440)
Dividends paid			(1,264,011)	-
Payment of lease liabilities, net	**16.2(b)**		(68,975)	(57,216)
Net cash flows used in financing activities			**(2,560,548)**	**(5,667,306)**
Increase (decrease) in cash at bank and on hand			349,277	(267,762)
Cash conversion effect, net			(19,685)	(470)
Cash at bank and on hand at beginning of year			244,860	513,092
CASH AT BANK AND ON HAND AT END OF YEAR	**8**	$	**574,452**	**244,860**
Changes in working capital, excluding taxes:				
Trade accounts receivable, net		$	63,043	(183,375)
Other current assets			(497,994)	73,995
Inventories			(2,018,332)	(1,125,094)
Trade payables			(1,120,760)	1,340,450
Other current liabilities			50,394	411,139
Changes in working capital, excluding taxes		$	**(3,523,649)**	**517,115**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Changes in Stockholders' Equity
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

	Notes		Ordinary stock	Reserves Capital contribution	Realised capital	Other equity reserves	Accumulated net income	Total reserves	Total capital & reserves
Balance as of December 31, 2020		$	**1,808,837**	**3,839,090**	**1,413,656**	**2,564,656**	**1,910,809**	**5,889,121**	**11,537,048**
Net income			-	-	-	-	4,351,087	4,351,087	4,351,087
Transfer to capital redemption fund reserve	20.2(b) (i)		-	-	-	972,881	(972,881)	-	-
Other comprehensive income:									
Net actuarial losses from remeasurements of defined benefit pension plans			-	-	-	-	(134,722)	(134,722)	(134,722)
Effects from derivative financial instruments designated as cash flow hedge			-	-	-	40,355	-	40,355	40,355
Balance as of December 31, 2021			**1,808,837**	**3,839,090**	**1,413,656**	**3,577,892**	**5,154,293**	**10,145,841**	**15,793,768**
Net income			-	-	-	-	5,390,795	5,390,795	5,390,795
Transfer to capital redemption fund reserve	20.2(b) (i)		-	-	-	1,548,857	(1,548,857)	-	-
Other comprehensive income:									
Net actuarial losses from remeasurements of defined benefit pension plans			-	-	-	-	202,870	202,870	202,870
Effects from derivative financial instruments designated as cash flow hedge			-	-	-	(48,989)	-	(48,989)	(48,989)
Transaction with owners:									
Dividends	20.2(d)		-	-	-	-	(1,279,431)	(1,279,431)	(1,279,431)
Share-based compensation	20.1(ii) (b)		-	1,134	-	-	-	-	1,134
Balance as of December 31, 2022		$	**1,808,837**	**3,840,224**	**1,413,656**	**5,077,760**	**7,919,670**	**14,411,086**	**20,060,147**

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Notes to the Group and Company Financial Statements
As of December 31, 2022 and 2021
(Thousands of Jamaican Dollars)

1) DESCRIPTION OF BUSINESS

Caribbean Cement Company Limited (the "Company") and its subsidiary (note 2.2) are incorporated under the laws of Jamaica. The Company is a limited liability public company listed on the Jamaica Stock Exchange and is domiciled in Jamaica. The registered office of the Company is at Rockfort, Kingston, Jamaica.

The Company is a 65.65% owned subsidiary of TCL (Nevis) Limited. TCL (Nevis) Limited is a wholly owned subsidiary of Trinidad Cement Limited (TCL) (the "Parent Company"), which also owns 8.45% of the ordinary stock units of the Company.

On January 24, 2017, CEMEX, S.A.B. de C.V., through its indirect subsidiary Sierra Trading, acquired 113 million of the ordinary stock units of TCL and on that date increased its shareholding from 39.5% to a majority stake of 69.8% of the total issued ordinary shares of TCL. Consequent on this transaction, TCL became a subsidiary of Sierra Trading, with CEMEX, S.A.B. de C.V., a company incorporated in and domiciled in Mexico and listed on the Mexican and New York Stock Exchanges, becoming the ultimate parent of TCL and the Company.

The principal activities of Caribbean Cement Company Limited and its subsidiary (the "Group") are the manufacture and sale of cement, clinker and the mining and sale of gypsum, shale and pozzolan. The Group operates in Jamaica.

2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1) BASIS OF PRESENTATION AND DISCLOSURE

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the relevant provisions of the Jamaican Companies Act ("the Act").

Comparative information

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

Basis of measurement

These financial statements have been prepared under the historical cost basis, except for the fuel hedge asset which has been measured at fair value.

Functional and presentation currency and definition of terms

During the reported periods, the presentation currency of the Group financial statements is in the Jamaican dollars, which is the functional and presentation currency of the Company and its subsidiary. When reference is made to dollars or "$" it means Jamaica dollars. The amounts in the financial statements and the accompanying notes are stated in thousands, except when stated otherwise. When reference is made to "US$", it means dollars of the United States of America ("United States"). When reference is made to "€" or "Euro", it means the common currency of the European Union. When reference is made to "TT$", it means Trinidad and Tobago dollars.

Newly issued and amended IFRSs adopted in 2022.

Certain new and amended standards that were issue came into effect during the current financial year. None of these standards had an effect on these financial statements.

2.2) PRINCIPLES OF CONSOLIDATION

The Group financial statements include those of Caribbean Cement Company Limited and those of the entity in 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. The Company's subsidiary, which together with the Company are referred to as "the Group". The group financial statements include:

Entity	Principal activity	Country of Incorporation	% Equity interest	
			2022	2021
Rockfort Mineral Bath Complex Limited	Spa facility	Jamaica	100	100

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS

The preparation of 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 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) Allowance for impairment losses on trade receivables

Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable.

Under the ECL model, the Group segments its trade accounts receivable in a matrix by days past due and determines for each age bracket an average rate of ECL, considering actual credit loss experience over the last 60 months and analysis of future delinquency, that is applied to the balance 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. The use of assumptions make uncertainty inherent in such estimates.

(ii) Net realisable value of inventories

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events after the period end to the extent that such events confirm conditions existing at the end of the year.

(iii) Residual value and expected useful life of long-lived assets.

The residual values and expected useful lives of long-lived assets are reviewed at least annually. If expectations differ from previous estimates, the change is accounted for accordingly. The useful life of an asset is defined in terms of the asset's expected value in use to the group.

(iv) Rehabilitation provision

The provision for restoration and rehabilitation associated with environmental damage represents the best estimates of the future costs 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.

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 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. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for my rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

The provision for future restoration and rehabilitation is based on a plan presented to and approved by the Commissioner of Mines and Geology. These 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 as at reporting date represents management's best estimate of the present value of the future restoration and rehabilitation costs required (note 17).

The expected completion time of rehabilitation is based on the planned activity for each of the quarries which ranges between two to nine years.

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS - CONTINUED

(v) Post-employment benefits

The amounts recognised in the statement of financial position, the income statement and the statement of other comprehensive income for post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the discount rate used to determine the present value of estimated future cash flows required to settle the post-retirement obligations and the expected rate of increase in medical costs for post-employment medical benefits.

The discount rate is determined based on the estimate of yield on long-term government securities that have maturity dates approximating the terms of the obligation; in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. The estimate of the expected rate of increase in medical costs is determined based on inflationary factors. Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations.

2.4) FOREIGN CURRENCY TRANSACTIONS

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 statement of financial position date and the resulting foreign exchange fluctuations are recognised in the income statement.

The most significant closing exchange rates and the approximate average exchange rates for the statement of financial position and the income statement respectively as of December 31, 2022 and 2021, are as follows:

	2022		2021	
	Closing	**Average**	**Closing**	**Average**
United States Dollar	152.0521	153.8801	155.0878	151.8044
Euro	165.0728	164.2284	177.6382	181.6932
Trinidad and Tobago Dollar	22.4173	22.7313	22.8171	22.4282

2.5) CASH AT BANK AND ON HAND (note 8)

The balance in this caption comprises available amounts of cash at bank and on hand, which are readily available cash and cash equivalents.

2.6) FINANCIAL INSTRUMENTS

Classification and measurement of financial instruments

The financial assets that meet both of the following conditions and are not designated as at fair value through the profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as “Held to collect” and measured at amortised cost.

Amortised cost represents the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. This classification of 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; other current assets; accounts receivable from related parties and accounts receivable from subsidiary (notes 9, 10, 12 and 22). 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 17 and 22) 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.
- The initial recognition of the redeemable preference shares was at fair value and were subsequently measured at amortised cost using the effective interest method (note 20.1(i)). Non-discretionary dividends thereon are recognised as interest expense in the income statement as accrued.

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.6) FINANCIAL INSTRUMENTS - CONTINUED

Classification and measurement of financial instruments - Continued

Debt instruments are classified as "Loans" and measured at amortised cost (notes 16.1 and 16.2). Interest accrued on financial instruments is recognised within "Other current and non-current liabilities" against financial expense. During the reported periods, the Group did not have financial liabilities 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 statement of financial position at their estimated fair values, and the changes in such fair values are recognised in the statement of comprehensive income within "Items that are or maybe reclassified subsequently to the income statement" for the period in which they occur, except in the case of hedging instruments as described below (note 16.4).

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 credit 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.

Fair value measurements (note 16.3)

Fair value 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. The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models.

Management assessed that the carrying amounts of cash and cash equivalents, trade receivables, trade payables, due from related companies and due to parent and related companies approximate their fair values largely due to the short-term maturities of these instruments.

As disclosed in note 16.4 the diesel fuel hedge was carried at fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

2.7 INVENTORIES (note 11)

Inventories are valued using the lower of cost or net realisable value, whereas cost is based on the weighted average principle. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. 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 allowance for inventory obsolescence is increased. In both cases, these adjustments are recognised against the results of the period. Advances to suppliers of inventory are presented as part of "Other current assets".

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES - CONTINUED

2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 14)

Property, machinery and equipment are recognised at their acquisition or construction cost, as applicable, less accumulated depreciation and accumulated impairment losses. Depreciation of fixed assets is recognised as part of cost of sales and operating expenses and is calculated using the straight-line method over the estimated useful lives of the assets.

As of December 31, 2022 and 2021, the average useful lives by category of fixed assets are as follows:

	Years
Land improvements	30
Buildings	20 - 40
Machinery and equipment	3 - 10
Right-of-use assets (lease term)	2 – 14

Costs incurred in respect of operating fixed assets 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 depreciated over the remaining useful lives of such fixed assets. Periodic maintenance on fixed assets is expensed as incurred. Advances to suppliers of fixed assets are presented as part of other current assets.

The useful lives and residual values of property, machinery and equipment are reviewed at each reporting date and adjusted if appropriate.

Land and capital work in progress are not depreciated.

2.9) INTANGIBLE ASSETS (note 15)

The Group capitalises intangible assets acquired, as well as costs incurred in the development of intangible assets, when probable future economic benefits associated are identified and there is evidence of control over such benefits. Intangible assets are recognised at their acquisition or development cost, as applicable. Definite life intangible assets are amortised on straight-line basis as part of operating costs and operating expenses.

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 probable 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 tons of material to be extracted. When future economic benefits are not achieved, any capitalised costs are subject to impairment.

Amortisation of intangible assets is recognised as part of cost of sales and operating expenses and is calculated using the straight-line method over the estimated useful lives of the assets.

As of December 31, 2022 and 2021, the average useful lives by category of intangible assets are as follows:

	Years
Exploration costs	3
Dredging costs	3

2.10) IMPAIRMENT OF LONG-LIVED ASSETS (notes 14 and 15)

Property, machinery and equipment and intangible assets of definite life

These assets are tested for impairment annually, or upon the occurrence of a significant adverse event, changes in the Group's operating business model or in technology that affect the assets, or expectations of lower operating results, to determine whether their carrying amounts may not be recovered.

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES- CONTINUED

2.10) IMPAIRMENT OF LONG-LIVED ASSETS (notes 14 and 15) - CONTINUED

Property, machinery and equipment and intangible assets of definite life – Continued

An impairment loss is recorded in the income statement for the period within "Other expenses, net," 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, as determined by an external appraiser, and the asset's value in use, the latter represented by the net present value (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.

When impairment indicators exist, for each intangible asset, the Group determines its projected revenue streams over the estimated useful life of the asset. To obtain discounted cash flows attributable to each intangible asset, such revenue is adjusted for operating expenses, changes in working capital and other expenditures, as applicable, and discounted to its NPV using the risk-adjusted discount rate of return. The most significant economic assumptions are: a) the useful life of the asset; b) the risk adjusted discount rate of return; and c) growth rates. Assumptions used for these cash flows are consistent with internal forecasts and industry practices.

The fair values of these assets are significantly sensitive to changes in such relevant assumptions. Certain key assumptions are more subjective than others. The Group validates its assumptions through benchmarking with industry practices and the corroboration of third-party valuation advisors. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss may be reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

2.11) PROVISIONS

The Group recognises provisions when it has a legal or constructive obligation resulting from past events, whose resolution would require cash outflows, or the delivery of other resources owned by the Group. As of December 31, 2022 and 2021, the carrying amount of the Group's other current and non-current liabilities and provisions are detailed in note 17.

Considering guidance under IFRS, the Group recognises provisions for levies imposed by the government until the obligating event or the activity that triggers the payment of the levy has occurred, as defined in the legislation.

Rehabilitation Provision (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.

Contingencies and commitments (note 24 and 23)

Obligations or losses related to contingencies are recognised as liabilities in the statement of financial position only when present obligations exist resulting from past events that are probable 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 financial statements. The effects of long-term commitments established with third parties, such as supply contracts with suppliers or customers, are recognised in the 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 financial statements. The Group recognises contingent revenues, income or assets only when their realisation is virtually certain.

2.12) EMPLOYEE BENEFITS

Employee benefits are all forms of consideration given by the Group in exchange for service rendered by employees (note 5(iv)). These include current or short-term benefits such as salaries, bonuses, National Insurance Scheme (NIS) contributions, vacation leave; non-monetary benefits such as pension, post-retirement benefits such as medical care; and other long-term employee benefits such as termination benefits. Employee benefits other than pensions that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and charged as an expense. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post-retirement benefits are accounted for as described in note (ii) below.

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2.12) EMPLOYEE BENEFITS - CONTINUED

(i) Defined contribution pension plan (note 18)

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

(ii) Post-retirement medical benefits (note 18)

Employee benefits, comprising post-retirement obligations included in the financial statements, have been actuarially determined by a qualified independent actuary, appointed by management using the projected unit credit method. The actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuation is conducted in accordance with IAS 19, and the financial statements reflect the Group's post-retirement benefit obligation as computed by the actuary.

The Group's obligation in respect of its post-retirement medical plan is calculated by estimating the number of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value. The discount rate is determined by reference to the yield at the reporting date on long-term government instruments of terms approximating those of the Group's obligation.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. The Group determines the interest expense on the defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net-defined benefit liability, considering any changes in the defined benefit liability during the year as a result of the contributions and benefit payments. The interest expense and other expenses related to the defined benefit plan are recognised in the income statement.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in the defined benefit obligation or asset that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

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

2.13) TAXATION (note 19)

The effects reflected in the income statement for taxes include the amounts incurred during the period and the amounts of deferred taxes, determined according to the tax law applicable at the reporting date. Deferred taxes represent amounts determined by applying the tax rate to the total temporary differences resulting from comparing the book and taxable values of assets and liabilities, considering tax assets such as loss carry forwards 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 taxes as 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 taxes for the period represent the difference between balances of deferred taxes at the beginning and the end of the period. According to IFRS, all items charged or credited directly in stockholders' equity or as part of other comprehensive income for the period are recognised net of their deferred tax effects. The effect of a change in enacted statutory tax rates is recognised in the period in which the change is officially enacted.

Deferred tax 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 carry forwards that the Group believes will not be rejected by the tax authorities based on available evidence and the likelihood of recovering them through an analysis of estimated future taxable income. When it is considered that a deferred tax asset will not be recovered, the Group would not recognise such a deferred tax asset. Both situations would result in an additional tax expense for the period in which such a determination is made. In order to determine whether it is probable that deferred tax 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, current tax structure, potential changes or adjustments in tax structure, tax planning strategies, future reversals of existing temporary differences. Likewise, the Group analyses its actual results versus estimates, and adjusts, as necessary, its tax asset valuations. If actual results vary from the Group's estimates, the deferred tax asset and or valuations may be affected, and necessary adjustments will be made based on relevant information in the Group's income statement for such period.

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2.13) TAXATION (note 19) - CONTINUED

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 position are recognised.

The effective tax rate is determined by dividing the line item “Taxation” by the line item “Earnings before taxation”. This effective tax rate is further reconciled to the Group’s statutory tax rate applicable in Jamaica. For the years ended December 31, 2022 and 2021, the statutory tax rate was 25%.

2.14) BORROWINGS AND BORROWING COSTS

Short-term loans and long-term borrowings (note 16.1)

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 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 statement of financial position; otherwise, it is classified as long-term.

Borrowings are stated initially at cost, being the fair value of consideration received net of transaction cost associated with the borrowings. After initial recognition, borrowings are measured at amortised cost using the effective interest method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period 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 are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15) LEASES (note 16.2)

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 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 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 the of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the 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 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.

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2.15) LEASES (note 16.2) - CONTINUED

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets with a value of US$5,000 or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group does not recognise the rental of the land for the quarries as those are not within the scope of IFRS 16. Payments are recognised in the income statement.

2.16) STOCKHOLDERS' EQUITY

Share capital (note 20.1)

These items represent the value of stockholders' contributions. The most significant items within "Share capital" during the reported period are as follows:

(i) Ordinary stock units

Ordinary stock units are classified as equity when there is no obligation to transfer cash or other assets.

(ii) Capital contribution are other non-equity contribution made by the Stockholders' of the Company to which there is no obligation for the Company to transfer cash or other assets back to the Stockholders' in relation to this amount.

Items of "Capital contribution" included within stockholders' equity:

- The forgiveness of a debt due to the Parent Company, this was part of the restructuring programme designed in 2013 to strengthen the equity position of the Company. The value of the debt forgiven was credited to Stockholders' equity as capital contribution.

- Share-based compensation represent the fair value of the Ultimate Parent Company's stocks granted to employees with management positions in the Company. The underlying values of the stocks are determined by the quoted market price at the grant date. This compensation is paid directly by the Ultimate Parent Company and is recognised as additional investment in the company.

Other equity reserves (note 20.2)

Other equity reserves comprise the cumulative effects of items and transactions that are, temporarily or permanently, recognised directly to stockholders' equity, and includes the comprehensive income, which reflects certain changes in stockholders' equity that do not result from investments by owners and distributions to owners.

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

- The preference shares redeemed that was transferred to "Capital Redemption Fund Reserve" pursuant to section 64(d) of the Jamaican Companies Act; and
- The effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity.
- Realised capital reserves represents the gains from the sale of machinery and equipment.

Accumulated net income (note 20.2)

Accumulated net income represents the cumulative net results of prior years, net of a) dividends paid; b) changes in the remeasurement of employee benefits obligation, net of tax (note 2.12), c) current year net income and d) cumulative effects from adoption of new IFRS.

2.17) BASIC AND DILUTED EARNINGS PER STOCK UNIT (note 21)

The earnings per stock unit is computed by dividing consolidated net income attributable to ordinary stockholders by the weighted-average number of ordinary stock units in issue during the year.

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2.18) DIVIDENDS (note 20.2(d))

Dividends declared and payable to the Company's stockholders 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.

2.19) PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES (note 3)

Revenue is measured at the amount to which the entity expects to become entitled in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of product or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Its principal activity is the manufacture and sale of cement.	Customers obtain control of goods when the goods are delivered to and accepted by them. Invoices are generated at that point in time. Invoices are usually payable within 45 days.	Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the company for goods 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 rebates granted to customers.
Other goods and services	Invoices are issued according to contract terms and are payable within 30 days.	Revenue is recognised at a point in time when the service is provided, and goods are delivered to the customers.

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

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

Operating expenses

Administrative expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortisation, related to managerial activities for the Company's management.

Selling expenses represent the expenses associated with personnel, services and equipment, including depreciation and amortisation, involved specifically in sales activities.

Distribution and logistics expenses refer to expenses of storage at points of sale, 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.

2.21) OTHER EXPENSES, NET (note 6)

Other expenses, net comprise of manpower, stockholding and inventory restructuring costs, demolition expense, management fees and COVID-19 related expenses.

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.22) FINANCE INCOME AND EXPENSES (note 7)

Finance income comprises interest income on savings from bank accounts. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprises interest charges on borrowings, the unwinding of discounts on preference shares, lease liabilities and rehabilitation provision and net interest on the employee benefit obligation. Interest is recognised as it accrues, using the effective interest method.

2.23) RELATED PARTIES (note 22)

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 an amount is charged.

(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.

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2) BASIS OF PRESENTATION, SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.24) NEWLY ISSUED IFRS NOT YET ADOPTED

Listed below are new and amended standards and interpretations that are not yet effective and have not yet been early adopted. The Group has not completed the assessment of the impact that these may have on the financial statements when adopted.

Standard	Main Topic	Effective date
IAS 1, *Presentation of Financial Statements*	The amendments sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	January 1, 2023
IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*	IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.	January 1, 2023
IAS 12, *Income Taxes*	IAS 12, *Income Taxes* implements a so-called 'comprehensive balance sheet method' of accounting for income taxes which recognizes both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of an entity's assets and liabilities. Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses and credits, are recognized, with limited exceptions, as deferred tax liabilities or deferred tax assets, with the latter also being subject to a 'probable profits' test.	January 1, 2023
IFRS 16, *Leases*	IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting however remains largely unchanged from IAS 17 and the distinction between operating and finance leases is retained.	January 1, 2024

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3) REVENUE

The Group's revenues are mainly composed of the sale of cement, clinker and other goods and services. The Group grants credit for terms ranging from 0 to 45 days depending on the type and risk of each customer. For the years ended December 31, 2022 and 2021, revenue is as follows:

		The Group		The Company	
		2022	2021	2022	2021
From the sale of goods associated with the main activities	$	25,659,721	23,661,949	25,659,721	23,661,949
From the sale of services		46,970	49,015	46,970	49,015
From the sale of other goods and services		130,537	129,037	130,537	129,037
	$	**25,837,228**	**23,840,001**	**25,837,228**	**23,840,001**

Information on revenues by reportable segment and line of business for the years 2022 and 2021 is presented in note 4.

4) REPORTABLE SEGMENTS

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 entity'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.

Each operating 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.

Revenue

The revenue from external customers is analysed by geographical location below:

		The Group		The Company	
		2022	2021	2022	2021
Local	$	25,795,266	23,809,929	25,795,266	23,809,929
Caribbean country		18,564	13,635	18,564	13,635
North American country		23,398	16,437	23,398	16,437
	$	**25,837,228**	**23,840,001**	**25,837,228**	**23,840,001**

Revenue from the top (5) five customers amounted to $9.112 billion (2021: $8.446 billion) arising from cement sales.

5) OPERATING EARNINGS BEFORE OTHER EXPENSES, NET

(i) Operating earnings before other expenses net, by nature are as follows:

		The Group		The Company	
		2022	2021	2022	2021
Revenue	$	25,837,228	23,840,001	25,837,228	23,840,001
Expenses:					
Raw material and consumables		1,830,926	1,683,894	1,830,926	1,683,894
Fuel and electricity		5,616,001	4,109,623	5,614,504	4,108,399
Personnel remuneration and benefits (iii)		2,637,763	2,502,444	2,623,054	2,487,634
Repairs and maintenance		1,408,704	1,484,856	1,408,704	1,484,594
Equipment hires		1,448,377	1,277,774	1,448,377	1,277,774
Cement transportation, marketing and selling expenses		933,522	893,060	933,522	893,060
Audit fees:					
Current year		26,831	22,680	25,598	21,491
Previous year		1,169	4,713	1,120	4,713
Other operating expenses		1,062,381	992,492	1,058,690	988,976
Depreciation and amortisation (iv) (note 14)		1,446,126	1,515,255	1,445,953	1,515,157
Changes in inventories of finished goods and work in progress		746,537	2,022,477	746,537	2,022,477
Total expenses (ii)		17,158,337	16,509,268	17,136,985	16,488,169
Operating earnings before other expenses	$	**8,678,891**	**7,330,733**	**8,700,243**	**7,351,832**

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5) OPERATING EARNINGS BEFORE OTHER EXPENSES, NET - CONTINUED

(ii) The total expenses are included in the income statement are as follows:

		The Group		The Company	
		2022	2021	2022	2021
Cost of sales	$	14,476,081	14,007,828	14,476,081	14,007,828
Operating expenses (iii)		2,682,256	2,501,440	2,660,904	2,480,341
	$	**17,158,337**	**16,509,268**	**17,136,985**	**16,488,169**

(iii) Personnel renumeration and benefits during 2022 and 2021 are detailed as follows:

		The Group		The Company	
		2022	2021	2022	2021
Wages and salaries	$	1,973,635	1,984,643	1,961,219	1,972,100
Statutory contributions		215,753	160,275	214,276	158,837
Pension costs (note 18)		65,382	53,888	65,382	53,888
Other personnel costs		382,993	303,638	382,177	302,809
	$	**2,637,763**	**2,502,444**	**2,623,054**	**2,487,634**

(iv) Depreciation and amortisation recognised during 2022 and 2021 are detailed as follows:

		The Group		The Company	
		2022	2021	2022	2021
Included in cost of sales	$	1,392,326	1,448,491	1,392,326	1,448,491
Included in administrative, selling and distribution and logistics expenses		53,800	66,764	53,627	66,666
	$	**1,446,126**	**1,515,255**	**1,445,953**	**1,515,157**

6) OTHER EXPENSES, NET

The details of the line item "Other expenses, net" in 2022 and 2021 are as follows:

		The Group		The Company	
		2022	2021	2022	2021
Other income:	$				
Insurance claim recovery		80,437	-	80,437	-
Reversal of stockholding and inventory restructuring provision		-	4,977	-	4,977
Other		21,564	-	21,564	-
		102,001	**4,977**	**102,001**	**4,977**
Other expenses:					
Manpower restructuring costs		2,557	102,832	2,557	102,832
Increase in stockholding and inventory restructuring provision		39,495	-	39,495	-
Demolition expenses		42,591	39,594	42,591	39,594
Inventory write-off		2,821	184	2,821	184
Environmental costs		-	13,461	-	13,461
Management fees		200,656	194,949	215,051	208,882
Royalty and service fees		474,529	-	474,529	-
Property, machinery and equipment write-off		6,552	-	6,552	-
Non-recoverable GCT expenses write-off		119,553	-	119,553	-
COVID-19 related expenses		4,982	75,800	4,982	75,800
Others, net		22,813	22,087	22,842	19,798
		916,549	**448,907**	**930,973**	**460,551**
	$	**814,548**	**443,930**	**828,972**	**455,574**

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7) FINANCIAL EXPENSES

The details of "Financial expenses" in 2022 and 2021 are as follows:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Interest expenses	$	62,540	189,606	62,540	189,606
Unwinding of discount on preference shares (note 16.2)		402,235	376,010	402,235	376,010
Unwinding of discount on lease liabilities (note 16.2)		17,365	22,321	17,365	22,321
Unwinding of discount on rehabilitation provision (note 17)		10,701	4,845	10,701	4,845
Net interest on employee benefit obligations cost (note 18)		88,564	78,113	88,564	78,113
	$	**581,405**	**670,895**	**581,405**	**670,895**

8) CASH AT BANK AND ON HAND

As of December 31, 2022 and 2021, cash at bank and on hand consisted of:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Cash at bank and on hand	$	**574,457**	**244,900**	**574,452**	**244,860**

9) TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2022 and 2021, trade accounts receivable consisted of:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Trade accounts receivable	$	261,052	325,065	261,052	325,059
Allowance for expected credit losses (note 16.5)		(32)	(257)	(32)	(257)
	$	**261,020**	**324,808**	**261,020**	**324,802**

Allowances are determined upon the origination of the trade accounts receivables. Based on a model that calculates the ECL.

Changes in the allowance for the expected credit losses in 2022 and 2021 are as follows:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Allowances for expected credit losses at beginning of the year	$	257	283	257	283
Deductions		(225)	(26)	(225)	(26)
Allowances for expected credit losses at end of the year	**$**	**32**	**257**	**32**	**257**

10) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2022 and 2021, other accounts receivable consisted of:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Non-trade accounts receivable (i)	$	33,835	29,511	33,832	29,511
Loans to employees		25,615	20,450	25,615	20,450
Refundable taxes		330,341	26,820	330,053	26,820
	$	**389,791**	**76,781**	**389,500**	**76,781**

Other accounts receivable are deemed to have low credit risk. The expected credit loss on these are therefore considered immaterial.
(i) Non-trade accounts receivable mainly comprise prepayments and security deposits.

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11) INVENTORIES, NET

As of December 31, 2022 and 2021, the balance of inventories, net of provisions for obsolescence, are summarised as follows:

		The Group and Company	
		2022	**2021**
Finished goods	$	386,225	227,746
Work-in-process		807,796	28,325
Raw materials		198,481	245,069
Materials and spare parts		3,495,860	2,869,851
Inventory in transit		589,407	69,115
	$	**5,477,769**	**3,440,106**

As of December 31, 2022 and 2021, the Group recognised inventory provisions for obsolescence of $135.663 million and $157.815 million respectively. The changes in the inventory provisions for obsolescence for the years ended December 31, 2022 and 2021 are as follows:

		The Company	
		2022	**2021**
Inventory obsolescence provision at beginning of the year	**$**	**157,815**	**102,303**
Increase (reversal) of stockholding and inventory restructuring provision		39,495	(4,977)
(Reversal) provision during the year		(58,826)	60,673
Write-offs of inventories during the year		(2,821)	(184)
Inventory obsolescence provision at end of the year	**$**	**135,663**	**157,815**

For the years ended December 31, 2022 and 2021, the Group included the changes in inventory provision for obsolescence as raw materials and consumables costs within "Cost of sales" (see note 5(i)) and the reversal of stockholding and inventory restructuring provision in “Other expenses, net” (see note 6).

During the year there was inventory write-offs amounting to $2.821 million (2021: $0.184 million) which was recorded in “Other expenses, net” (see note 6)

12) OTHER CURRENT ASSETS

As of December 31, 2022 and 2021, the balances of other current assets are summarised as follows:

		The Group and Company	
		2022	**2021**
Advances to suppliers	$	**311,199**	**68,282**

Other current assets are deemed to have low credit risk. The expected credit losses on these are therefore considered immaterial.

13) INVESTMENT IN SUBSIDIARY

As of December 31, 2022 and 2021, the balance of other investments are summarised as follows:

		The Company	
		2022	**2021**
Rockfort Mineral Bath Complex Limited			
21,000,000 ordinary shares	**$**	2,938	2,938
Impairment loss provision		(2,938)	(2,938)
	$	**-**	**-**

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2022 and 2021, property, machinery and equipment, net include the following:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Land and land improvements	$	257,467	257,467	257,494	257,494
Buildings		1,853,387	1,689,536	1,841,681	1,677,831
Machinery and equipment		29,852,304	29,833,369	29,847,696	29,828,761
Capital work in progress		3,726,303	2,656,551	3,726,311	2,656,559
Accumulated depreciation		(12,651,042)	(11,204,916)	(12,636,133)	(11,190,180)
	$	**23,038,419**	**23,232,007**	**23,037,049**	**23,230,465**

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

The Group

		2022				
		Land and land improvements	**Buildings**	**Machinery and equipment**	**Capital work in progress**	**Total**
Cost at beginning of year	$	257,467	1,689,536	29,833,369	2,656,551	34,436,923
Accumulated depreciation		(181,061)	(762,383)	(10,261,472)	-	(11,204,916)
Net book value at beginning of year		**76,406**	**927,153**	**19,571,897**	**2,656,551**	**23,232,007**
Capital expenditures		-	-	-	1,258,274	1,258,274
Reclassification		-	163,419	18,551	(181,970)	-
Additions		-	432	384	-	816
Write-offs		-	-	-	(6,552)	(6,552)
Movement in cost during the year		-	163,851	18,935	1,069,752	1,252,538
Depreciation for the year		6,599	74,374	1,365,153	-	1,446,126
Cost at end of year		257,467	1,853,387	29,852,304	3,726,303	35,689,461
Accumulated depreciation		(187,660)	(836,757)	(11,626,625)	-	(12,651,042)
Net book value at end of year	**$**	**69,807**	**1,016,630**	**18,225,679**	**3,726,303**	**23,038,419**

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

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

The Group		2021				
		Land and land improvements	Buildings	Machinery and equipment	Capital work in progress	Total
Cost at beginning of year	$	250,858	1,659,206	29,649,231	1,145,478	32,704,773
Accumulated depreciation		(109,956)	(784,490)	(8,829,032)	-	(9,723,478)
Net book value at beginning of year		**140,902**	**874,716**	**20,820,199**	**1,145,478**	**22,981,295**
Capital expenditures		-	1,550	(33,800)	1,718,554	1,686,304
Additions through capital leases (note 16.2)		-	51,896	33,663	-	85,559
Reclassification		13,424	-	194,057	(207,481)	-
Adjustments -cost		(6,815)	6,815	-	-	-
Retirement of capital lease - cost		-	(29,931)	(9,329)	-	(39,260)
Disposals and adjustments - cost		-	-	(453)	-	(453)
Movement in cost during the year		6,609	30,330	184,138	1,511,073	1,732,150
Disposals - accumulated depreciation		-	-	(209)	-	(209)
Adjustments - accumulated depreciation		66,177	(66,177)	-	-	-
Retirement of capital lease - accumulated depreciation		-	(29,931)	(3,677)	-	(33,608)
Depreciation for the year		4,928	74,001	1,436,326	-	1,515,255
Cost at end of year		257,467	1,689,536	29,833,369	2,656,551	34,436,923
Accumulated depreciation		(181,061)	(762,383)	(10,261,472)	-	(11,204,916)

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

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

The Company		2022				
		Land and land improvements	**Buildings**	**Machinery and equipment**	**Capital work in progress**	**Total**
Cost at beginning of year	$	257,494	1,677,831	29,828,761	2,656,559	34,420,645
Accumulated depreciation		(108,506)	(836,707)	(10,244,967)	-	(11,190,180)
Net book value at beginning of year		**148,988**	**841,124**	**19,583,794**	**2,656,559**	**23,230,465**
Capital expenditures		-	-	-	1,258,274	1,258,274
Reclassification		-	163,419	18,551	(181,970)	-
Additions		-	431	384	-	815
Write-offs		-	-	-	(6,552)	(6,552)
Movement in cost during the year		-	163,850	18,935	1,069,752	1,252,537
Depreciation for the year		6,445	74,374	1,365,134	-	1,445,953
Cost at end of year		257,494	1,841,681	29,847,696	3,726,311	35,673,182
Accumulated depreciation		(114,951)	(911,081)	(11,610,101)	-	(12,636,133)
Net book value at end of year	**$**	**142,543**	**930,600**	**18,237,595**	**3,726,311**	**23,037,049**

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14) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

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

The Company		2021				
		Land and land improvements	Buildings	Machinery and equipment	Capital work in progress	Total
Cost at beginning of year	$	250,885	1,649,051	29,644,623	1,145,486	32,690,045
Accumulated depreciation		(37,401)	(858,912)	(8,812,527)	-	(9,708,840)
Net book value at beginning of year		**213,484**	**790,139**	**20,832,096**	**1,145,486**	**22,981,205**
Capital expenditures		-	-	(33,800)	1,718,554	1,684,754
Additions through capital leases (note 16.2)		-	51,896	33,663	-	85,559
Reclassification		13,424	-	194,057	(207,481)	-
Adjustments -cost		(6,815)	6,815	-	-	-
Retirement of capital lease - cost		-	(29,931)	(9,329)	-	(39,260)
Disposals and adjustments - cost		-	-	(453)	-	(453)
Movement in cost during the year		6,609	28,780	184,138	1,511,073	1,730,600
Disposals - accumulated depreciation		-	-	(209)	-	(209)
Adjustments - accumulated depreciation		66,177	(66,177)	-	-	-
Retirement of capital lease - accumulated depreciation		-	(29,931)	(3,677)	-	(33,608)
Depreciation for the year		4,928	73,903	1,436,326	-	1,515,157
Cost at end of year		257,494	1,677,831	29,828,761	2,656,559	34,420,645
Accumulated depreciation		(108,506)	(836,707)	(10,244,967)	-	(11,190,180)
Net book value at end of year	**$**	**148,988**	**841,124**	**19,583,794**	**2,656,559**	**23,230,465**

Right of use assets recorded in property, machinery and equipment are disclosed in note 14.1 and the related lease liabilities are disclosed in note 16.2.

14.1) RIGHT-OF-USE ASSETS

The Group leases real estate (warehouse facilities) and machinery and equipment (mobile equipment and motor vehicles). Real estate leases have a term of 3 to 20 years and machinery 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. As described in note 2.1 the Group adopted IFRS 16 Leases effective January 1, 2019.

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14.1) RIGHT-OF-USE ASSETS - CONTINUED

The Group and Company		2022			2021		
		Buildings	Machinery and equipment	Total	Buildings	Machinery and equipment	Total
Cost at beginning of year	$	142,149	155,463	297,612	120,184	131,129	251,313
Accumulated depreciation		(58,644)	(45,504)	(104,148)	(77,832)	(19,487)	(97,319)
Net book value at beginning of year		**83,505**	**109,959**	**193,464**	**42,352**	**111,642**	**153,994**
Additions through capital lease (note 16.2)		-	-	-	51,896	33,663	85,559
Retirement of capital lease		-	-	-	(29,931)	(9,329)	(39,260)
Movement in cost during the year		**-**	**-**	**-**	**21,965**	**24,334**	**46,299**
Depreciation for the year		22,844	47,034	69,878	10,743	29,694	40,437
Retirement of capital lease		-	-	-	(29,931)	(3,677)	(33,608)
Cost at end of year		**142,149**	**155,463**	**297,612**	**142,149**	**155,463**	**297,612**
Accumulated depreciation		(81,488)	(92,538)	(174,026)	(58,644)	(45,504)	(104,148)
Net book value at end of year	**$**	**60,661**	**62,925**	**123,586**	**83,505**	**109,959**	**193,464**

The following balances were included in the income statement:

		The Group and Company	
		2022	2021
Lease expense of short-term leases	$	**59,776**	**108,665**

15) INTANGIBLE ASSETS, NET

As of December 31, 2022 and 2021, the consolidated intangible assets are as follows**:**

		2022			2021		
		Cost	Accumulated amortisation	Carrying amount	Cost	Accumulated amortisation	Carrying amount
Intangible assets of definite useful life:							
Exploration cost	**$**	26,715	(26,715)	-	26,715	(26,715)	-
Dredging cost		38,091	(38,091)	-	38,091	(38,091)	-
	$	**64,806**	**(64,806)**	**-**	**64,806**	**(64,806)**	**-**

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16) FINANCIAL INSTRUMENTS

16.1) LONG-TERM DEBT

As of December 31, 2022 and 2021, consolidated debt summarised by interest rates, are as follows:

		The Group and Company				
		2022			**2021**	
		Amount	**Effective rate**		**Amount**	**Effective rate**
Floating rate	$	**608,208**	**8.41%**	$	**-**	**-**

a) This is an unsecured revolving loan with a related party to lend to the Company up to US$52 million. The effective rate on the loan represents the weighted-average interest rate of the related agreement. The net effect of the loan drawn down as at December 31, 2022 and 2021 was US$4 million and US$nil, respectively. The company has the option to make early repayment.

b) Changes in long-term debt for the years ended December 31, 2022 and 2021, were as follows:

		The Group and Company	
		2022	**2021**
Balance at beginning of year	$	**-**	**4,442,650**
Proceeds from long-term debt		616,383	-
Repayment of long-term debt		-	(4,442,650)
Foreign exchange movement		(8,175)	-
Balance at end of year	$	**608,208**	**-**

16.2) OTHER FINANCIAL OBLIGATIONS

As of December 31, 2022 and 2021, other financial obligations in the consolidated statement of financial position are detailed as follows:

Other financial obligations in the statement of financial position of the Group and the Company as of December 31, 2022 and 2021 are as follows:

		2022			**2021**		
		Short-term	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Redeemable preference shares (a)	$	-	-	-	1,446,582	-	1,446,582
Lease liabilities (b)		57,876	77,954	135,830	67,571	137,234	204,805
	$	**57,876**	**77,954**	**135,830**	**1,514,153**	**137,234**	**1,651,387**

(a) Changes in redeemable preferences shares for the years ended December 31, 2022 and 2021, were as follows:

		The Group and Company	
		2022	**2021**
Balance at beginning of year	$	**1,446,582**	**2,047,078**
Redemption		(1,843,945)	(1,167,440)
		(397,363)	**879,638**
Unwinding of discount on preferences shares (note 7)		402,235	376,010
Foreign exchange movement		(4,872)	190,934
Balance at end of year	$	**-**	**1,446,582**

As of December 31, 2022 the preference shares have been fully redeemed.

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16) FINANCIAL INSTRUMENTS – CONTINUED

16.2) OTHER FINANCIAL OBLIGATIONS - CONTINUED

(b) The right-of-use assets under lease contracts are detailed in note 14.1 Changes in lease liabilities for the year ended December 31, 2022 and 2021 arising from cash flows and other changes were as follows:

-		The Group and Company	
		2022	**2021**
Balance at beginning of year	**$**	**204,805**	**183,452**
Lease liabilities arising from new leases during the year (note 14)		-	85,559
Unwinding of the discount on lease liabilities (note 7)		17,365	22,321
Payment of lease liabilities		(86,340)	(79,537)
Adjustment during the year		-	(6,990)
Balance at end of year	**$**	**135,830**	**204,805**

As of December 31, 2022 and 2021, the maturities of financial lease liabilities were as follows:

		The Group and Company			
		Present value		**Future minimum lease payments**	
		2022	**2021**	**2022**	**2021**
No later than 1 year	$	57,876	67,571	68,575	86,205
Later than 1 year and not later than 5 years		55,846	108,116	70,418	134,794
Later than 5 years		22,108	29,118	31,800	39,000
	$	**135,830**	**204,805**	**170,793**	**259,999**

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's Treasury function.

16.3) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities

The carrying amounts of cash, trade accounts receivable, other accounts receivable, accounts receivable from related parties, accounts receivable from subsidiary, other current assets, trade payable, other financial obligations, accounts payable to related parties and other current liabilities, 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.

The fair value hierarchy level 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.

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16) FINANCIAL INSTRUMENTS – CONTINUED

16.3) FAIR VALUE OF FINANCIAL INSTRUMENTS - CONTINUED

Financial assets and liabilities - continued

As of December 31, 2022 and 2021, the carrying amounts of financial assets/(liabilities) of the Group and the Company and their respective fair values are as follows:

		2022		2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Derivative financial instruments (note 16.4)	$	-	-	48,989	48,989

16.4) 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 or fixing the price of fuels and electric energy.

As of December 31, 2022 and 2021, the carrying amounts and fair values of the Group's derivative instruments was as follows:

		2022		2021	
		Carrying amount	Fair value	Carrying amount	Fair value
Fuel price hedging	$	-	-	48,989	48,989

At December 31, 2022, the Company's 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 was terminated.

At December 31, 2022, the aggregate notional amount of the contract is $nil (US$nil) [2021: $48.989 million (US$0.316 million)], with an estimated aggregate fair value of $nil (US$nil) [2021: $48.989 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 are consumed. Fair value gains of a hedge contract recognised in other comprehensive income in 2021 amounting to $48.989 million (US$0.316 million) were recycled through the income statement in 2022.

16.5) 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 services, inputs, products or commodities owned, produced, manufactured, processed, merchandised, leased or sell 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, gypsum and other industrial materials which are commonly used by the Group in the production process, and this exposes 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 is 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 16.4, such as the commodity forward contracts on fuels negotiated to fix the price of these underlying commodities. The main risk categories are mentioned below.

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT- CONTINUED

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 affect the Group's results if the fixed rate long-term debt is measured at fair value. The Group's fixed-rate long-term debts are 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 in a high point when the interest rates market expects a downward trend, this is because there is an opportunity cost for remaining long periods paying a determined fixed interest rate when the market rates have decreased and the entity may obtain improved interest rate conditions in a new loan 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 incentives that would have to be paid in such renegotiation or repurchase of debt.

As of December 31, 2022 and 2021, the net monetary assets (liabilities) by interest profile are as follows:

		The Group		The Company	
		2022	2021	2022	2021
Monetary Assets:					
Cash at bank and on hand	$	574,457	244,900	574,452	244,860
Monetary liabilities:					
Floating rate debt	$	(608,208)	-	(608,208)	-
Net monetary (liabilities) assets	**$**	**(33,751)**	**244,900**	**(33,756)**	**244,860**

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:

The Group

	Change in basis point			Effect on earnings before tax	
2022	+100	-50	$	(338)	169
2021	+300	-50	$	7,347	(7,347)

The Company

	Change in basis point			Effect on earnings before tax	
2022	+100	-50	$	(338)	169
2021	+300	-50	$	7,347	(7,347)

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT - CONTINUED

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. Such exposure arises from purchases by the Group in currencies other than its functional currency. Approximately sixty percent (60%) of the Group's purchases are denominated in or sensitive to currencies other than its functional currency. Accordingly, the Group has a net foreign currency exposure as at the reporting date.

Monetary position by foreign currency risk

As of December 31, 2022 and 2021, the net monetary assets (liabilities) of the Group and the Company by foreign currency are as follows:

		2022		2021	
		US$'000	**EURO'000**	**US$'000**	**EURO'000**
Foreign currency assets:					
Cash at bank and on hand	$	1,390	-	279	-
Accounts receivable from related parties		452	-	698	-
		1,842	-	**977**	-

		2022		2021	
		US$'000	**EURO'000**	**US$'000**	**EURO'000**
Foreign currency liabilities:					
Long-term debt		(4,000)	-	-	-
Other financial obligations		-	-	(9,328)	-
Accounts payable to related parties		(3,862)	-	(5,433)	-
Trade account payables		(3,805)	(314)	(11,349)	(65)
		(11,667)	**(314)**	**(26,110)**	**(65)**
Net monetary liabilities	**$**	**(9,825)**	**(314)**	**(25,133)**	**(65)**

The following table demonstrates the sensitivity to a reasonably possible change in the following exchange rates of the Group's profit before taxation, with all other variables held constant.

	2022				
	Change in exchange rate			**Effect on profit before tax**	
US$	+4.00%	-1.00%	$	(59,756)	14,939
Euro	+4.00%	-1.00%	$	(2,073)	518

	2021				
	Change in exchange rate			**Effect on profit before tax**	
US$	+8.00%	-2.00%	$	(310,994)	77,956
Euro	+8.00%	-2.00%	$	(924)	231

Credit risk

Credit risk is the risk of financial loss faced by the Group if a customer or counterparty of a financial instrument does not meet its contractual obligations and originates mainly from trade accounts receivable. As of December 31, 2022 and 2021, the maximum exposure to credit risk is represented by the balance of financial assets. Management has developed policies for the authorisation of credit to customers. The accounting 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 customers' 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.

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

Credit risk - continued

Maximum exposure to credit risk is represented by the carrying amount of financial assets on the statement of financial position.

The Company'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 expected credit losses was $0.032 million (2021: $0.257 million).

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 customer operations to ensure that they remain 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 based on a model that calculates the ECL of the trade accounts receivable and are recognised over their term.

The Group estimates expected credit losses ECL on trade receivables 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 accounts receivables as at December 31, 2022 and 2021.

The Group

		2022			
Aged buckets (days)		**Weighted average loss rate**	**Carrying gross amount**	**Impairment loss allowance**	**Credit impaired**
Current (not past due)	$	0.0610%	261,052	32	No
31-60 days		0.0000%	-	-	No
61-90 days		0.0000%	-	-	No
91-120 days		0.0000%	-	-	No
121-365 days		0.0000%	-	-	No
Over 365 days		100.0000%	-	-	No
	$		**261,052**	**32**	

		2021			
Aged buckets (days)		**Weighted average loss rate**	**Carrying gross amount**	**Impairment loss allowance**	**Credit impaired**
Current (not past due)	$	0.0610%	325,065	257	No
31-60 days		0.0000%	-	-	No
61-90 days		0.0000%	-	-	No
91-120 days		0.0000%	-	-	No
121-365 days		0.0000%	-	-	No
Over 365 days		100.0000%	-	-	No
	$		**325,065**	**257**	

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

Credit risk – continued

The Company

Aged buckets (days)		2022 Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	$	0.0610%	261,052	32	No
31-60 days		0.0000%	-	-	No
61-90 days		0.0000%	-	-	No
91-120 days		0.0000%	-	-	No
121-365 days		0.0000%	-	-	No
Over 365 days		100.0000%	-	-	No
	$		**261,052**	**32**	

Aged buckets (days)		2021 Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	$	0.0610%	325,059	257	No
31-60 days		0.0000%	-	-	No
61-90 days		0.0000%	-	-	No
91-120 days		0.0000%	-	-	No
121-365 days		0.0000%	-	-	No
Over 365 days		100.0000%	-	-	No
	$		**325,059**	**257**	

As at December 31, 2022, the Group had 2 customers (2021: 2 customers) that owed the Group more than $20 million each (2021: $20 million each), which accounted for 83% (2021: 96%) of all trade receivables owing.

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 and acquisitions, 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, any one of which may materially affect the Group's results and reduce cash from operations.

The table below summarises the maturity profile of the financial liabilities at the reporting date based on contractual undiscounted payments.

The Group

Months		2022 Carrying amount	Contractual cashflows	Less than 1 year	1 - 5 years	Over 5 years
Lease liabilities	$	135,830	170,762	68,575	70,418	31,800
Accounts payable to related parties		612,182	612,182	612,182	-	-
Trade payables		3,306,357	3,306,357	3,306,357	-	-
Long-term debt		608,208	739,270	51,150	688,120	-
Total	**$**	**4,662,577**	**4,828,571**	**4,038,264**	**758,538**	**31,800**

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16) FINANCIAL INSTRUMENTS - CONTINUED

16.5) RISK MANAGEMENT – CONTINUED

Liquidity risk - continued

The Group

		2021				
Months		**Carrying amount**	**Contractual cashflows**	**Less than 1 year**	**1 - 5 years**	**Over 5 years**
Lease liabilities	$	204,805	259,999	86,205	134,794	39,000
Redeemable preference shares		1,446,582	1,856,791	1,856,791	-	-
Accounts payable to related parties		872,852	872,852	872,852	-	-
Trade payables		4,451,098	4,451,098	4,451,098	-	-
Total	**$**	**6,975,337**	**7,440,740**	**7,266,946**	**134,794**	**39,000**

The Company

		2022				
Months		**Carrying amount**	**Contractual cashflows**	**Less than 1 year**	**1 - 5 years**	**Over 5 years**
Lease liabilities	$	135,830	170,762	68,575	70,418	31,800
Accounts payable to related parties		612,182	612,182	612,182	-	-
Trade payables		3,305,630	3,305,630	3,305,630	-	-
Long-term debt		608,208	739,270	51,150	688,120	-
Total	**$**	**4,661,850**	**4,827,844**	**4,037,537**	**758,538**	**31,800**

		2021				
Months		**Carrying amount**	**Contractual cashflows**	**Less than 1 year**	**1 - 5 years**	**Over 5 years**
Lease liabilities	$	204,805	259,999	86,205	134,794	39,000
Redeemable preference shares		1,446,582	1,856,791	1,856,791	-	-
Accounts payable to related parties		872,852	872,852	872,852	-	-
Trade payables		4,448,875	4,448,875	4,448,875	-	-
Total	**$**	**6,973,114**	**7,438,517**	**7,264,723**	**134,794**	**39,000**

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, maximise stockholder value. As at the reporting date, there were no externally imposed capital ratio requirements.

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

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17) OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31, 2022 and 2021, the balance of other current liabilities are summarised as follows:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Rehabilitation provision	$	6,929	7,994	6,929	7,994
Interest Payable		302	1,774	302	1,774
Advances from customers		288,320	232,297	288,320	232,297
Tax payable		901,916	696,348	902,233	697,083
Other accounts payable and accrued expenses		927,675	773,375	926,622	772,620
	$	**2,125,142**	**1,711,788**	**2,124,406**	**1,711,768**

(i) Other account payable and accrued expenses primarily consist of utilities and production related accruals, along with accrued employee benefits. These amounts are revolving in nature and are expected to be settled and replaced by similar amounts within the next 12 months.

As of December 31, 2022 and 2021, the balance of other non-current liabilities are summarised as follows:

		The Group and Company	
		2022	**2021**
Rehabilitation provision	**$**	**90,845**	**40,903**

Changes in rehabilitation provision for the years ended December 31, 2022 and 2021, are as follows:

		The Group and Company	
		2022	**2021**
Balance at beginning of the year	**$**	40,903	57,386
Increase/(decrease) in estimates		39,241	(13,879)
Payments		-	(7,449)
Unwinding of discount on rehabilitation provision (note 7)		10,701	4,845
Balance at end of the year		**90,845**	**40,903**
Out of which:			
Current provision		6,929	7,994
Non-current provision	$	83,916	32,909

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18) PENSIONS AND POST-EMPLOYMENT BENEFITS

Defined contribution pension plan

The Group participates in a defined contribution pension plan which is managed by an independent party, Sagicor Life Jamaica Limited. This plan is mandatory for all categories of permanent employees. 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 and Company's contributions in the year amounted to $65.382 million (2021: $53.888 million) and $65.382 million (2021: $53.888 million) respectively.

Employee benefits obligation

The Group offers a post-retirement medical benefit to its employees and retirees whereby the company covers a portion of the cost for active members and full medical coverage for retired employees and their spouses, provided they were already covered by the scheme at the time of retirement. Employees who had fifteen (15) years' service and are age 50 and above, shall remain on the medical scheme provided that they were not re-employed.

		The Group and Company	
Net period (income) cost		**2022**	**2021**
Recorded in operating expenses	$		
Current service cost		23,916	15,198
Recorded in financial expenses			
Interest cost		88,564	78,113
Recorded in other comprehensive income	$		
Net actuarial (gains) losses for the year		(270,494)	179,630

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

	$	2022	2021
Changes in financial assumptions		(628,686)	171,920
Experience adjustments	$	358,192	7,710
		(270,494)	179,630

As of December 31, 2022 and 2021, the reconciliation of the actuarial benefits' obligations and pension plan assets, are presented as follows:

		2022	2021
Change in benefits obligation:	**$**		
Projected benefit obligation at beginning of the year		**1,123,716**	**882,360**
Service cost		23,916	15,198
Interest cost		88,564	78,113
Net actuarial (gains) losses		(270,494)	179,630
Benefits paid	$	(38,241)	(31,585)
Projected benefit obligation at end of the year		**927,461**	**1,123,716**

The principal actuarial assumptions used are as follows:

	2022	2021
Assumptions:		
Discount rate	13.00%	8.00%
Inflation rate	5.50%	5.00%

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.

At December 31, 2022, the weighted average duration at the defined benefit obligation was 24 years (2021: 27 years).

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18) PENSIONS AND POST-EMPLOYMENT BENEFITS - CONTINUED

Sensitivity analysis on projected benefits obligation

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarises how the projected benefit obligation measured at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate, would cause some reduction in the health cost inflation rate.

	2022				
	Change			**Effect on health cost**	
Assumptions:					
Discount rate sensitivity	+1.00%	-1.00%	$	(98,944)	121,416
Medical growth rate	+1.00%	-1.00%	$	121,416	(101,379)
Life expectancy (years)	+1	-1	$	27,819	(27,779)

	2021				
	Change				
Assumptions:					
Discount rate sensitivity	+1.00%	-1.00%	$	(174,683)	229,283
Medical growth rate	+1.00%	-1.00%	$	229,283	(172,586)
Life expectanc	+1.00%	-1.00%	$	52,374	(50,787)

The Company embarked on an exercise in 2019 to determine whether all retirees, who are in receipt of medical benefits, are alive. One hundred and sixty-four (164) retirees had not made any contact to collect the medical cards necessary to access the benefits. A more recent list was provided in November 2022 and there are only 48 members who do not have a medical card. While this does not directly imply that these members are not alive, it has been assumed, for the purpose of this valuation, that retirees and their spouses who are aged 75 years and over are deceased. However, none of them are in this age range and so none was removed.

19) TAXATION

19.1) TAXATION CHARGE FOR THE PERIOD

The amounts of tax expense in the income statement for 2022 and 2021 are summarised as follows:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Current tax	$	1,472,333	1,121,224	1,472,333	1,121,224
Previous year tax adjustment		41,777	19,108	41,777	19,108
Deferred tax		344,890	229,463	344,890	229,463
	$	**1,859,000**	**1,369,795**	**1,859,000**	**1,369,795**

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19) TAXATION - CONTINUED

19.2) DEFERRED TAX

The effect of deferred tax for the year represents the difference between the tax balances at the beginning and end of the year.

As of December 31, 2022 and 2021, the temporary differences that generated the deferred tax assets and liabilities of the Group and Company are presented below:

		2022			
		January 1	**Recognised in the income statement**	**Recognised in OCI**	**December 31**
Deferred tax assets:					
Interest accrual		443	(443)	-	-
Inventory accrual		69,668	(34,530)	-	35,138
Lease liabilities		49,548	(15,591)	-	33,957
Other payables		51,856	7,769	-	59,625
Post-retirement benefit obligation		280,930	18,558	(67,624)	231,864
Unrealised exchange losses		17,975	(17,975)	-	-
Total deferred tax assets	$	470,420	(42,212)	(67,624)	360,584
Deferred tax liabilities:					
Property, machinery and equipment		(2,355,932)	(298,259)	-	(2,654,191)
Unrealised exchange gains		-	(4,419)	-	(4,419)
Total deferred tax liabilities		(2,355,932)	(302,678)	-	(2,658,610)
Net deferred tax liabilities	**$**	**(1,885,512)**	**(344,890)**	**(67,624)**	**(2,298,026)**

		2021			
		January 1	**Recognised in the income statement**	**Recognised in OCI**	**December 31**
Deferred tax assets:					
Interest accrual	$	199	244	-	443
Another accrual		(1,504)	1,504	-	-
Inventory accrual		51,021	18,647	-	69,668
Lease liabilities		45,863	3,685	-	49,548
Accrued vacation		36,182	15,674	-	51,856
Post-retirement benefit obligation		220,590	15,432	44,908	280,930
Unrealised exchange losses		(9,485)	27,460	-	17,975
Total deferred tax assets	$	342,866	82,646	44,908	470,420
Deferred tax liabilities:					**-**
Property, machinery and equipment	$	(2,043,823)	(312,109)	-	(2,355,932)
Total deferred tax liabilities		(2,043,823)	(312,109)	-	(2,355,932)
Net deferred tax liabilities	**$**	**(1,700,957)**	**(229,463)**	**44,908**	**(1,885,512)**

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19) TAXATION - CONTINUED

19.3) RECONCILIATION OF EFFECTIVE TAX RATE

For the years ended December 31, 2022 and 2021, the effective tax rates were as follows:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Earnings before taxation	$	7,242,867	5,711,427	7,249,795	5,720,882
Taxation	$	1,859,000	1,369,795	1,859,000	1,369,795
Effective tax rate		25.67%	24.00%	25.64%	24.00%

The current tax charge differs from the theoretical amount that would arise using the tax rate as follows:

		The Group		The Company	
		2022	**2021**	**2022**	**2021**
Earnings before taxation	$	7,242,867	5,711,427	7,249,795	5,720,882
Taxed at 25%		(1,810,717)	(1,427,857)	(1,812,449)	(1,430,221)
Tax on non-allowable expenses:					
Foreign exchange loss (capital)		-	(57,179)	-	(57,179)
Preference shares - unwinding of discount		(60,335)	(94,003)	(60,335)	(94,003)
Previous year tax adjustment		(41,777)	(19,108)	(41,777)	(19,108)
Overstock inventory adjustment		(30,215)	-	(30,215)	-
Other non-allowable expenses		(62,282)	(3,010)	(60,550)	(646)
Employment tax credit		146,326	231,362	146,326	231,362
	$	**(1,859,000)**	**(1,369,795)**	**(1,859,000)**	**(1,369,795)**

20) SHARE CAPITAL & RESERVES

20.1) SHARE CAPITAL

As of December 31, 2022 and 2021, the breakdown of authorised share capital was as follows:

	Number of units ('000)	
	2022	**2021**
Ordinary stock units at no par value	1,335,000	1,335,000
Preference shares of US$1 par value	115,000	115,000

As of December 31, 2022 and 2021, the share capital of the Group is as follows:

		2022		2021	
Issued and fully paid:		**Number of units ('000)**	**Value ($)**	**Number of units ('000)**	**Value ($)**
Ordinary stock at no par value	$	**851,138**	**1,808,837**	**851,138**	**1,808,837**
Preference shares of US$1 par value (i)					
January 1		15,331	-	24,960	-
Less amount redeemed [note 20.1(i)]		(15,331)	-	(9,629)	-
December 31		**-**	**-**	**15,331**	**-**
Capital contribution (ii)	$		**3,840,224**		**3,839,090**

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20) SHARE CAPITAL & RESERVES - CONTINUED

20.1) SHARE CAPITAL - CONTINUED

(i) Preference shares

On January 5, 2010, at an Extraordinary General Meeting the members approved a resolution for the conversion of US$15 million of the Company's indebtedness to TCL into fifteen million (15,000,000) redeemable preference shares of US$1 each.

On June 25, 2013, at a General Meeting the stockholders approved a resolution for the creation of 100,000,000 new preference shares and further authorised the Board to issue to TCL allotments of new preference shares for the purpose of discharging debts owed by the Company to TCL. Subsequently, on June 29, 2013, the Board approved the conversion of US$37 million due to TCL into thirty-seven million (37,000,000) redeemable preference shares of US$1 each.

The preference shares conferred upon the holders thereof no right at any time to receive any dividend beyond such dividend as the Company may have, at its discretion, declared upon the preference shares provided that if the Company had declared any dividend on its ordinary stock units it should have at the same time declared a dividend on the preference shares at a rate no lower than the rate declared on the ordinary stock units. All dividends declared upon the preference shares should have been paid in United States dollars.

On July 6, 2018, a preference share agreement was made between the Company and the holder of the preference shares TCL for the redemption of 15,000,000 redeemable preference shares issued on January 5, 2010, and 37,000,000 redeemable preference shares issued on June 29, 2013.

The number of preference shares to be redeemed on each partial redemption (the Partially Redeemed Preference Shares") shall be the result of multiplying; (i) an amount equal to at least 33 1/3% ("the Conversion Factor") of the US Dollar equivalent of the profits of Issuer (which under Jamaican law would otherwise have been available for dividend payment) for the fiscal year prior to the fiscal year in which the Partial Redemption is taking place (with the annual profits being based on the latest year-end financial statements of the Issuer) (the "Annual Consideration"); by (ii) 1.283950 (the "Discount Factor") shall always be rounded down to the nearest whole number.

The redemption period for the preference share is from December 31, 2018 through to December 31, 2026. The redemption period based on the full terms and conditions of the agreement will be automatically extended annually, without penalty, until all the preference shares have been redeemed and the total consideration is paid to holder provided that the Conversion Factor shall be increased to at least 66.6% for the Partial Redemption occurring after the first such extension. The preference shares shall be redeemed in the following order: (i) the number of 2010 Preference Shares that corresponds to each Annual Consideration until all 2010 preference shares have been redeemed; and (ii) only after all the 2010 preference shares have been fully redeemed, the number of 2013 preference shares that correspond to each Annual Consideration until all the 2013 preference shares have been redeemed.

As of December 31, 2022, the company has made the final redemption of its preference shares amounting to 15,330,671 units valued at $1.843 billion (US$11.940 million).

(ii) Capital contribution

a) Debt forgiveness:

- On June 25, 2013, the TCL Board approved that intercompany balances of US$38 million due by the Company to TCL be forgiven. The debt forgiven was credited to capital contribution by the Company. This restructuring was designed to strengthen the equity position of the Company.

b) Share-based compensation:

- This comprises compensation expense related to long-term incentive plans with shares of CEMEX S.A.B de C.V. (Mexico) to employees with management positions of the Company for the period ended December 31, 2022, which was recognized in operating results. Also, see note 2.16(ii).

As of December 31, 2022, the Company has no commitments to make cash payments to executives, as, based on changes in the prices of CEMEX S.A.B. of C.V. (Mexico).

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20) SHARE CAPITAL & RESERVES - CONTINUED

20.2) RESERVES

(a) Realised capital gain

The Group and the Company realised capital gains of $1.413 billion and $1.413 billion, respectively, which represent the profit from the sale of certain machinery and equipment in August 1999.

(b) Other equity reserves

As of December 31, 2022 and 2021, other equity reserves are summarised as follows:

		The Group and Company	
		2022	2021
Capital redemption fund reserve (i)	$	5,077,760	3,528,903
Fuel price hedge (note 16.4)		-	48,989
	$	**5,077,760**	**3,577,892**

(i) Capital redemption fund reserve
This represents amount being transferred to capital redemption reserve fund on redemption of the preference shares pursuant to Section 64(d) of the Jamaica Companies Act. The movement in the reserve during the year was as follows:

		The Group and the Company	
		2022	2021
Balance at the beginning of the year	$	**3,528,903**	**2,556,022**
Amount transferred during the year		1,548,857	972,881
Balance at the end of the year	$	**5,077,760**	**3,528,903**

(c) Accumulated net income and total comprehensive income:

(i) The "total net income" for the years ended December 31, 2022 and 2021 was dealt with in the financial statements as follows:

		2022	2021
Company	$	5,390,795	4,351,087
Subsidiary		(6,928)	(9,455)
	$	**5,383,867**	**4,341,632**

(ii) The "accumulated net income/(losses)" as of December 31, 2022 and 2021 are reflected in the financial statements as follows:

		2022	2021
Company	$	7,919,670	5,154,293
Subsidiary		(21,514)	(14,586)
	$	**7,898,156**	**5,139,707**

(iii) Changes in accumulated net income/(losses) for the years ended December 31, 2022 and 2021 are as follows:

		The Group		The Company	
		2022	2021	2022	2021
Balance at beginning of the year	$	**5,139,707**	**1,905,678**	**5,154,293**	**1,910,809**
Net income		5,383,867	4,341,632	5,390,795	4,351,087
Net actuarial gains (losses) for the year		202,870	(134,722)	202,870	(134,722)
Dividend		(1,279,431)	-	(1,279,431)	-
Transfer to capital redemption fund reserve		(1,548,857)	(972,881)	(1,548,857)	(972,881)
Balance at end of the year	$	**7,898,156**	**5,139,707**	**7,919,670**	**5,154,293**

(d) Dividends

On September 9, 2022, the Company declared dividend of $1.5032 per stock totalling $1.279 billion to the stockholders.

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21) BASIC AND DILUTED EARNINGS PER STOCK UNIT

Basic and diluted earnings per stock unit is calculated by dividing consolidated net income attributable to ordinary stockholders of the Parent Company (the numerator) by the weighted-average number of stock units outstanding (the denominator) during the year.

The amounts considered for calculations of earnings per stock in 2022 and 2021 were as follows:

		The Group	
		2022	**2021**
Consolidated net income attributable to stockholders	$	5,383,867	4,341,632
Number of ordinary stock units in issue (thousands)		851,138	851,138
Earnings per ordinary stock unit (expressed in $ per stock unit)	**$**	**6.33**	**5.10**

22) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1) ACCOUNTS RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES

Balances and operations between the Company and its subsidiary and associated companies, including the Parent result mainly from: (i) businesses and operational activities; and (ii) billing of administrative services and other services rendered between affiliated companies. The transactions between subsidiaries and associate companies are conducted at arm's length.

For the transactions mentioned above, as of December 31, 2022 and 2021, the main accounts receivable and payable with related parties, are the following:

		The Group and Company			
		Assets		**Liabilities**	
2022		**Short-term**	**Long-term**	**Short-term**	**Long-term**
Arawak Cement Company Limited	$	275	-	1,241	-
Beijing Imports and Exports		-	-	58,485	-
Cemex Innovation Holdings Limited		45,904	-	70,360	-
CEMEX International Trading LLC		-	-	100,427	-
CEMEX Jamaica Limited		25,632	-	19,364	-
CEMEX USA		6,375	-	-	-
CEMEX Espana Gestion Y Servicios, S.L. U		-	-	18,232	-
Sunbulk Shipping Limited		-	-	21,738	-
Superquímicos de Centroamérica S.A.		-	-	130,452	-
TCL Ponsa Manufacturing Limited		-	-	27,789	-
TCL Nevis		-	-	84,776	-
Trinidad Cement Limited		4,919	-	79,318	-
	$	**83,105**	-	**612,182**	-
		Assets		**Liabilities**	
2021		**Short-term**	**Long-term**	**Short-term**	**Long-term**
Arawak Cement Company Limited	$	366	-	-	-
Beijing Imports and Exports		8,875	-	10,419	-
CEMEX Bahamas		129	-	-	-
CEMEX Construction Materials Pacific LLC		-	-	281	-
CEMEX Dominicana, S.A .		-	-	29	-
CEMEX International Trading LLC		-	-	41,485	-
CEMEX Jamaica Limited		23,842	-	37,305	-
CEMEX USA		14,055	-	-	-
CEMEX, S.A.B. de C.V.		48,989	-	-	-
CEMEX Espana Gestion Y Servicios, S.L. U		-	-	11,593	-
Sunbulk Shipping Limited		-	-	1,634	-
Superquímicos de Centroamérica S.A.		-	-	122,563	-
TCL Ponsa Manufacturing Limited		-	-	11,391	-
Transenergy Grinding Inc		-	-	617,821	-
Trinidad Cement Limited		25,309	-	18,331	-
	$	**121,565**	**-**	**872,852**	-

Accounts receivable from related parties are deemed to have low credit risk. The expected credit loss on these are therefore considered immaterial.

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22) BALANCES AND TRANSACTIONS WITH RELATED PARTIES – CONTINUED

22.1) ACCOUNTS RECEIVABLE FROM AND PAYABLE TO RELATED PARTIES - CONTINUED

a) This amount represents a deposit of $45 million (US$0.3 million) with CEMEX Innovation Holding Limited, which generates interest at a rate equal to the Western Asset Institutional Liquid Reserves Fund rate minus 30 basis points on a daily basis of a year of 360 days.

b) Other short-term assets relate to management fees, sales, purchases and reimbursable expenses. Amounts receivables are deemed to have low credit risk. They are short-term in nature and due on demand. Additionally, they are interest free, unsecured and do not have any set repayment terms.

22.2) MAIN OPERATIONS WITH RELATED PARTIES

	CEMEX SAB de CV and related entities		Trinidad Cement Limited and its subsidiaries		Caribbean Cement Company Limited's subsidiary	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Included in the income statement						
Revenue:						
Sale of cement	23,398	-	-	-	-	-
Management fees	46,967	52,698	-	-	-	-
Other	1,677	1,238	16,887	13,635	-	-
Cost of sales and operating expenses:						
Purchase of cement	(921,677)	(1,383,338)	(14,525)	(96,236)	-	-
Purchase of fuel	(2,518,618)	(1,150,561)	-	-	-	-
Purchase of goods and other materials	(4,406)	-	(94,813)	(231,697)	-	-
Purchase of iron silicate	(172,100)	(133,539)	-	-	-	-
Purchase of additives	(345,638)	(199,313)	-	-	-	-
Technical service and management fees	(172,751)	(199,318)	-	-	-	-
Freight charges	(68,879)	(77,329)	-	-	-	-
Other purchases	-	-	-	290	-	-
Other income and expenses:						
Management fee	-	-	(200,471)	(194,949)	-	-
Subvention	-	-	-	-	(14,394)	(13,933)
Royalty and service fees	(474,529)	-	-	-	-	-
Financing income:						
Interest income	(15,037)	-	-	-	-	-
Financing cost:						
Financial expenses	(2,527)	(13,773)	(23,045)	-	-	-
Capital expenditure	$ (217,823)	(250,598)	-	-	-	-

22.3) COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

	The Group		The Company	
	2022	**2021**	**2022**	**2021**
Short-term employee benefits (i)	$ 172,751	180,998	172,751	180,998
Directors' emoluments (ii)	8,067	8,418	8,067	8,418
	$ **180,818**	**189,416**	**180,818**	**189,416**

(i) Compensation to key management personnel are included in the technical service and management fees paid to related parties.
(ii) Directors' emoluments include an amount for health insurance paid for the Chairman of the Board.

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22.4) ACCOUNTS RECEIVABLE FROM SUBSIDIARY

This amount represents recharges net of trade amounts due to and from subsidiary which are interest free, unsecured and have no fixed repayment period.

Accounts receivable from subsidiary is deemed to have a low credit risk. The expected credit loss on these are therefore considered immaterial.

23) CAPITAL COMMITMENTS

An aggregate amount of $648.749 million (US$4.266 million) [(2021: $604.687 million (US$3.899 million)] was approved and contracted for as of December 31, 2022 in respect of capital projects, relating to the planned expansion of the plant capacity.

24) CONTINGENCIES

As of December 31, 2022 there are four claims against the company. The Directors are of the opinion that if the Claimants are successful, liability should not exceed JM$20,000,000.

25) LIMESTONE RESERVES

The major raw material used in the cement manufacturing process is limestone. The limestone requirements of the Group are met from reserves in land leased from the Government of Jamaica. The annual lease charge is $1.2 million, and the lease term has 26 years remaining and exploitable reserves are expected to have a life of 27 years based on the current extraction rate. These limestone reserves are not recorded in these financial statements.

26) IMPACT OF COVID-19 AND RUSSIA/UKRAINE CONFLICT

COVID-19

In March 2022, authorities removed the COVID-19 protocols from the Disaster Risk Management Act.

Management continues to review the effect of developments arising from the pandemic on the risks faced by the Group. Management believes the Group is in a sufficiently strong position to deal with the possible significant economic downturn. However, management is aware that the long duration of the pandemic and the associated containment measures could have a material adverse effect on the Group, its customers, employees and suppliers.

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 neighboring countries. In addition, the war impacted global financial markets, 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 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.

NOTES

NOTES

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