



**BUILDING A
GREATER
JAMAICA**

CARIB CEMENT

Annual Report 2023



**Developing Opportunities
to Create Sustainable Value**





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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 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

Creating Sustainable Value through

OUR COMMITMENT TO HEALTH & SAFETY

At CCCL, health and safety is our top priority and an integral aspect of our work processes. Our H&S fosters proactive risk management, leading to a safer environment for our people while optimising operational efficiency.

HEALTH AND SAFETY WEEK

#ZERO4LIFE

ets celebrate an accident and incident free workplace

CEMEX





CORPORATE INFORMATION



CARIBBEAN CEMENT COMPANY LIMITED

Caribbean Cement Company Limited 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 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. Jorge Alejandro Martínez Mora
Managing Director, CCCL

Mr. Luis Gilberto Ali Moya
Director

Mr. Hollis N. Hosein
Non-Executive Director

The Hon Peter Moses, OJ
Non-Executive Director

Mrs. Alejandra Hernandez Blanco
Director

COMPANY SECRETARY

Mr. Craig Lloyd Neil

EXECUTIVE TEAM

Mr. Jorge Alejandro Martínez Mora
Managing Director

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

Mr. Jorge Enrique Camelo
Group Human Resource Manager

EXECUTIVE TEAM - Cont'd

Mr. Rogelio Barahona
Sales & Commercial Manager

Mr. Rohan Anderson
Process Manager

Mr. Christopher Brown
Production Manager

Mr. Christopher Bryan
Capital Projects Manager

Mr. Craig Lloyd Neil
Legal Counsel/Company Secretary

Mr. Angel Rivera
Supply Chain Manager

Mr. Anthony Jones
Head of Finance

Mr. Juan José Ñurinda Vásquez
Strategic Planning Manager

Mr. Pablo Bahamon Palencia
Maintenance Manager

Mr. Eduardo Guillen Torres
Quality, Quarry and Environment Manager

Mr. Randy Nunez Fuentes
Procurement Manager

Mr. Garen Williams
Distribution Sales Manager

Mr. Andre Nelson
Industrial and Building Solutions Manager

Mr. Norville Clarke
Group Enterprise Risk Manager

SUBSIDIARY COMPANY

Rockfort Mineral Bath Complex Limited
Rockfort,
Kingston 2

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
JN Bank

TEN-YEAR FINANCIAL SUMMARY

(In \$'000 except for items with *)

	2023	2022	2021	2020
	Profit & Loss Summary			
Revenue	27,719,929	25,837,228	23,840,001	20,108,049
Earnings (loss) Before Taxation	7,259,730	7,242,867	5,711,427	4,424,900
Taxation (charge) Credit	(1,683,300)	(1,859,000)	(1,369,795)	(1,228,207)
Net income	5,576,430	5,383,867	4,341,632	3,196,693
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	9,043,590	9,310,469	8,402,058	7,822,827
	Balance Sheet Summary			
Total Assets	33,112,725	30,135,760	27,508,449	26,321,009
Total Liabilities	9,059,483	10,097,122	11,729,262	14,789,087
Shareholders' Equity	24,053,242	20,038,638	15,779,187	11,531,922
	Financial Ratios			
*Net Profit Margin	20%	21%	18%	16%
*Basic and Diluted Earnings Per Share	6.55	6.33	5.10	3.76
*Shareholders' Equity Per Share	28.26	23.54	18.54	13.55
*Shareholders' Return on Equity	23%	27%	28%	28%
*P/E Ratio	8.80	9.56	13.70	16.72
*Dividend Per Share (\$ per share)	1.8976	1.5032	-	-
*Total Debt/Equity Ratio	0.01	0.04	0.10	0.58
	Other Data			
*Number of Shares Issued ('000)	851,138	851,138	851,138	851,138
*Closing Share Price	57.66	60.48	69.86	62.81
Market Capitalisation	49,076,617	51,476,826	59,460,501	53,457,428
Dividends Paid	1,615,160	1,279,431	-	-
Depreciation Charged	1,509,191	1,446,126	1,515,255	1,536,260
Capital Expenditure	1,748,297	1,258,274	1,686,304	778,029
Working Capital Surplus (deficit)	4,334,323	995,784	(4,273,449)	(3,252,390)
Total debt	179,391	744,038	1,651,387	6,673,180
<i>Long-term debt</i>	-	608,208	-	4,442,650
<i>Total third party debt</i>	179,391	135,830	204,805	183,452
<i>Parent company debt</i>	-	-	1,446,582	2,047,078
	Operational Data			
*Production (tonnes)				
Cement	962,550	957,204	979,297	940,005

2019	2018	2017	2016	2015	2014
Profit & Loss Summary					
17,764,664	17,573,931	16,513,084	15,780,756	15,431,897	14,356,017
2,737,414	3,294,661	1,510,411	1,350,862	1,726,388	255,985
(853,736)	(828,568)	(398,677)	(49,160)	(180,248)	(117,000)
1,883,678	2,466,093	1,111,734	1,301,702	1,546,140	138,985
5,851,647	5,318,949	2,979,450	2,702,838	2,576,658	961,070
Balance Sheet Summary					
27,100,548	26,792,437	11,542,061	10,419,488	10,851,391	9,574,598
18,790,024	20,374,256	3,202,031	2,680,612	4,414,217	4,683,564
8,310,524	6,418,181	8,340,030	7,738,876	6,437,174	4,891,034
Financial Ratios					
11%	14%	7%	8%	10%	1%
2.21	2.90	1.31	1.53	1.82	0.16
9.76	7.54	9.80	9.09	7.56	5.75
23%	38%	13%	17%	24%	3%
37.69	14.62	24.78	22.75	10.48	15.06
-	-	-	-	-	-
1.48	2.36	0.07	0.01	0.27	0.52
Other Data					
851,138	851,138	851,138	851,138	851,138	851,138
83.41	42.40	32.46	34.80	19.03	2.41
70,993,104	36,088,251	27,627,939	29,619,602	16,197,156	2,051,243
-	-	-	-	-	-
1,603,850	1,153,830	531,602	495,688	396,931	364,828
1,334,340	16,663,006	2,234,050	1,699,091	810,904	599,091
(1,483,548)	(1,470,873)	789,965	1,053,992	1,286,956	793,628
12,325,429	15,158,567	547,931	104,041	1,715,593	2,531,824
9,155,656	11,387,028	-	-	-	-
146,843	-	-	-	-	779,600
3,022,930	3,771,539	547,931	104,041	1,715,593	1,752,224
Operational Data					
758,829	787,411	845,932	911,325	807,817	830,061

CHAIRMAN'S STATEMENT



Parris A. Lyew-Ayee, CD
Chairman

DEAR SHAREHOLDERS:

On behalf of the Board, it gives me immense pleasure to present Caribbean Cement Company Limited's Annual Report for the year ended December 31, 2023. We understand that success begins with a solid foundation. At Carib Cement, our robust health and safety culture is embedded within that foundation. As we strive to construct a greater Jamaica, we recognise that the well-being of our employees, contractors and visitors is non-negotiable.

Over the past year, our steadfast dedication to the implementation of comprehensive protocols and initiatives aimed at ensuring the welfare of everyone has borne fruit. This has resulted in the achievement of 2,293 calendar days without a lost-time incident (LTI) at our Rockfort-based plant, and 3,111 calendar days without an LTI within our quarries. This adherence to stringent safety guidelines at our worksites, rigorous training programmes and a desire to leave no stone unturned has created a secure environment. This guiding principle has even extended beyond our company's walls, with our Supply Chain Department taking its Vulnerable Road User programme and its message of safer road use to schools, the elderly, and members of the disabled community.

Financial Performance

I am delighted to announce that in 2023, Caribbean Cement Company Limited (CCCL) earned revenue of \$27.7 billion, marking a commendable increase of 7% when compared to 2022. This achievement underscores the effectiveness of our strategic initiatives and the commitment of our team in navigating through dynamic market conditions.

Central to our success has been the adherence to sound fiscal policies by our management team. Embracing a disciplined approach, we meticulously executed our strategies, including a robust effort to reclaim market share amidst challenges. This resolute commitment to financial prudence not only bolstered our bottom line but also garnered recognition from esteemed institutions. I am particularly proud to share that CCCL was acknowledged by the National Commercial Bank's Capital Markets Division as, on average, one of the most profitable cement manufacturers in Latin America and the Caribbean. This accolade is a testament to our relentless pursuit of excellence and our laser-targeted focus on delivering value to shareholders.

Market Review

In a landscape defined by constant change and evolution, CCCL has adeptly navigated the dynamics of the industry, holding firm to its substantial market share. Despite encountering a marginal decrease of around 0.5% compared to 2022, our company demonstrated resilience amidst shifting consumption patterns, particularly noticeable in the self-construction sector.

While acknowledging this slight decline, it is essential to highlight that our total domestic sales volume remained consistent, mirroring the figures of 2022 of 1.9%. Delving into specifics, we observed a decrease of approximately 4.3% in cement volumes presented in the bag segment. Conversely, our bulk sales surged impressively, marking a significant increase of 9.6%.

This performance reflects both the challenges and opportunities inherent in our industry. We recognise the importance of staying attuned to market dynamics, continuously adapting our strategies to meet evolving demands of our customers.

Operations

CCCL remains dedicated to world-class operation, harnessing and maximising the wealth of knowledge and expertise offered by our ultimate parent company, Cemex, on a global scale. By integrating select technologies, methodologies, and best practices, we are steadfast in our pursuit of the “One Cemex” vision, striving for a seamless operation across the network of existing Cemex plants.

Aligned with this strategic focus, CCCL has successfully executed a series of approved projects, representing a substantial investment totalling \$1.7 billion. These initiatives are designed to enhance various facets of our operations, with a keen emphasis on advancing health and safety standards, optimising plant efficiency, and championing environmental sustainability.

Among the notable projects undertaken is the ongoing development of our new administration building, crucial for bolstering organisational infrastructure and efficiency. Additionally, we have prioritised the upgrade of the gearbox for Cement Mill Five, a pivotal step towards enhancing our manufacturing capabilities and ensuring operational resilience. Simultaneously, we are also progressing with the expansion of Kiln Five, which when completed will allow us to increase our cement production by up to 30%, producing around 300,000 metric tonnes of cement to meet the national cement demand, realise our carbon reduction ambitions and develop a comprehensive export strategy.

Recognising the pivotal role of technology in driving progress, we have also invested in modernising our laboratory equipment, empowering our teams with innovative tools and resources to maintain the highest quality standards across our product portfolio. Furthermore, the implementation of the Ultimate Technology to Industrial Savings system underscores our commitment to innovation and resource optimisation, positioning CCCL at the forefront of sustainable industrial practices.

Last year also saw us making significant strides in supplying the local demand for our premium-quality products, which remains our priority and at the same time expanding our potential for export, with a total of over 7,000 metric tonnes of high early-strength cement successfully dispatched to diverse Caribbean islands. This remarkable accomplishment not only bolsters our presence in the region but also reaffirms our commitment to delivering premium-quality products to discerning markets.

I am delighted to report that we have maintained all our cement plant accreditations and is compliant with the Jamaica Standard, the American Society for Testing and Materials, and the ISO/IEC17025:2017 international standard for testing and calibration laboratories. This accomplishment underscores our commitment to upholding the highest standards of quality and reliability in all aspects of our operations.

Customer Centricity

At the heart of our business lies a profound dedication to our customers, and it is this that propels us forward, guiding our decisions and actions every step of the way.

We understand that meeting customer needs is not just a goal but a continuous journey. Therefore, we have taken proactive steps to ensure that our operations are centered around catering to the requirements of our valued customers.

One of the key pillars of our customer-centric approach is the integration of technology and digital transformation into our processes. We successfully implemented the Electronic Proof of Delivery system. This innovative solution has revolutionised our service delivery by offering a seamless end-to-end



Chairman's Statement (continued)

experience, from order placement to invoicing. By leveraging technology, we have minimised delays and streamlined our invoicing system, ensuring clarity and efficiency at every stage of the customer journey. Plans are also in the offing to roll out even more technological improvements to further enhance the interaction with our business.

Furthermore, our commitment to enhancing customer experience extends beyond digital innovations. We have strategically deployed various types of branded 'Cement Sold Here' signage, reinforcing our strong presence in the market, and making it easier for customers to identify and engage with our brand. This initiative not only enhances visibility but also fosters trust and loyalty among our customer-base.

Social Impact

As a responsible corporate citizen, we are a company focused on lowering our carbon emissions and achieving the highest form of environmental sustainability. To that end, CCCL partnered with the state-run National Environment and Planning Agency and the Forestry Department to implement initiatives aimed at promoting sustainable practices. These include our community garden in Bull Bay, St. Thomas, which encourages students from the neighbouring Bull Bay Primary and Infant School to visit. We also collaborated with our Quality, Quarry, and Environment team to plant various seedlings, including the Jamaican National Flower, the Lignum Vitae; the National Fruit, Ackee; and others such as Soursop and Java Plum.

Simultaneously, the company embarked on a reforestation programme at the old gypsum quarry in partnership with the Forestry Department to revitalise the ecosystem, introducing some trees capable of withstanding the vagaries of climate change, such as the Moringa.

The company also conducted beach cleanups partnering with RUBiS Energy Jamaica, the Ministry of Foreign Affairs and Foreign Trade, and students from Excelsior Community College.

We also continued to execute our flagship concrete road pavement initiative in several communities across Jamaica. This programme has been warmly received by residents of these communities as there have been several benefits derived. Among them are the training opportunities for residents in health and safety practices around construction sites and in basic concrete pavement construction. Residents also benefit from the quick turnaround time for delivery of produce to market in rural farming communities and the reduction of flooding in specific areas.

Managing Directors' Farewell and Welcome

At this juncture, I would like to take this opportunity to thank our former Managing Director, Mr. Yago Castro, who demitted office on December 1 to assume leadership elsewhere in Cemex. We welcomed Mr. Jorge Martinez, who was appointed on December 1 as the new Managing Director.

The Board would like to thank Mr. Castro for his dedicated service and commitment to catapulting the company to a strong financial position. We will continue our support to Mr. Martinez as we strive to serve our employees, distributors, and loyal customers in our objective of building a greater Jamaica.

Outlook

Caribbean Cement Company Limited remains confident in delivering world-class services to our esteemed customers and shareholders. As we look ahead, our focus is clear: we aim to elevate our standards even further, to enhance profit margins, sustain international quality benchmarks, and advance the modernisation and expansion of our facilities in our journey to becoming a net-zero company as we meet the needs of our stakeholders.

Chairman's Statement (continued)

Additionally, our commitment to enhancing the skills and knowledge of our workforce remains steadfast. Leveraging the cutting-edge technological tools provided by Cemex, including the Cemex University platform, we will empower our employees through comprehensive training programmes. These initiatives encompass a diverse range of topics, including environmental conservation and awareness, leadership development, stakeholder engagement, customer-centric capabilities, and health and safety protocols. Through continuous upskilling, we aim to foster a workforce that is not only proficient but also adaptable to the evolving demands of our industry and customers.

According to the insights provided by the prominent monthly trade magazine, World Cement, the Latin American region anticipates a moderate uptick in cement demand for 2024, with projections indicating a 2-3% increase. This growth trajectory is attributed to heightened investments in public infrastructure projects and social housing initiatives.

At CCCL, we are poised to align with this anticipated growth, both local and regional, leveraging the opportunities presented by increased government infrastructure spending, as well as ongoing real estate ventures such as the development of large hotels, villas, and social housing projects facilitated by the National Housing Trust across various quarters of the island, and with an eye on the export opportunities.

On behalf of the Board, I extend my sincere gratitude to the Managing Director, the proficient management team, resolute employees, loyal distributors, and all stakeholders for their unyielding support. Together, as we contribute to the advancement of Jamaica and foster a brighter future, our collective efforts will undoubtedly lead to considerable progress and prosperity for all.

We would also like to extend appreciation to our parent company, Cemex, for their steady confidence in us throughout the year. Their trust has empowered us to fulfil our mandate of not only building a Greater Jamaica but also forging a sustainable future for all.



Parris A. Lyew-Ayee, CD
Chairman

Creating Sustainable Value through

CUSTOMER-CENTRICITY

Customer service is at the core of our operations. We leverage modern technology to personalise interactions, anticipate needs, and deliver seamless experiences across our markets. Our 24/7 support and data-driven insights increase customer satisfaction and loyalty.





BOARD OF DIRECTORS



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



Mr. Francisco Aguilera Mendoza
Managing Director, TCL Group



Mr. Jorge Alejandro Martínez Mora
Managing Director, CCCL



Mrs. Alejandra Hernandez Blanco
Director



Mr. Hollis N. Hosein
Non-Executive Director



Mr. Luis Gilberto Ali Moya
Director



The Hon Peter Moses, OJ
Non-Executive Director

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 has been a member of the Board since rejoining in 2006 and was appointed Chairman in October, 2016. 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 has 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, Aggregates 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. Jorge Alejandro Martínez Mora **Managing Director, CCCL**

Jorge Martínez Mora was appointed Managing Director of Caribbean Cement Company Limited on December 1, 2023.

He is a Civil Engineer, who earned his undergraduate degree from ITESO University Guadalajara, Mexico, and holds an Executive Master's Degree in Business Administration (MBA) from Tecnológico de Monterrey.

Mr. Martínez has been working with Cemex México since December 2004. He joined the company as a sales representative and then took on responsibilities as a business unit manager in different locations for eight years. After that, he was appointed Ready Mix National Commercial Development Director, then promoted to National Operations and Maintenance Ready Mix director.

He has also held the position of Regional Director for Mexico's Pacific Region in the Builders' segment, and as Builders' Segment Regional Director for the Central Region based in Mexico City (the biggest market for Cemex México).

Having worked with Cemex for almost 20 years, Mr. Martínez has experience working in the field (both commercial and operational) and in corporate positions. He has a strong background in both commercial and operational skills, rounded with general management for entire regional businesses.

About Our Board of Directors (continued)

Mrs. Alejandra Hernandez Blanco Director

Alejandra Hernandez Blanco joined Cemex in 2002 and has held different roles in the internal control function, working with teams in all business units from different countries as well as with corporate areas and specialising in topics related to the operative risk assessment.

Throughout the years, she has participated in the development and observance of several company policies, as well as, in the definition and follow-up of the scope to comply with Sarbanes-Oxley Act.

In 2007, she participated in the Post Merger Integration to integrate acquired businesses into Cemex practices from the internal control perspective.

Mrs. Hernandez is an active member of the Ethics Committee for both the Cemex Corporate office and Sinergia business.

Currently, she is leading in the development of the control model for ESG matters and related regulations. Prior to joining Cemex, Mrs. Hernandez served in other public companies and audit firms holding positions related to internal control and audit functions.

Mrs. Hernandez holds a bachelor's degree in Accounting and Finance from the Instituto Tecnológico y de Estudios Superiores de Monterrey and an MBA from the EGAD Business School. She is a graduate of the Management Development Programme from the IPADE Business School.

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 a Masters in Business Administration (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, 2023.

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)		
	2023	2022
Revenue	27,719,929	25,837,228
Net Income	5,576,430	5,383,867
Total Net Assets	24,053,242	20,038,638
Profit per Stock Unit	\$6.55	\$6.33

TEN LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2023		
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	11,128,676	1.31
SAGICOR POOLED EQUITY FUND	10,489,012	1.23
SAGICOR SELECT FUND LIMITED – ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	6,827,319	0.80
GUARDIAN LIFE LIMITED	6,274,357	0.74
SJIML A/C 3119	4,545,380	0.53
BARITA INVESTMENTS LTD - LONG A/C (TRADING)	4,487,398	0.53
MAYBERRY JAMAICAN EQUITIES LIMITED	4,316,864	0.51
TOTAL	720,821,927	84.69

DIRECTORS' SHAREHOLDINGS AS AT DECEMBER 31, 2023	
Parris A. Lyew-Ayee	10,000
TOTAL	10,000

Directors' Report (continued)

SENIOR MANAGERS' SHAREHOLDINGS AS AT DECEMBER 31, 2023	
Garen Williams	25,000
Jorge Enrique Camelo	125
TOTAL	25,125

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

The Directors wish to express thanks to the management and staff for their continued commitment and hard work in 2023.

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 Organisation 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

Independence 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

Corporate Governance (continued)

and the code of conduct.

These responsibilities include:

1. Recommending the appointment of external auditors.
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:

Alejandra Hernandez Blanco (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
Alejandra Hernandez Blanco

Corporate Governance (continued)

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, and to prepare for and actively participate in meetings. The involvement and commitment of directors is evidenced by their regular board and 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	3/5	N/A	N/A	N/A
Francisco Aguilera Mendoza	5/5	N/A	1/1	N/A
Hollis N. Hosein	5/5	5/5	N/A	N/A
Peter Moses, OJ	5/5	5/5	1/1	5/5
Luis Gilberto Ali Moya	5/5	5/5	N/A	N/A
Jorge Alejandro Martínez Mora	2/5	N/A	N/A	N/A
Alejandra Hernandez Blanco	1/5	N/A	2/5	1/5

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.

Developing Opportunities through

INNOVATION

We strive to empower our stakeholders with data-driven decision-making, and innovative products and solutions. Together, we can create inclusive, resilient communities that thrive on innovation and collective well-being.





EXECUTIVE TEAM



Mr. Jorge Alejandro Martínez Mora
Managing Director, CCCL



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



Mr. Rogelio Barahona
Sales and Commercial Manager



Mr. Rohan Anderson
Process Manager



Mr. Christopher Brown
Production Manager



Mr. Christopher Bryan
Capital Projects Manager



Mr. Craig Neil
Legal Counsel
and Company Secretary



Mr. Angel Rivera
Supply Chain Manager



Mr. Anthony Jones
Head of Finance



Mr. Juan José Núrinda Vásquez
Strategic Planning Manager



Mr. Pablo Bahamon Palencia
Maintenance Manager



Mr. Eduardo Guillen Torres
Quarry, Quality and
Environment Manager



Mr. Randy Nuñez Fuentes
Procurement Manager



Mr. Garen Williams
Distribution Sales Manager



Mr. Andre Nelson
Industrial and Building
Solutions Manager



Mr. Norville Clarke
Group Enterprise Risk Manager



Jorge Enrique Camelo
Group Human Resource Manager

MANAGING DIRECTOR'S REPORT & MANAGEMENT DISCUSSION



**Jorge Alejandro
Martínez Mora**
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 the implementation of our Health and Safety Management System, we have attained 2,293 days without a lost time incident (LTI) among employees at our Rockfort-based plant in Kingston, and 3,111 days without an LTI within our quarries. We continue with improvements in the areas of guarding and isolation around the plant, and vehicle safety features as well as the completion of various training programmes such as the Cemex Health and Safety Academy Module 1: 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 the hosting of several Vulnerable Road User programmes, which engaged schools and several state-run entities that target the disabled and elderly community, the most exposed groups on our roadways.

Our health programme continues to focus on the completion of annual medical checkups as a means of 'knowing your numbers' and essentially, taking a proactive approach to health. There were also monthly campaigns launched to provide the relevant information on various health topics in alignment with our Health Essentials.

ENVIRONMENT AND QUALITY

FUTURE IN ACTION – COMMITTED TO NET ZERO CO₂

We remain fully aligned to Cemex's 'Future in Action' programme, which focuses on the achievement of sustainable excellence through climate action, circularity, and natural resource management. Our primary aim is to become a net-zero CO₂ company through our 6 key pillars: Sustainable Products & Solutions, Decarbonising our Operations, Circular Economy, Water, Biodiversity and other Emissions, Innovation & Partnerships, and Promoting a Green Economy.

In executing our CO₂ roadmap, we have further reduced our carbon emissions by 8.8 Kgs from 2022 (1.3pp net), proving our firm commitment to net-zero emissions. This was primarily driven by a reduction of 0.5pp in our clinker factor, and 2.0pp in plant heat consumption. We will continue to implement strategies aligned to Cemex's target to reach around 430kg CO₂ per metric tonne of cementitious products, an approximate 47pp reduction in CO₂ emissions by 2030. In Jamaica, we have already begun to reap dividends through this strategy, having realised a reduction in our carbon footprint through our Vertua portfolio and the introduction of high-early (HE) strength cement products.

Notably, we continue to execute our \$4.2 billion capacity expansion project at Caribbean Cement Company Limited (CCCL) with a key component targeting optimisation of our heat consumption in the cement manufacturing process. Last year also saw the commissioning of the Ultimate Technology for Industrial Savings (UTIS) device. This uses water electrolysis to further enhance the specific heat consumption and thereby

Managing Director's Report & Management Discussion (continued)



further reduce our carbon emissions. As our company continues to advance its efforts to promote a circular economy, we have upgraded the plant at a cost of \$13 million to optimise the combustion chamber. In addition, we have continued exploring different and new sources of alternative fuels.

We have also expanded our role as a solution for various types of urban waste, such as the coprocessing of used oil from our neighbour, RUBiS Energy Jamaica.

We have also set ambitious targets to become a “Zero Waste Plant” as we recognise the value of leading by example and how enhancing circularity can mitigate our ‘own waste’ impact. We also continue to undertake other initiatives such as beach cleanups, the garbage from which was disposed of in our cement kiln.

In 2023, Cemex introduced ‘other emissions’ as part of pillar 4. To complement our enhanced focus in this area, \$465 million was invested in dust abatement for Jamaica for the year 2024. Commitments like these represent our intention to not only create a global impact by reducing carbon emissions, but to target our localised impacts at the country level across the TCL Group. Pillar 4 was advanced in Jamaica through the Bull Bay community garden that was launched in collaboration with several stakeholders - the Forestry Department, NEPA, the Bull Bay community, and the Bull Bay Primary and Infant School to raise awareness on endemic and endangered species in the country. The space will continue to raise awareness throughout 2024.

These achievements, in their own distinct rights, represent our dedication to sustainable excellence and the empowerment of our teams to make a difference.

QUALITY

In 2023, we continued the development and promotion of our ‘low carbon footprint’ brand through the sale of HE Low Carbon Industrial Cement which aligns with our Future in Action strategy.

In addition, all cement dispatched during 2023 met the Jamaica Standards (JS) and American Society for Testing and Materials (ASTM) product specifications; our in-house laboratory successfully demonstrated technical competence by conducting nine (9) standard test methods on cement; and our ISO/IEC 17025:2017 Plant Accreditation was maintained. We continue to be the only accredited laboratory in the Caribbean for cement testing.

CUSTOMER CENTRICITY

Last year was characterised by very relevant achievements as CCCL broke the all-time production record in July, in a clear step towards our goal of fully serving our domestic market.

In line with this increased availability, we took on the challenge of exporting over 7,000 metric tonnes of cement to other countries in the Caribbean, reaching The Turks and Caicos Islands, Antigua, and St. Kitts & Nevis.

We achieved the full adoption of electronic invoicing through the Electronic Proof of Delivery (EPOD) technology solution and continued to gain a stronger presence in the trade by deploying new “Caribbean Cement Company Limited Sold Here” and “We proudly use Caribbean Cement Company Limited” signs for our

Managing Director's Report & Management Discussion (continued)

preferred Jamaican cement brands.

Continuing our successful efforts, we further reinforced our visibility by making new Carib Cement branded tarpaulins available to haulers who facilitate the distribution of our products throughout the island.

Each day, we strive to improve, to innovate, and to be recognised as the company that offers the best experience to its customers.

MARKET REVIEW

In Jamaica, the total domestic cement demand remained strong with a slight decrease of approximately 0.5% in 2023 compared with the previous year, due to a reduction in consumption by the self-construction segment. This contributed to CCCL's total domestic sales volume decreasing by the same percentage of 1.9% in comparison to 2022. Specifically, our cement volumes in bag presentation dropped about 4.3% while our bulk sales increased by 9.6%. This reflects a dynamic experienced in most of our markets, where the increase in formal business was unable to offset the drop in the self-construction segment.

FINANCIALS

In relation to the company's financial performance, Caribbean Cement Company Limited earned revenue of \$27.7 billion, representing growth of 7% when compared to 2022. The increase in revenue was mainly due to a pricing strategy to recover from the market decrease and an increase in cost driven by high inflation.

The net operating earnings before other expenses for the period were \$8.4 billion; while the operating earnings after other expenses were \$7.4 billion, representing a slight decrease of \$0.4 billion when compared to the prior year.

Despite the decrease in sales, the company experienced an increase in production arising from operational efficiencies achieved through the improvement of our main equipment and operational processes, which reduced the impact of increasing operating costs and expenses.

The company recorded earnings before taxation of \$7.3 billion, representing an incremental improvement over the \$7.2 billion achieved last year. The overall consolidated net income of \$5.6 billion was higher than that of the previous year by \$5.4 billion.

Regarding the cash flow, the net cash provided by operating activities was \$7.5 billion for the year, which was extremely higher than the \$4.2 billion provided in 2022. This additional cash flow generated over the period has allowed the company to pay off its long-term debt for the year.

OPERATIONS

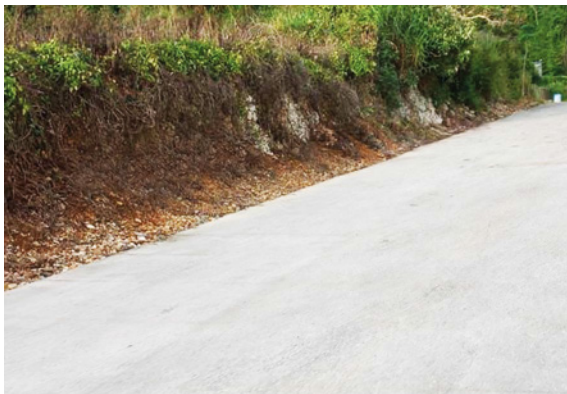
Caribbean Cement Company Limited continued its execution of its annual capital expenditure plan for 2023 with a total investment of \$1.7 billion.

The CAPEX committee approved a total of fifty-four projects in the 2023 portfolio of Caribbean Cement Company. The programme was designed to bring additional value in the areas of health and safety, welfare, customer centricity, plant efficiency, and sustainability, which includes quality and environment with emphasis on CO₂ reductions, raw material substitution and dust mitigation. The most noteworthy projects executed during the period were the installation of UTIS, the kiln debottleneck procurement phase, phase 2 of the new administration building, upgrade of cement mill 5's main gearbox, the repair of cement mill 4's shell, modernisation of laboratory equipment, acquisition of new self-discharge bulk tankers with special safety features to protect road users, and the continuation of building resilience in the IT and security infrastructure.

Managing Director's Report & Management Discussion (continued)

SUSTAINABLE ROAD SOLUTIONS

We continue to promote concrete road construction in Jamaica. In 2023, we again partnered with the government to construct another fourteen kilometres of cement-stabilised marl base for construction of the Montego Bay Perimeter Road. Additionally, we have partnered with Paradisiac, which will begin coloured concrete road construction including stamped concrete driveways. We were also successful in convincing Stanley Consultants Jamaica in including concrete for highway roads at Roselle in the parish of St. Thomas. This project has since been completed and opened to the public. The National Works Agency successfully implemented rigid pavement in key areas along two class 'B' roadways where they have been affected by flood damage in the past. Also of significance is that we have convinced the Ministry of Local Government through the Kingston and St. Andrew Municipal Corporation to execute its first concrete road construction in the Bull Bay area, Kingston.



We were also successful in convincing Stanley Consultants Jamaica in including concrete for highway roads at Roselle in the parish of St. Thomas. This project has since been completed and opened to the public. The National Works Agency successfully implemented rigid pavement in key areas along two class 'B' roadways where they have been affected by flood damage in the past. Also of significance is that we have convinced the Ministry of Local Government through the Kingston and St. Andrew Municipal Corporation to execute its first concrete road construction in the Bull Bay area, Kingston.

HUMAN CAPITAL

The company remains committed to offering the best experience to all our employees. This is why we have created a diverse, inclusive, and dynamic environment engaging over two hundred skilled collaborators to achieve their utmost potential. At CCCL, we strongly believe that encouraging a deeply committed staff is essential for maintaining the company's safety and achieving maximum productivity and results.

As the company capitalises on its innovative practices to enhance the employee experience, we continue to implement software programmes and platforms aimed at improved alignment with the parent company, fostering better communication, and encouraging collaboration. To enable this, we continue to strengthen the use of platforms such as SAP, SUCCESS FACTORS – Performance Appraisal Tool, and SPARK in elevating the services offered to our employees and seamlessly integrating them into the 'One Cemex' model.

It is imperative that our employees are structured and equipped to navigate the fast-paced work landscape while performing and balancing. Consequently, we have made deliberate efforts to implement and promote policies and initiatives aligned with adjusted flexible work arrangements. Through the prioritisation of the needs of our stakeholders, we are dedicated to navigating the realm of work-life balance while maintaining standards and protocols of Health and Safety as our top priority, ensuring our stakeholders remain safe despite the change in dynamics.

Carib Cement continues to embrace and recognise diversity, equity, and inclusion as one of the fundamental pillars supporting our parent company's vision of "Building a better future". We are delighted to have maintained our gold-level recognition from Cemex for our Diversity, Equity, and Inclusion (DEI) action programme. This achievement serves as a genuine acknowledgment of our dedicated efforts and tangible outcomes in fostering and integrating practices of a more inclusive and diverse organisational environment.

TRAINING AND DEVELOPMENT

At Carib Cement, we believe that it is crucial to provide students with the essential skills required not only for the workplace but also to meet the expectations of a multinational company. Through this, we continue to engage the next generation of talented individuals by continuing to partner and collaborate with local universities through programmes such as internships, entry level operations, professionals in development and the Cemex Campus. Our Cemex Campus programme remains a primary objective, underscoring our

Managing Director's Report & Management Discussion (continued)

firm belief in educating the upcoming generation of talented individuals about our operations. We have successfully completed three (3) seasons of this programme and look forward to more sessions and to improving our scope and reach.

We will persist in providing a diverse range of training and development opportunities for our employees, utilising both in-person and virtual platforms based on available resources. By leveraging the Cemex University and DEGREED learning environments, our employees can engage in various training modules. This approach ensures that our workforce has easy access to a broad spectrum of resources, enabling them to grasp Cemex's priorities, protocols, policies, and specialised training relevant to their respective areas.

We have accumulated over 4,500 hours of training for our employees. Some of the many training programmes offered at Carib Cement in 2023 included: Health & Safety, Leadership Skills, Operations Academy, Supply Chain Academy, Diversity & Inclusion, Affinity Bias, Microsoft Excel for Office Levels 1-3, First-Aid Training, Business Language Training – Latin American Spanish, Wellness Talks and Culture and Values and Ethos Learning.

MACROECONOMIC OUTLOOK

After the rebound in the Gross Domestic Product (GDP) of 5.2% observed in 2022, a decrease was observed for 2023 with GDP ranging down to 2.0%. Fortunately, the Jamaican dollar was stable over the year. However, the inflation rate for 2023 (7.5%) was slightly higher than the target (4% to 6%), mainly driven by increments in the price of food & non-alcoholic beverages, furnishings, household equipment & routine household maintenance, transport, education services and restaurants & accommodation services.

Meanwhile, the construction sector continues with the good dynamic of past years where in 2022 there was a balance between residential, and commercial and civil works, and in 2023 growth relied mainly on commercial and industrial demand. For 2024, we expect a similar market behaviour to that of 2023.

The main challenge for 2024 and the coming years will be to maintain the levels of economic growth recovered after the pandemic. Through the continuous creation of employment in local production and projects, we intend to keep this positive trend.



Jorge Alejandro Martínez Mora
Managing Director, CCCL

Developing Opportunities for

A BRIGHTER FUTURE

Guided by optimism and equipped with a value-driven mindset, we construct a future filled with opportunity and progress. Through collaboration and forward-thinking, we create sustainable environments where communities thrive and aspirations become reality, illuminating the path to a brighter tomorrow.



SOCIAL IMPACT: ADDING VALUE TO COMMUNITIES



Sustainability Leader at Caribbean Cement Company Limited, Shannen Suckra Baker (second left), participates in the planting of the Jamaican Mahogany seedling, at the official commissioning of the Bull Bay Community Garden in St. Thomas on National Tree Planting Day, October 6. Others participating (from left) are Contractor, Chief Executive Officer of Exclusive Maintenance Services, Wray Mullings; Acting Quality Coordinator, Ricard Hemmings; Professional in Development for Environment and Sustainability, Jordan De Sousa; Sustainability Engineer, Jason White and Quality Coordinator, Shaquina Francis.

Strategic Planning Manager at Cemex/Caribbean Cement Company, Juan Nurinda, plants one of four hundred and fifty trees at the company's reforestation project in the Gypsum Quarry at 10 miles, Bull Bay on December 2. The reforestation project falls under the company's Future in Action programme and relates to the biodiversity pillar dedicated to positively impacting nature by preserving, restoring, and enhancing it at every step of the value chain. Future in Action is geared at reducing the company's carbon footprint.



Managing Director of Caribbean Cement Company, Jorge Martinez (centre), receives a fruit basket from grateful residents of the community of Copperwood, Southern St. James, following the opening of a 2,500 square metre concrete pavement in the community.

Social Impact (continued)



Then Managing Director of Caribbean Cement Company Limited, Yago Castro (fourth left), and Prime Minister, the Most Hon. Andrew Holness (right), participates in the symbolic unveiling of signage following a ceremony to commission a concrete pavement in the Prime Minister's St. Andrew West Central constituency on July 13. From left is Stakeholder Manager, Balfour Denniston; Industrial and Building Solutions Manager at Carib Cement, Mr. Andre Nelson and Councilor Caretaker for the Molynes Division, Mr. Glendon Salmon.

Then Managing Director of Caribbean Cement Company Limited, Yago Castro (right), shares in a photo opportunity with Executive Director of the MultiCare Youth Foundation, Alicia Glasgow Gentles (left), and students, following the handover of 117 book vouchers, at the cement company's sports club on August 17. A cheque valued at \$1million was presented to the MultiCare Youth Foundation to assist with a social intervention programme for underserved youth.



Caribbean Cement Company Limited's then Managing Director, Yago Castro (left), and Managing Director of RUBiS Energy Jamaica Limited, Michel Malatino, recover garbage from a beach clean-up exercise at the Palisadoes Beach strip in East Kingston on Saturday, June 10. Some of the materials recovered in the clean-up will be coprocessed in the cement company's kiln to provide energy in the cement-making process.

Creating Value through

SUSTAINABLE OPERATIONS

Our corporate sustainability integrates socioeconomic and environmental considerations into our business operations. It encompasses responsibility, resilience and innovation for lasting impact, and fills the needs of the present generation while keeping in mind the needs of future generations.



CARIBBEAN CEMENT COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For The Year Ended December 31, 2023

(Expressed in Jamaican dollars)



KPMG
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
CARIBBEAN CEMENT COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Caribbean Cement Company Limited ("the Company") and its subsidiary (collectively "the Group") and the separate financial statements of the Company, set out on pages 47 to 95, which comprise the Group's and Company's statements of financial position as at December 31, 2023, the Group's and the Company's income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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, 2023, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting 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 Shareholders 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 10 of the consolidated financial statements.

Key audit matter

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.

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.

How the matter was addressed in our audit

Our audit procedures in response to this matter, included:

- Testing 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 management's employed 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders 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 10 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):

- 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.
- Testing the adequacy of controls over the costing process.
- Testing inventory items to assess whether all elements of the costs attributable to them had been accurately reflected in the costing calculations; and agreeing the cost of inventory items to supporting documentation.
- Considering the adequacy of the Group's disclosures about inventory.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders of
CARIBBEAN CEMENT COMPANY LIMITED

Revenue recognition

See note 3 of the consolidated financial statements.

Key audit matter

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.

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.

How the matter was addressed in our audit

Our audit procedures in response to this matter, included:

- Obtaining an understanding of management's key internal controls in relation to revenue recognition.
- 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders 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 19 of the consolidated financial statements.

Key audit matter

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.

How the matter was addressed in our audit

Our audit procedures in response to this matter, included:

- Evaluating the design and implementation of controls and effectiveness thereof.
- Evaluating the competency and objectivity of management's actuarial expert.
- 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 Shareholders 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 Accounting 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders 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 R. Tarun Handa.



Chartered Accountants
Kingston, Jamaica

February 28, 2024



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Shareholders 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, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
Revenue	3	\$ 27,719,929	25,837,228
Cost of sales	4(ii)	(16,418,152)	(14,476,081)
Gross profit		11,301,777	11,361,147
Administrative expenses		(1,134,564)	(941,870)
Selling expenses		(222,242)	(188,793)
Distribution and logistics expenses		(1,498,771)	(1,551,818)
Recovery of impairment loss on trade account receivables		32	225
Total operating expenses	4(ii)	(2,855,545)	(2,682,256)
Operating earnings before other expenses, net	4(i)	8,446,232	8,678,891
Other income	5	18,640	102,001
Other expenses	5	(1,040,241)	(916,549)
Operating earnings		7,424,631	7,864,343
Financial income	2,23	128,408	28,240
Financial expenses	6	(193,120)	(581,405)
Loss on foreign exchange		(100,189)	(68,311)
Earnings before taxation		7,259,730	7,242,867
Taxation charge	20.1	(1,683,300)	(1,859,000)
CONSOLIDATED NET INCOME		\$ 5,576,430	5,383,867
Basic and diluted earnings per share (expressed in \$)	22	6.55	6.33

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

Group Statement of Comprehensive Income

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
CONSOLIDATED NET INCOME		\$ 5,576,430	5,383,867
Items that will not be reclassified subsequently to the income statement:			
Net actuarial gains from remeasurement of employee benefits obligation	19	196,961	270,494
Deferred tax recognised directly in other comprehensive income	20.2	(49,240)	(67,624)
		147,721	202,870
Items that are or may be reclassified subsequently to the income statement:			
Effects from derivative financial instruments designated as cash flow hedge	15.4	(94,387)	(48,989)
		(94,387)	(48,989)
Total items of other comprehensive income, net		53,334	153,881
TOTAL COMPREHENSIVE INCOME		\$ 5,629,764	5,537,748

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

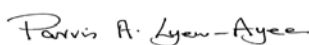
Group Statement of Financial Position

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	\$ 4,021,335	574,457
Trade accounts receivable, net	8	340,944	261,020
Other accounts receivable	9	335,157	389,791
Inventories, net	10	4,851,293	5,477,769
Accounts receivable from related parties	23.1	10,945	83,105
Other current assets	11	160,387	311,199
Total current assets		<u>9,720,061</u>	<u>7,097,341</u>
NON-CURRENT ASSETS			
Property, machinery and equipment, net	13	23,392,664	23,038,419
Total non-current assets		<u>23,392,664</u>	<u>23,038,419</u>
TOTAL ASSETS		\$ <u>33,112,725</u>	<u>30,135,760</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	15.2	\$ 58,479	57,876
Trade payables	16	3,390,414	3,306,357
Accounts payable to related parties	23.1	359,084	612,182
Provisions	18	35,082	6,929
Other current liabilities	17	1,542,679	2,118,213
Total current liabilities		<u>5,385,738</u>	<u>6,101,557</u>
NON-CURRENT LIABILITIES			
Long-term debt	15.1	-	608,208
Other financial obligations	15.2	120,912	77,954
Employee benefits obligation	19	818,919	927,461
Deferred tax liabilities	20.2	2,672,494	2,298,026
Provisions	18	61,420	83,916
Total non-current liabilities		<u>3,673,745</u>	<u>3,995,565</u>
TOTAL LIABILITIES		<u>9,059,483</u>	<u>10,097,122</u>
SHAREHOLDERS' EQUITY			
Share capital:			
Ordinary shares	21.1	1,808,837	1,808,837
Capital contribution	21.1	3,840,224	3,840,224
Reserves:			
Realised capital gain	21.2(a)	1,413,661	1,413,661
Other equity reserves	21.2(b)	4,983,373	5,077,760
Accumulated net income	21.2(c) (iii)	12,007,147	7,898,156
Total shareholders' equity		<u>24,053,242</u>	<u>20,038,638</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ <u>33,112,725</u>	<u>30,135,760</u>

These consolidated financial statements on pages 47 to 95 were approved by the Board of Directors on February 28, 2024 and signed on their behalf by:



Chairman

Parris A. Lyew-Ayee



Director

Jorge Martinez

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

Group Statement of Cash Flows

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
OPERATING ACTIVITIES			
Consolidated net income		\$ 5,576,430	5,383,867
Adjustments for:			
Depreciation and amortisation of assets	4(i), 13	1,509,191	1,446,126
Recovery of impairment loss on trade account receivables	8	(32)	(225)
Interest income		(128,408)	(28,240)
Interest expense		124,597	151,104
Taxation charge	20.1	1,683,300	1,859,000
Property, machinery and equipment write-off	13	-	6,552
(Decrease) increase in rehabilitation provision	18	(15,499)	39,241
Inventory write off	5	254,987	2,821
Increase (reduction) of inventory obsolescence provision	10	237,589	(61,647)
(Reversal) increase of stockholding and inventory restructuring provision	5	(13,276)	39,495
Employee benefit expenses	19	11,487	23,916
Unwinding of discount on preference shares		-	402,235
Unwinding of discount on rehabilitation provision	6, 18	22,142	10,701
Unwinding of discount on lease liabilities	6	13,047	17,365
Unrealised foreign exchange losses (gains), net		60,155	(48,755)
Changes in working capital, excluding taxes		(112,467)	(3,516,928)
Net cash flow provided by operating activities before employee benefits paid, received, interest paid and taxation paid		9,223,243	5,726,628
Employee benefits paid	19	(41,306)	(38,241)
Interest received		128,408	28,240
Interest paid		(6,661)	(79,603)
Taxation paid		(1,795,659)	(1,422,887)
Net cash flows provided by operating activities		7,508,025	4,214,137
INVESTING ACTIVITIES			
Acquisition of property, machinery and equipment	13	(1,748,297)	(1,259,090)
Accounts receivable from related parties		-	(45,257)
Net cash flows used in investing activities		(1,748,297)	(1,304,347)
FINANCING ACTIVITIES			
Proceeds from long-term debt	15.1	-	616,383
Repayment of long-term debt	15.1	(608,208)	-
Other financial obligations:			
Repayment of redeemable preference shares	15.2(a)	-	(1,843,945)
Dividends paid		(1,630,580)	(1,264,011)
Payment of lease liabilities	15.2(b)	(84,625)	(68,975)
Net cash flows used in financing activities		(2,323,413)	(2,560,548)
Increase in cash and cash equivalents		3,436,315	349,242
Cash conversion effect, net		10,563	(19,685)
Cash and cash equivalents at beginning of year		574,457	244,900
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	\$ 4,021,335	574,457
Changes in working capital, excluding taxes:			
Trade accounts receivable, net		\$ (79,892)	63,049
Other current assets		252,744	(490,499)
Inventories		147,176	(2,018,332)
Trade payables		68,678	(1,122,256)
Provisions		(986)	-
Other current liabilities		(500,187)	51,110
Changes in working capital, excluding taxes		\$ (112,467)	(3,516,928)

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Group Statement of Changes in Stockholders' Equity
As of December 31, 2023 and 2022
(Thousands of Jamaican Dollars)

	Notes	Reserves						Total capital & reserves
		Ordinary shares	Capital contribution	Realised capital	Other equity reserves	Accumulated net income	Total reserves	
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	21.2(b) (i)	-	-	-	1,548,857	(1,548,857)	-	-
Other comprehensive income:								
Net actuarial gains from remeasurements of employee benefits obligation		-	-	-	-	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	21.2(d)	-	-	-	-	(1,279,431)	(1,279,431)	(1,279,431)
Share-based compensation	21.1 (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
Net income		-	-	-	-	5,576,430	5,576,430	5,576,430
Other comprehensive income:								
Net actuarial gains from remeasurements of employee benefits obligation		-	-	-	-	147,721	147,721	147,721
Effects from derivative financial instruments designated as cash flow hedge		-	-	-	(94,387)	-	(94,387)	(94,387)
Transaction with owners:								
Dividends	21.2(d)	-	-	-	-	(1,615,160)	(1,615,160)	(1,615,160)
Share-based compensation	21.1 (ii) (b)	-	-	-	-	-	-	-
Balance as of December 31, 2023		\$ 1,808,837	3,840,224	1,413,661	4,983,373	12,007,147	18,404,181	24,053,242

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

Company Income Statement

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
Revenue	3	\$ 27,719,929	25,837,228
Cost of sales	4(ii)	(16,418,152)	(14,476,081)
Gross profit		11,301,777	11,361,147
Administrative expenses		(1,111,809)	(920,518)
Selling expenses		(222,242)	(188,793)
Distribution and logistics expenses		(1,498,771)	(1,551,818)
Recovery of impairment loss on trade account receivables		32	225
Total operating expenses	4(ii)	(2,832,790)	(2,660,904)
Operating earnings before other expenses, net	4(i)	8,468,987	8,700,243
Other income	5	18,640	102,001
Other expenses	5	(1,050,347)	(930,973)
Operating earnings		7,437,280	7,871,271
Financial income	2.23	128,408	28,240
Financial expenses	6	(193,120)	(581,405)
Loss on foreign exchange		(100,189)	(68,311)
Earnings before taxation		7,272,379	7,249,795
Taxation charge	20.1	(1,683,300)	(1,859,000)
NET INCOME		5,589,079	5,390,795

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

Company Statement of Comprehensive Income

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
NET INCOME		\$ 5,589,079	5,390,795
Items that will not be reclassified subsequently to the income statement:			
Net actuarial gains from remeasurement of employee benefits obligation	19	196,961	270,494
Deferred tax recognised directly in other comprehensive income	20.2	(49,240)	(67,624)
		147,721	202,870
Items that are or may be reclassified subsequently to the income statement:			
Effects from derivative financial instruments designated as cash flow hedge	15.4	(94,387)	(48,989)
		(94,387)	(48,989)
Total items of other comprehensive income, net		53,334	153,881
TOTAL COMPREHENSIVE INCOME		\$ 5,642,413	5,544,676

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

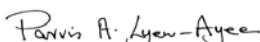
Company Statement of Financial Position

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	\$ 4,021,330	574,452
Trade accounts receivable, net	8	340,944	261,020
Other accounts receivable	9	334,871	389,500
Inventories, net	10	4,851,293	5,477,769
Accounts receivable from related parties	23.1	10,945	83,105
Accounts receivable from subsidiary	23.4	34,683	21,712
Other current assets	11	160,387	311,199
Total current assets		9,754,453	7,118,757
NON-CURRENT ASSETS			
Property, machinery and equipment, net	13	23,391,449	23,037,049
Investment in subsidiary	12	-	-
Total non-current assets		23,391,449	23,037,049
TOTAL ASSETS		\$ 33,145,902	30,155,806
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Other financial obligations	15.2	\$ 58,479	57,876
Trade payables	16	3,389,988	3,305,630
Accounts payable to related parties	23.1	359,084	612,182
Provisions	18	35,082	6,929
Other current liabilities	17	1,542,124	2,117,477
Total current liabilities		5,384,757	6,100,094
NON-CURRENT LIABILITIES			
Long-term debt	15.1	-	608,208
Other financial obligations	15.2	120,912	77,954
Employee benefits obligations	19	818,919	927,461
Deferred tax liabilities	20.2	2,672,494	2,298,026
Provisions	18	61,420	83,916
Total non-current liabilities		3,673,745	3,995,565
TOTAL LIABILITIES		9,058,502	10,095,659
SHAREHOLDERS' EQUITY			
Share capital:			
Ordinary shares	21.1	1,808,837	1,808,837
Capital contribution	21.1	3,840,224	3,840,224
Reserves:			
Realised capital gain	21.2(a)	1,413,656	1,413,656
Other equity reserves	21.2(b)	4,983,373	5,077,760
Accumulated net income	21.2(c) (iii)	12,041,310	7,919,670
Total shareholders' equity		24,087,400	20,060,147
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 33,145,902	30,155,806

These financial statements on pages 47 to 95 were approved by the Board of Directors on February 28, 2024 and signed on their behalf by:



Chairman

Parris A. Lyew-Ayee



Director

Jorge Martinez

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

Company Statement of Cash Flows

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

	Notes	Year ended December 31	
		2023	2022
OPERATING ACTIVITIES			
Net income		\$ 5,589,079	5,390,795
Adjustments for:			
Depreciation and amortisation of assets	4(i), 13	1,509,036	1,445,953
Recovery of impairment loss on trade account receivables	8	(32)	(225)
Interest income		(128,408)	(28,240)
Interest expense		124,597	151,104
Taxation charge	20.1	1,683,300	1,859,000
Property, machinery and equipment write-off	13	-	6,552
(Decrease) increase in rehabilitation provision	18	(15,499)	39,241
Inventory write off	5	254,987	2,821
Increase (reduction) of inventory obsolescence provision	10	237,589	(61,647)
(Reversal) increase of stockholding and inventory restructuring provision	5	(13,276)	39,495
Employee benefit expenses	19	11,487	23,916
Unwinding of discount on preference shares	15.2	-	402,235
Unwinding of discount on rehabilitation provision	6, 18	22,142	10,701
Unwinding of discount on lease liabilities	6	13,047	17,365
Unrealised foreign exchange losses (gains), net		60,155	(48,755)
Changes in working capital, excluding taxes		(124,961)	(3,523,649)
Net cash flow provided by operating activities before employee benefits paid, received, interest paid and taxation paid		9,223,243	5,726,662
Employee benefits paid	19	(41,306)	(38,241)
Interest received		128,408	28,240
Interest paid		(6,661)	(79,603)
Taxation paid		(1,795,659)	(1,422,887)
Net cash flows provided by operating activities		7,508,025	4,214,171
INVESTING ACTIVITIES			
Acquisition of property, machinery and equipment	13	(1,748,297)	(1,259,089)
Accounts receivable from related parties		-	(45,257)
Net cash flows used in investing activities		(1,748,297)	(1,304,346)
FINANCING ACTIVITIES			
Proceeds from long-term debt	15.1	-	616,383
Repayment of long-term debt	15.1	(608,208)	-
Other financial obligations:			
Repayment of redeemable preference shares	15.2(a)	-	(1,843,945)
Dividends paid		(1,630,580)	(1,264,011)
Payment of lease liabilities, net	15.2(b)	(84,625)	(68,975)
Net cash flows used in financing activities		(2,323,413)	(2,560,548)
Increase in cash and cash equivalents		3,436,315	349,277
Cash conversion effect, net		10,563	(19,685)
Cash and cash equivalents at beginning of year		574,452	244,860
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	\$ 4,021,330	574,452
Changes in working capital, excluding taxes:			
Trade accounts receivable, net		\$ (79,892)	63,043
Other current assets		239,768	(497,994)
Inventories		147,176	(2,018,332)
Trade payables		68,979	(1,120,760)
Provisions		(986)	-
Other current liabilities		(500,006)	50,394
Changes in working capital, excluding taxes		\$ (124,961)	(3,523,649)

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED
Company Statement of Changes in Stockholders' Equity
As of December 31, 2023 and 2022
(Thousands of Jamaican Dollars)

	Notes	Reserves						Total capital & reserves
		Ordinary shares	Capital contribution	Realised capital	Other equity reserves	Accumulated net income	Total reserves	
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	21.2(b) (i)	-	-	-	1,548,857	(1,548,857)	-	-
Other comprehensive income:								
Net actuarial gains from remeasurements of employee benefits obligation		-	-	-	-	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	21.2(d)	-	-	-	-	(1,279,431)	(1,279,431)	(1,279,431)
Share-based compensation	21.1(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
Net income		-	-	-	-	5,589,079	5,589,079	5,589,079
Other comprehensive income:								
Net actuarial gains from remeasurements of employee benefits obligation		-	-	-	-	147,721	147,721	147,721
Effects from derivative financial instruments designated as cash flow hedge		-	-	-	(94,387)	-	(94,387)	(94,387)
Transaction with owners:								
Dividends	21.2(d)	-	-	-	-	(1,615,160)	(1,615,160)	(1,615,160)
Share-based compensation	21.1(ii) (b)	-	-	-	-	-	-	-
Balance as of December 31, 2023		\$ 1,808,837	3,840,224	1,413,656	4,983,373	12,041,310	18,438,339	24,087,400

The accompanying notes are part of these financial statements.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

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(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 shares 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 shares 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, MATERIAL ACCOUNTING POLICIES AND ESTIMATES

2.1) BASIS OF PRESENTATION AND DISCLOSURE

Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards 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 liabilities, share-based compensation and employee benefits obligation which have 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 Jamaica dollar, 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 the currency 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 2023.

Certain new and amended standards that were issued came into effect during the current financial year. None of these standards had an effect on these financial statements, except that the Group adopted Disclosure of Accounting Policies (*Amendments to IAS 1 and IFRS Practice Statement 2*) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies), in certain instances, in line with the amendments.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

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

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. The Company's subsidiary, together with the Company, are referred to as "the Group." Intra-group balances and transactions are eliminated on consolidation. The group financial statements include:

Entity	Principal Activity	Country of Incorporation	% Equity interest	
			2023	2022
			Rockfort Mineral Bath Complex Limited	Spa facility

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) 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.

(ii) 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 estimate, 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.

(iii) Rehabilitation provision

The provision for restoration and rehabilitation associated with environmental damage represents the best estimate 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 any 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 18).

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

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

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

2.3) USE OF ESTIMATES AND CRITICAL ASSUMPTIONS – CONTINUED

(iv) 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, 2023 and 2022, are as follows:

	2023		2022	
	Closing	Average	Closing	Average
United States Dollar	154.9504	154.6034	152.0521	153.8801
Euro	173.1411	170.8081	165.0728	164.2284
Trinidad and Tobago Dollar	22.8966	22.8340	22.4173	22.7313

2.5) CASH AND CASH EQUIVALENTS (note 7)

The balance in this caption comprises available amounts of cash at bank, cash on hand and short-term deposit held with a related party. This short-term deposit is considered a highly liquid investment, comparable to cash, and can be withdrawn at any time with minimal notice.

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 and cash equivalents (notes 2.5 and 7).
- Trade accounts receivable net; other accounts receivable; other current assets; accounts receivable from related parties and accounts receivable from subsidiary (notes 8, 9, 11 and 23). 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 current liabilities and accounts payable to related parties (notes 16, 17 and 23) 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 21.1(i)). Non-discretionary dividends thereon are recognised as interest expense in the income statement as accrued.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

2) BASIS OF PRESENTATION, MATERIAL 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 15.1 and 15.2). Interest accrued on financial instruments is recognised within “Other current and non-current liabilities” against financial expense. Except for the fuel hedge described below, the Group did not have financial liabilities recognised at fair value.

Derivative financial instruments are recognised as assets or liabilities in the statement of financial position at their estimated fair value with changes in fair value recognised in the income statement, except in a cash flow hedging arrangement where the fair value adjustments for the effective portion of the hedge are recognised in other comprehensive income until such time as the hedged cash flows occur. When the hedged cash flows occur, the fair value adjustments are reclassified to income statement.

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 15.3)

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 15.4 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 10)

Inventories are valued using the lower of cost or net realisable value, where 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”.

2.8) PROPERTY, MACHINERY AND EQUIPMENT (note 13)

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.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

As of December 31, 2023 and 2022

(Thousands of Jamaican Dollars)

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

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

As of December 31, 2023 and 2022, the average useful lives by category of fixed assets are as follows:

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

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 14)

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, 2023 and 2022, the average useful lives by category of intangible assets are as follows:

	<u>Years</u>
Exploration costs	3
Dredging costs	<u>3</u>

2.10) IMPAIRMENT OF LONG-LIVED ASSETS (notes 13 and 14)

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.

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.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

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(Thousands of Jamaican Dollars)

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

2.10 IMPAIRMENT OF LONG-LIVED ASSETS (notes 13 and 14) - CONTINUED

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

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, 2023 and 2022, the carrying amount of the Group's other current and non-current liabilities and provisions are detailed in note 18.

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

Rehabilitation Provision (note 18)

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 risk free rate.

Contingencies and commitments (note 24 and 25)

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 [notes 4(iii) and 19]. These include current or short-term benefits such as salaries, bonuses, National Insurance Scheme (NIS) contributions, vacation leave; pension, non-monetary benefits such as , 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.

(i) Defined contribution pension plan (note 19)

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.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

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(Thousands of Jamaican Dollars)

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

2.12) EMPLOYEE BENEFITS - CONTINUED

(ii) Post-retirement medical benefits (note 19)

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 20)

The amounts reflected in the income statement for taxes include the amounts incurred during the period and for 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 shareholders' 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.

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, 2023 and 2022, the statutory tax rate was 25%.

CARIBBEAN CEMENT COMPANY LIMITED

Notes to the Group and Company Financial Statements

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(Thousands of Jamaican Dollars)

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

2.14) BORROWINGS AND BORROWING COSTS

Short-term loans and long-term borrowings (note 15.1)

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 15.2)

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.

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. The expenses are recognised in the income statement on the accrual basis.

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

2.16) SHAREHOLDERS' EQUITY

Share capital (note 21.1)

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

(i) Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets.

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

Items of "Capital contribution" included within shareholders' 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 Shareholders' equity as capital contribution.
- Share-based compensation representing the fair value of the Ultimate Parent Company's shares granted to employees with management positions in the Company. The underlying values of the shares 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 21.2)

Other equity reserves comprise the cumulative effects of items and transactions that are, temporarily or permanently, recognised directly to shareholders' equity, and includes the comprehensive income, which reflects certain changes in shareholders' 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 shareholders' equity.
- Realised capital reserves represents the gains from the sale of machinery and equipment.

Accumulated net income (note 21.2)

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 SHARE (note 22)

The earnings per share is computed by dividing consolidated net income attributable to ordinary shareholders by the weighted-average number of ordinary shares in issue during the year.

2.18) DIVIDENDS (note 21.2(d))

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

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

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, includes the sale of other items such as clinker and the rental for usage of the port facilities.	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 4)

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 sale and the customers' facilities.

2.21) OPERATING EARNINGS

Operating earnings is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating income. Operating earnings excludes finance income and expenses, gain or loss on foreign exchange and taxation.

2.22) OTHER EXPENSES, NET (note 5)

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

CARIBBEAN CEMENT COMPANY LIMITED

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

2.23) FINANCE INCOME AND EXPENSES (note 6)

Finance income comprises interest income on bank balances. 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.

2.24) SEGMENT REPORTING

An operating segment is a component of an entity:

- (i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- (ii) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- (iii) for which discrete financial information is available.

The Group maintains an integrated operating structure and its operations are reviewed by management and directors as a whole and not in segments. The operations of the subsidiary are not material for segment disclosure. Consequently, no segment disclosures are included in the financial statement.

2.25) RELATED PARTIES (note 23)

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, MATERIAL ACCOUNTING POLICIES AND ESTIMATES – CONTINUED

2.26) NEWLY ISSUED IFRS ISSUED BUT NOT YET EFFECTIVE

Listed below are new and amended standards and interpretations that are not yet effective and have not yet been early adopted.

Standard	Main Topic	Effective date
IAS 7 and IFRS 7, <i>Supplier Finance Arrangements</i>	<p>The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity’s liabilities and cash flows and on an entity’s exposure to liquidity risk.</p> <p>As disclosed in Note 16, the Group participates in a supply chain financing arrangement for which the new disclosures will apply.</p>	January 1, 2024

The following new and amended standards and interpretations are not expected to have a significant impact on these financial statements.

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants*
- Amendments to IFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to IAS 21, *Lack of Exchangeability*

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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, 2023 and 2022, revenue is as follows:

	The Group		The Company	
	2023	2022	2023	2022
From the sale of goods associated with the main activities	\$ 27,476,269	25,659,721	27,476,269	25,659,721
From the sale of services	40,524	46,970	40,524	46,970
From the sale of other goods and services	203,136	130,537	203,136	130,537
	\$ 27,719,929	25,837,228	27,719,929	25,837,228

Revenue from the top (5) five customers amounted to \$10.628 billion (2022: \$9.112 billion) arising from cement sales.

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

	The Group		The Company	
	2023	2022	2023	2022
Local	\$ 27,598,059	25,795,266	27,598,059	25,795,266
Caribbean country	121,870	18,564	121,870	18,564
North American country	-	23,398	-	23,398
	\$ 27,719,929	25,837,228	27,719,929	25,837,228

4) OPERATING EARNINGS BEFORE OTHER EXPENSES, NET

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

	The Group		The Company	
	2023	2022	2023	2022
Revenue	\$ 27,719,929	25,837,228	27,719,929	25,837,228
Expenses:				
Raw material and consumables	2,902,314	1,830,926	2,902,314	1,830,926
Fuel and electricity	4,976,959	5,616,001	4,975,476	5,614,504
Personnel remuneration and benefits (iii)	2,868,949	2,637,763	2,855,071	2,623,054
Repairs and maintenance	1,860,444	1,408,704	1,860,444	1,408,704
Equipment hire	1,620,021	1,448,377	1,620,021	1,448,377
Cement transportation, marketing and selling expenses	890,983	933,522	890,983	933,522
Audit fees:				
Current year	26,369	26,831	24,978	25,598
Previous year	6,984	1,169	6,984	1,120
Other operating expenses	1,339,568	1,062,381	1,333,720	1,058,690
Depreciation and amortisation (iv) (note 13)	1,509,191	1,446,126	1,509,036	1,445,953
Changes in inventories of finished goods and work in progress	1,271,915	746,537	1,271,915	746,537
Total expenses (ii)	19,273,697	17,158,337	19,250,942	17,136,985
Operating earnings before other expenses	\$ 8,446,232	8,678,891	8,468,987	8,700,243

CARIBBEAN CEMENT COMPANY LIMITED

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4) OPERATING EARNINGS BEFORE OTHER EXPENSES, NET - CONTINUED

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

	The Group		The Company	
	2023	2022	2023	2022
Cost of sales	\$ 16,418,152	14,476,081	16,418,152	14,476,081
Operating expenses	2,855,545	2,682,256	2,832,790	2,660,904
	\$ 19,273,697	17,158,337	19,250,942	17,136,985

(iii) Personnel remuneration and benefits during 2023 and 2022 are detailed as follows:

	The Group		The Company	
	2023	2022	2023	2022
Wages and salaries	\$ 2,099,690	1,973,635	2,088,223	1,961,219
Statutory contributions	223,167	215,753	221,530	214,276
Pension costs (note 19)	62,727	65,382	62,727	65,382
Other personnel costs	483,365	382,993	482,591	382,177
	\$ 2,868,949	2,637,763	2,855,071	2,623,054

(iv) Depreciation and amortisation recognised during 2023 and 2022 are detailed as follows:

	The Group		The Company	
	2023	2022	2023	2022
Included in cost of sales	\$ 1,455,633	1,392,326	1,455,633	1,392,326
Included in administrative, selling and distribution and logistics expenses	53,558	53,800	53,403	53,627
	\$ 1,509,191	1,446,126	1,509,036	1,445,953

5) OTHER EXPENSES, NET

The details of the line item "Other expenses, net" in 2023 and 2022 are as follows:

	The Group		The Company	
	2023	2022	2023	2022
Other income:				
Insurance claim recovery	\$ 2,182	80,437	2,182	80,437
Other	16,458	21,564	16,458	21,564
	18,640	102,001	18,640	102,001
Other expenses:				
Manpower restructuring costs	41,796	2,557	41,796	2,557
(Reversal) increase in stockholding and inventory restructuring provision	(13,276)	39,495	(13,276)	39,495
Demolition expenses	3,643	42,591	3,643	42,591
Inventory write-off	254,987	2,821	254,987	2,821
Receivables write-off	18,739	-	18,739	-
Management fees	204,143	200,656	217,388	215,051
Royalty and service fees	501,154	474,529	501,154	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	-	4,982
Others, net	29,055	22,813	25,916	22,842
	1,040,241	916,549	1,050,347	930,973
	\$ 1,021,601	814,548	1,031,707	828,972

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6) FINANCIAL EXPENSES

The details of "Financial expenses" in 2023 and 2022 are as follows:

	The Group		The Company	
	2023	2022	2023	2022
Interest expenses	6,359	27,524	6,359	27,524
Bank charges and fees	33,334	35,016	33,334	35,016
Unwinding of discount on preference shares (note 15.2)	-	402,235	-	402,235
Unwinding of discount on lease liabilities (note 15.2)	13,047	17,365	13,047	17,365
Unwinding of discount on rehabilitation provision (note 18)	22,142	10,701	22,142	10,701
Net interest on employee benefit obligations cost (note 19)	118,238	88,564	118,238	88,564
	\$ 193,120	581,405	193,120	581,405

7) CASH AND CASH EQUIVALENTS

As of December 31, 2023 and 2022, cash and cash equivalents consisted of:

	The Group		The Company	
	2023	2022	2023	2022
Cash at bank and on hand	\$ 4,021,335	574,457	4,021,330	574,452

This amount includes a deposit of \$3.5 billion (US\$23 million) with CEMEX Innovation Holding Limited, a related party, 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. This is a highly liquid investment equivalent to cash which can be withdrawn at any time with minimal notice.

8) TRADE ACCOUNTS RECEIVABLE, NET

As of December 31, 2023 and 2022, trade accounts receivable consisted of:

	The Group		The Company	
	2023	2022	2023	2022
Trade accounts receivable	\$ 340,944	261,052	340,944	261,052
Allowance for expected credit losses (note 15.5)	-	(32)	-	(32)
	340,944	261,020	340,944	261,020

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 2023 and 2022 are as follows:

	The Group		The Company	
	2023	2022	2023	2022
Allowances for expected credit losses at beginning of the year	\$ 32	257	32	257
Reversal of impairment allowance	(32)	(225)	(32)	(225)
Allowances for expected credit losses at end of the year	\$ -	32	-	32

9) OTHER ACCOUNTS RECEIVABLE

As of December 31, 2023 and 2022, other accounts receivable consisted of:

	The Group		The Company	
	2023	2022	2023	2022
Non-trade accounts receivable (i)	\$ 267,944	33,835	267,945	33,832
Loans to employees	27,565	25,615	27,565	25,615
Refundable taxes	39,648	330,341	39,361	330,053
	\$ 335,157	389,791	334,871	389,500

Other accounts receivable is deemed to have low credit risk. The expected credit loss on these is therefore considered immaterial.

(i) Non-trade accounts receivable mainly comprise prepayments and security deposits.

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10) INVENTORIES, NET

As of December 31, 2023 and 2022, the balance of inventories, net of provisions for obsolescence, is comprised as follows:

	The Group and Company	
	2023	2022
Finished goods	\$ 474,428	386,225
Work-in-process	432,928	807,796
Raw materials	392,933	198,481
Materials and spare parts	2,910,249	3,495,860
Inventory in transit	640,755	589,407
	\$ 4,851,293	5,477,769

As at December 31, 2023 and 2022, the Group recognised inventory provisions for obsolescence of \$104.989 million and \$135.663 million respectively. The changes in the inventory provisions for obsolescence for the years ended December 31, 2023 and 2022 are as follows:

	The Group and Company	
	2023	2022
Inventory obsolescence provision at beginning of the year	\$ 135,663	157,815
(Reversal) increase of stockholding and inventory restructuring provision	(13,276)	39,495
Increase in (reversal of) provision during the year	237,589	(58,826)
Write-offs of inventories during the year	(254,987)	(2,821)
Inventory obsolescence provision at end of the year	\$ 104,989	135,663

For the years ended December 31, 2023 and 2022, the Group included the changes in inventory provision for obsolescence as raw materials and consumables costs within "Cost of sales" (see note 4(i)) and the reversal of stockholding and inventory restructuring provision in "Other expenses, net" (see note 5).

During the year there was inventory write-offs amounting to \$254.987 million (2022: \$\$2.821 million) which was recorded in "Other expenses, net" (see note 6).

11) OTHER CURRENT ASSETS

As of December 31, 2023 and 2022, the balances of other current assets are summarised as follows:

	The Group and Company	
	2023	2022
Advances to suppliers	\$ 160,387	311,199

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

12) INVESTMENT IN SUBSIDIARY

As of December 31, 2023 and 2022, the balance of other investments are summarised as follows:

	The Company	
	2023	2022
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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13) PROPERTY, MACHINERY AND EQUIPMENT, NET

As of December 31, 2023 and 2022, property, machinery and equipment, net include the following:

	The Group		The Company	
	2023	2022	2023	2022
Land and land improvements	\$ 166,962	257,467	166,989	257,494
Buildings	1,878,422	1,853,387	1,866,716	1,841,681
Machinery and equipment	30,995,935	29,852,304	30,991,327	29,847,696
Capital work in progress	4,451,937	3,726,303	4,451,945	3,726,311
Accumulated depreciation	(14,100,592)	(12,651,042)	(14,085,528)	(12,636,133)
	\$ 23,392,664	23,038,419	23,391,449	23,037,049

As of December 31, 2023 and 2022, property, machinery and equipment, net and the changes in such line item during 2023 and 2022 are as follows:

	The Group			Total
	Land and land improvements	Buildings	Machinery and equipment	
Cost at beginning of year	\$ 257,467	1,853,387	29,852,304	35,689,461
Accumulated depreciation	(187,660)	(836,757)	(11,626,625)	(12,651,042)
Net book value at beginning of year	69,807	1,016,630	18,225,679	23,038,419
Capital expenditures	-	-	-	1,738,569
Fixed asset in transit	-	-	-	9,728
Additions through capital leases	-	42,388	60,670	103,058
Adjustment to cost on capital leases	-	-	12,081	12,081
Reclassification	(90,505)	140,515	1,130,521	(1,180,531)
Lease disposals	-	-	(59,641)	(59,641)
Adjustment to cost	-	(157,868)	-	157,868
Movement in cost during the year	(90,505)	25,035	1,143,631	725,634
Reclassification	73,344	(73,425)	81	-
Depreciation lease disposals	-	-	(59,641)	(59,641)
Depreciation for the year	6,686	74,980	1,427,525	1,509,191
Cost at end of year	166,962	1,878,422	30,995,935	37,493,256
Accumulated depreciation	(121,002)	(985,162)	(12,994,428)	(14,100,592)
Net book value at end of year	45,960	893,260	18,001,507	23,392,664

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13) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

As of December 31, 2023 and 2022, property, machinery and equipment, net and the changes in such line item during 2023 and 2022 are as follows: - continued

	2022				Total
	Land and land improvements	Buildings	Machinery and equipment	Capital work in progress	
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

13) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

As of December 31, 2023 and 2022, property, machinery and equipment, net and the changes in such line item during 2023 and 2022 are as follows: - continued

	2023				
	Land and land improvements	Buildings	Machinery and equipment	Capital work in progress	Total
Cost at beginning 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 beginning of year	142,543	930,600	18,237,595	3,726,311	23,037,049
Capital expenditures	-	-	-	1,738,569	1,738,569
Fixed asset in transit	-	-	-	9,728	9,728
Additions through capital leases	-	42,388	60,670	-	103,058
Adjustment to cost on capital leases	-	-	12,081	-	12,081
Reclassification	(90,505)	140,515	1,130,521	(1,180,531)	-
Lease disposals	-	-	(59,641)	-	(59,641)
Adjustment to cost	-	(157,868)	-	157,868	-
Movement in cost during the year	(90,505)	25,035	1,143,631	725,634	1,803,795
Reclassification	73,344	(73,425)	81	-	-
Depreciation lease disposals	-	-	(59,641)	-	(59,641)
Depreciation for the year	6,686	74,825	1,427,525	-	1,509,036
Cost at end of year	166,989	1,866,716	30,991,327	4,451,945	37,476,977
Accumulated depreciation	(48,293)	(1,059,331)	(12,977,904)	-	(14,085,528)
Net book value at end of year	\$ 118,696	807,385	18,013,423	4,451,945	23,391,449

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13) PROPERTY, MACHINERY AND EQUIPMENT, NET - CONTINUED

As of December 31, 2023 and 2022, property, machinery and equipment, net and the changes in such line item during 2023 and 2022 are as follows: - continued

	The Company				
	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

Right of use assets recorded in property, machinery and equipment are disclosed in note 13.1 and the related lease liabilities are disclosed in note 15.2.

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13.1 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.

	2023		2022		Total
	Buildings	Machinery and equipment	Buildings	Machinery and equipment	
Cost at beginning of year	142,149	155,463	142,149	155,463	297,612
Accumulated depreciation	(81,488)	(92,538)	(58,644)	(45,504)	(104,148)
Net book value at beginning of year	60,661	62,925	83,505	109,959	193,464
Additions through capital lease (note 15.2)	42,388	72,750	-	-	-
Adjustments during the year	-	115,138	-	-	-
Retirement of capital lease	-	(59,641)	-	-	-
Movement in cost during the year	42,388	25,190	-	-	-
Depreciation for the year	27,537	45,271	22,844	47,034	69,878
Retirement of capital lease	-	(59,641)	-	-	-
Cost at end of year	184,537	180,653	142,149	155,463	297,612
Accumulated depreciation	(109,025)	(78,168)	(81,488)	(92,538)	(174,026)
Net book value at end of year	\$ 75,512	102,485	60,661	62,925	123,586

The following amounts were included in the income statement:

	The Group and Company	
	2023	2022
Lease expense for short-term leases	\$ 135,798	59,776

14) INTANGIBLE ASSETS, NET

As of December 31, 2023 and 2022, the consolidated intangible assets are as follows:

	2023		2022	
	Cost	Accumulated amortisation	Cost	Accumulated amortization
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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15) FINANCIAL INSTRUMENTS

15.1) LONG-TERM DEBT

As of December 31, 2023 and 2022, consolidated debt summarised by interest rates, are as follows:

	The Group and Company			
	2023		2022	
	Amount	Effective rate	Amount	Effective rate
Floating rate (a)	\$ -	N/A	\$ 608,208	8.41%

a) This was an unsecured revolving loan with a related party to lend to the Group 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, 2023 and 2022 was US\$nil and US\$4 million, respectively. The Group has the option to make early repayment. The loan was fully repaid during the year.

b) Changes in long-term debt for the years ended December 31, 2023 and 2022, were as follows:

	The Group and Company	
	2023	2022
Balance at beginning of year	\$ 608,208	-
Proceeds from long-term debt	-	616,383
Repayment of long-term debt	(608,208)	-
Foreign exchange movement	-	(8,175)
Balance at end of year	\$ -	608,208

15.2 OTHER FINANCIAL OBLIGATIONS

As of December 31, 2023 and 2022, 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, 2023 and 2022 are as follows:

	2023			2022		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Lease liabilities	58,479	120,912	179,391	57,876	77,954	135,830

(a) Changes in redeemable preferences shares for the years ended December 31, 2023 and 2022, were as follows:

	The Group and Company	
	2023	2022
Balance at beginning of year	\$ -	1,446,582
Redemption	-	(1,843,945)
	-	(397,363)
Unwinding of discount on preferences shares (note 6)	-	402,235
Foreign exchange movement	-	(4,872)
Balance at end of year	\$ -	-

As of December 31, 2023 and 2022, the preference shares have been fully redeemed.

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15) FINANCIAL INSTRUMENTS – CONTINUED
15.2) OTHER FINANCIAL OBLIGATIONS - CONTINUED

(b) The right-of-use assets under lease contracts are detailed in note 13.1 Changes in lease liabilities for the year ended December 31, 2023 and 2022 arising from cash flows and other changes were as follows:

	The Group and Company	
	2023	2022
Balance at beginning of year	\$ 135,830	204,805
Lease liabilities arising from new leases during the year (note 13)	103,058	-
Unwinding of the discount on lease liabilities (note 6)	13,047	17,365
Payment of lease liabilities	(84,625)	(86,340)
Adjustments during the year	12,081	-
Balance at end of year	\$ 179,391	135,830

As of December 31, 2023 and 2022, the maturities of financial lease liabilities were as follows:

	The Group and Company			
	Present value		Future minimum lease payments	
	2023	2022	2023	2022
No later than 1 year	\$ 52,831	57,876	66,528	68,575
Later than 1 year and not later than 5 years	87,910	55,846	101,526	70,418
Later than 5 years	38,650	22,108	17,400	31,800
	\$ 179,391	135,830	185,454	170,793

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

15.3) 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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15) FINANCIAL INSTRUMENTS – CONTINUED

15.3) FAIR VALUE OF FINANCIAL INSTRUMENTS - CONTINUED

Financial assets and liabilities - continued

As of December 31, 2023 and 2022, the carrying amounts of financial assets/(liabilities) of the Group and the Company and their respective fair values are as follows:

The Group	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Non-derivative financial instruments	\$ (5,377,181)	(5,377,181)	(6,780,790)	(6,780,790)
Derivative financial instruments (note 15.4)	(94,387)	(94,387)	-	-
	\$ (5,471,568)	(5,471,568)	(6,780,790)	(6,780,790)
The Company	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Liabilities				
Non-derivative financial instruments	\$ (5,376,200)	(5,376,200)	(6,779,327)	(6,779,327)
Derivative financial instruments (note 15.4)	(94,387)	(94,387)	-	-
	\$ (5,470,587)	(5,470,587)	(6,779,327)	(6,779,327)

15.4) DERIVATIVE FINANCIAL INSTRUMENTS

During the reported periods, in compliance with the guidelines established by management, the restrictions set forth by its debt agreements and its hedging strategy, the Group held derivative instruments, with the objective of changing its operating risk profile by fixing the price of fuels which is the key ingredient to electric energy consumption costs.

As of December 31, 2023 and 2022, the carrying amounts and fair values of the Group's derivative instruments was as follows:

	2023		2022	
	Carrying Amount	Fair value	Carrying amount	Fair Value
Fuel price hedging	\$ 94,387	94,387	-	-

At December 31, 2023, the aggregate notional amount of the contract is \$94.387 million (US\$0.609 million) [2022: \$nil (US \$nil)], with an estimated aggregate fair value of \$94.387 million (US\$0.609 million) [2022: \$nil (US\$nil)]. The contract was designated as a cash flow hedge for diesel fuel consumption, and as such, changes in its fair value are recognised initially in other comprehensive income and recycled to the income statement as the related diesel volumes are consumed.

15.5) 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 sold or reasonably anticipated to be owned, produced, manufactured, processed, merchandised, leased or sold in the ordinary course of business, or v) any potential change in the value arising from interest rate or foreign exchange rate exposures arising from current or anticipated assets or liabilities.

In the ordinary course of business, the Group is exposed to commodities risk, including the exposure from inputs such as fuel, coal, 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 management, 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, with those in which the Group generates its cash flows.

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15) FINANCIAL INSTRUMENTS - CONTINUED
15.5) RISK MANAGEMENT- CONTINUED

As of December 31, 2022, these strategies are sometimes complemented with the use of derivative financial instruments as mentioned in note 15.4, such as the commodity forward contracts on fuels negotiated to fix the price of these underlying commodities.

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, 2023 and 2022, the net monetary assets (liabilities) by interest profile are as follows:

	The Group		The Company	
	2023	2022	2023	2022
Monetary Assets:				
Cash and cash equivalents	\$ 4,021,335	574,457	4,021,330	574,452
Monetary liabilities:				
Floating rate debt	\$ -	(608,208)	-	(608,208)
Net monetary assets (liabilities)	\$ 4,021,335	(33,751)	4,021,330	(33,756)

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	
2023	+25	-25	\$ 10,053	(10,053)
2022	+100	-50	(338)	169
	The Company			
	Change in basis point		Effect on earnings before tax	
2023	+25	-25	\$ 10,053	(10,053)
2022	+100	-50	(338)	169

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15) FINANCIAL INSTRUMENTS - CONTINUED

15.5) 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, 2023 and 2022, the net monetary assets (liabilities) of the Group and the Company by foreign currency are as follows:

	2023		2022	
	US\$	EURO	US\$	EURO
Foreign currency assets:				
Cash and cash equivalents	\$ 22,732	-	1,390	-
Accounts receivable from related parties	71	-	452	-
	22,803	-	1,842	-
Foreign currency liabilities:				
Long-term debt	-	-	(3,913)	-
Accounts payable to related parties	(2,317)	-	(3,949)	-
Trade account payables	(5,283)	(387)	(3,805)	(314)
	(7,600)	(387)	(11,667)	(314)
Net monetary asset (liabilities)	\$ 15,203	(387)	(9,825)	(314)

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.

	2023		Effect on profit before tax	
	Change in exchange rate		US\$	EURO
US\$	+4.00%	-1.00%	\$ 94,228	(23,557)
Euro	+4.00%	-1.00%	(2,680)	670
2022				
	2022		Effect on profit before tax	
	Change in exchange rate		US\$	EURO
US\$	+8.00%	-2.00%	\$ (59,576)	14,939
Euro	+8.00%	-2.00%	(2,073)	518

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, 2023 and 2022, 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. The Group's management requires guarantees from its customers and financial counterparties without a contract.

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15) FINANCIAL INSTRUMENTS - CONTINUED
15.5) 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, with data relating to Gross Domestic Product growth, Unemployment rate and inflation, in its ECL model with the applicable macroeconomics projections. As of December 31, 2023, considering the Group's best estimate of potential expected losses based on the ECL model developed by the Group (note 8), the allowance for expected credit losses was \$nil (2022: \$0.032 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, 2023 and 2022.

The Company

		2023			
Aged buckets (days)		Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	\$	0.0000%	340,944	-	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%	-	-	Yes
	\$		340,944	-	
		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%	-	-	Yes
	\$		261,052	32	

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15) FINANCIAL INSTRUMENTS - CONTINUED

15.5) RISK MANAGEMENT – CONTINUED

Credit risk – continued

The Company

		2023			
Aged buckets (days)		Weighted average loss rate	Carrying gross amount	Impairment loss allowance	Credit impaired
Current (not past due)	\$	0.0000%	340,944	-	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%	-	-	Yes
	\$		340,944	-	

		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%	-	-	Yes
	\$		261,052	32	

As at December 31, 2023, the Group had 2 customers (2022: 2 customers) that owed the Group more than \$20 million each (2022: \$20 million each), which accounted for 83% (2022: 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

		2023				
Months		Carrying amount	Contractual cash flows	Less than 1 year	1 - 5 years	Over 5 years
Lease liabilities	\$	179,391	185,454	66,528	101,526	17,400
Accounts payable to related parties		359,084	359,084	359,084	-	-
Trade payables		3,390,414	3,390,414	3,390,414	-	-
Other current liabilities		1,542,679	1,542,679	1,542,679	-	-
Total	\$	5,471,568	5,477,631	5,358,705	101,526	17,400

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15) FINANCIAL INSTRUMENTS - CONTINUED
15.5) RISK MANAGEMENT – CONTINUED
Liquidity risk - continued

The Group		2022				
		Carrying amount	Contractual cashflows	Less than 1 year	1 - 5 years	Over 5 years
Months						
Lease liabilities	\$	135,830	170,793	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	-	-
Other current liabilities		2,118,213	2,118,213	2,118,213	-	-
Long-term debt		608,208	739,270	51,150	688,120	-
Total	\$	6,780,790	6,946,815	6,156,477	758,538	31,800

The Company		2023				
		Carrying amount	Contractual cashflows	Less than 1 year	1 - 5 years	Over 5 years
Months						
Lease liabilities	\$	179,391	185,454	66,528	101,526	17,400
Accounts payable to related parties		359,084	359,084	359,084	-	-
Trade payables		3,389,988	3,389,988	3,389,988	-	-
Other current liabilities		1,542,124	1,542,124	1,542,124	-	-
Total	\$	5,470,587	5,476,650	5,357,724	101,526	17,400

		2022				
		Carrying amount	Contractual cashflows	Less than 1 year	1 - 5 years	Over 5 years
Months						
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	-	-
Other current liabilities		2,117,477	2,117,477	2,117,477	-	-
Long-term debt		608,208	739,270	51,150	688,120	-
Total	\$	6,779,327	6,945,321	6,155,014	758,538	31,800

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 shareholder 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 shareholders, return capital to shareholders or issue new shares.

16) TRADE PAYABLES

As of December 31, 2023 and 2022, trade payables consisted of:

		The Group		The Company	
		2023	2022	2023	2022
Trade payables - directly payable to suppliers	\$	1,941,032	1,915,975	1,940,606	1,915,248
Trade payables - reverse factoring arrangement		1,449,382	1,390,382	1,449,382	1,390,382
		3,390,414	3,306,357	3,389,988	3,305,630

Information about the Group's exposure to currency and liquidity risk is included in note 15.

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16) TRADE PAYABLES - CONTINUED

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

The Group has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with the suppliers that are not participating. The Group does not incur any additional interest towards the banks on the amounts due to the suppliers. The Group therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remains the same as those of other trade payables but discloses disaggregated amounts in the notes. All payables under the reverse factoring arrangement are classified as current at December 31, 2023 and 2022.

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating – i.e. payments for the purchase of goods and services.

17) OTHER CURRENT LIABILITIES

As of December 31, 2023 and 2022, the balance of other current liabilities are summarised as follows:

	The Group		The Company	
	2023	2022	2023	2022
Interest Payable	-	302	-	302
Advances from customers	244,087	288,320	244,087	288,320
Tax payable	154,140	901,916	154,140	902,233
Other accounts payable and accrued expenses	1,144,452	927,675	1,143,897	926,622
	\$ 1,542,679	2,118,213	1,542,124	2,117,477

(i) Other account payable and accrued expenses consist primarily 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.

18) PROVISIONS

As of December 31, 2023 and 2022, the balance of provisions are summarised as follows:

	The Group and Company	
	2023	2022
Rehabilitation provision	\$ 96,502	90,845
Changes in rehabilitation provision for the years ended December 31, 2023 and 2022, are as follows:		
	2023	2022
Balance at beginning of the year	\$ 90,845	40,903
(Decrease) increase in estimates	(15,499)	39,241
Payments	(986)	-
Unwinding of discount on rehabilitation provision (note 6)	22,142	10,701
Balance at end of the year	96,502	90,845
Out of which:		
Current provision	(35,082)	(6,929)
Non-current provision	\$ 61,420	83,916

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19) 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 during the year amounted to \$62.727 million (2022: \$65.382 million).

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	
	2023	2022
Net period income		
Recorded in operating expenses	\$	
Current service cost	11,487	23,916
Recorded in financial expenses		
Interest cost (note 6)	118,238	88,564
Recorded in other comprehensive income	\$	
Net actuarial gain for the year	(196,961)	(270,494)

For the years 2023 and 2022, actuarial gains for the period were generated by the following main factors as follows:

	\$	2023	2022
Changes in financial assumptions		266,604	(628,686)
Experience adjustments	\$	(463,565)	358,192
		(196,961)	(270,494)

As of December 31, 2023 and 2022, the reconciliation of the actuarial benefits' obligations, are presented as follows:

	\$	2023	2022
Change in benefits obligation:			
Projected benefit obligation at beginning of the year		927,461	1,123,716
Service cost		11,487	23,916
Interest cost		118,238	88,564
Net actuarial gains		(196,961)	(270,494)
Benefits paid	\$	(41,306)	(38,241)
Projected benefit obligation at end of the year		818,919	927,461

The principal actuarial assumptions used are as follows:

	The Group and Company	
	2023	2022
Assumptions:		
Discount rate	11.00%	13.00%
Inflation rate	6.00%	5.50%
Medical growth rate	9.00%	11.00%

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, 2023, the weighted average duration at the defined benefit obligation was 24 years (2022: 27 years).

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19) 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.

	2023			
	Change		Effect on health cost	
Assumptions:				
Discount rate sensitivity	+1.00%	-1.00%	\$	(94,573) 116,592
Medical growth rate	+1.00%	-1.00%	\$	116,592 (96,938)
Life expectancy (years)	+1	-1	\$	26,741 (26,690)
	2022			
	Change			
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	+1	-1	\$	27,819 (27,779)

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 2023 and there are only 45 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.

20) TAXATION

20.1) TAXATION CHARGE FOR THE PERIOD

The amounts of tax expense in the statement of profit or loss for 2023 and 2022 are summarised as follows:

	The Group		The Company	
	2023	2022	2023	2022
Current tax	\$ 1,373,075	1,472,333	1,373,075	1,472,333
Previous year tax adjustment	(15,003)	41,777	(15,003)	41,777
Deferred tax	325,228	344,890	325,228	344,890
	\$ 1,683,300	1,859,000	1,683,300	1,859,000

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20) TAXATION - CONTINUED
20.2) 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, 2023 and 2022, the temporary differences that generated the deferred tax assets and liabilities of the Group and Company are presented below:

	2023			
	January 1	Recognised in the income statement	Recognised in OCI	December 31
Deferred tax assets:				
Inventory accrual	35,138	(8,891)	-	26,247
Lease liabilities	33,957	10,941	-	44,898
Other payables	59,625	11,895	-	71,520
Post-retirement benefit obligation	231,864	22,106	(49,240)	204,730
Unrealised exchange losses	-	12,652	-	12,652
Total deferred tax assets	\$ 360,584	48,703	(49,240)	360,047
Deferred tax liabilities:				
Property, machinery and equipment	(2,654,191)	(334,594)	-	(2,988,785)
Right-of-use assets	-	(40,879)	-	(40,879)
Unrealised exchange gains	(4,419)	1,542	-	(2,877)
Total deferred tax liabilities	(2,658,610)	(373,931)	-	(3,032,541)
Net deferred tax liabilities	\$ (2,298,026)	(325,228)	(49,240)	(2,672,494)

	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 losses	-	(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)

CARIBBEAN CEMENT COMPANY LIMITED

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20) TAXATION - CONTINUED

20.3) RECONCILIATION OF EFFECTIVE TAX RATE

For the years ended December 31, 2023 and 2022, the effective tax rates were as follows:

	The Group		The Company	
	2023	2022	2023	2022
Earnings before taxation	\$ 7,259,730	7,242,867	7,272,379	7,249,795
Taxation	\$ 1,683,300	1,859,000	1,683,300	1,859,000
Effective tax rate	23.19%	25.67%	23.15%	25.64%

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

	The Group		The Company	
	2023	2022	2023	2022
Earnings before taxation	\$ 7,259,730	7,242,867	7,272,379	7,249,795
Taxed at 25%	(1,814,933)	(1,810,717)	(1,818,095)	(1,812,449)
Tax on non-allowable expenses:				
Preference shares - unwinding of discount	-	(60,335)	-	(60,335)
Previous year tax adjustment	15,003	(41,777)	15,003	(41,777)
Overstock inventory adjustment	-	(30,215)	-	(30,215)
Other non-allowable expenses	(42,706)	(62,282)	(39,544)	(60,550)
Employment tax credit	159,336	146,326	159,336	146,326
	\$ (1,683,300)	(1,859,000)	(1,683,300)	(1,859,000)

At December 31, 2023, subject to agreement with the Taxpayer Audit and Assessment Department, tax losses for the subsidiary amounted to approximately \$67.988 million (2022: \$64.826 million).

Deferred tax asset of \$16.997 million (2022: \$16.207 million) has not been recognised by the subsidiary in respect of the tax losses available for utilisation against future tax liabilities as the recovery is not considered likely in the foreseeable future.

21) SHARE CAPITAL & RESERVES

21.1) SHARE CAPITAL

As of December 31, 2023 and 2022, the breakdown of authorised share capital was as follows:

	Number of shares ('000)	
	2023	2022
Ordinary shares 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, 2023 and 2022, the share capital of the Group is as follows:

	2023		2022	
	Number of Shares ('000)	Value (\$)	Number of Shares ('000)	Value (\$)
Issued and fully paid:				
Ordinary shares 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	1,548,857
Less amount redeemed [note 21.1(i)]	-	-	(15,331)	(1,548,857)
December 31	-	-	-	-
Capital contribution (ii)	\$	3,840,224		3,840,224

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21) SHARE CAPITAL & RESERVES - CONTINUED

21.1) 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 shares 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 shares. 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 shares 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, 2023, which was recognized in operating results. Also, see note 2.16(ii).

As of December 31, 2023, the Company has no commitments to make cash payments to executives based on changes in the prices of CEMEX S.A.B. of C.V. (Mexico).

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21) SHARE CAPITAL & RESERVES - CONTINUED

21.2) 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, 2023 and 2022, other equity reserves are summarised as follows:

	The Group and Company	
	2023	2022
Capital redemption fund reserve (i)	\$ 5,077,760	5,077,760
Fuel price hedge (note 15.4)	(94,387)	-
(i) Capital redemption fund reserve	\$ 4,983,373	5,077,760

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	
	2023	2022
Balance at the beginning of the year	\$ 5,077,760	3,528,903
Amount transferred during the year	-	1,548,857
Balance at the end of the year	\$ 5,077,760	5,077,760

(c) Accumulated net income and total comprehensive income:

(i) The "total net income" for the years ended December 31, 2023 and 2022 was dealt with in the financial statements as follows:

	2023	2022
Company	\$ 5,589,079	5,390,795
Subsidiary	(12,649)	(6,928)
	\$ 5,576,430	5,383,867

(ii) The "accumulated net income/(losses)" as of December 31, 2023 and 2022 are reflected in the financial statements as follows:

	2023	2022
Company	\$ 12,041,310	7,919,670
Subsidiary	(34,163)	(21,514)
	\$ 12,007,147	7,898,156

(iii) Changes in accumulated net income/(losses) for the years ended December 31, 2023 and 2022 are as follows:

	The Group		The Company	
	2023	2022	2023	2022
Balance at beginning of the year	\$ 7,898,156	5,139,707	7,919,670	5,154,293
Net income	5,576,430	5,383,867	5,589,079	5,390,795
Net actuarial gains for the year	147,721	202,870	147,721	202,870
Dividend	(1,615,160)	(1,279,431)	(1,615,160)	(1,279,431)
Transfer to capital redemption fund reserve	-	(1,548,857)	-	(1,548,857)
Balance at end of the year	\$ 12,007,147	7,898,156	12,041,310	7,919,670

(d) Dividends

At the Annual General Meeting of Caribbean Cement Company Limited (CCCL) held on September 8, 2023, the company by ordinary resolution declared a final dividend of \$1.8976 per share totalling \$1.615 billion, which was paid on October 6, 2023, to shareholders on record as at August 24, 2023, with an ex-dividend date of August 23, 2023. In the prior year, the company declared dividend of \$1.5032 per share totalling \$1.279 billion to shareholders.

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22) BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing consolidated net income attributable to ordinary shareholders of the Parent Company (the numerator) by the weighted-average number of shares outstanding (the denominator) during the year. The amounts considered for calculations of earnings per share in 2023 and 2022 were as follows:

		The Group	
		2023	2022
Consolidated net income attributable to shareholders	\$	5,576,430	5,383,867
Number of ordinary shares in issue (thousands)		851,138	851,138
Earnings per ordinary share (expressed in \$ per share)	\$	6.55	6.33

23) BALANCES AND TRANSACTIONS WITH RELATED PARTIES
23.1) 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, 2023 and 2022, the main accounts receivable and payable with related parties, are the following:

The Group and Company		Assets		Liabilities	
		Short-term	Long-term	Short-term	Long-term
2023					
Arawak Cement Company Limited	\$	-	-	1,984	-
Beijing Imports and Exports		-	-	58,509	-
Cemex Innovation Holdings Limited		-	-	79,371	-
Cemex Guatemala		-	-	347	-
CEMEX Panama		-	-	-	-
CEMEX Jamaica Limited		3,948	-	1,360	-
CEMEX USA		4,688	-	-	-
CEMEX Espana Gestion Y Servicios, S.L.U		-	-	53,062	-
Cemento Bayano SA		310	-	36,194	-
CEMEX Constructions Materials		1,999	-	-	-
TCL Ponsa Manufacturing Limited		-	-	15,468	-
CEMEX Operaciones Mexico SA de CV		-	-	99,349	-
Trinidad Cement Limited		-	-	13,440	-
	\$	10,945	-	359,084	-
		Assets			Liabilities
		Short-term	Long-term	Short-term	Long-term
2022					
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	-

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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23) BALANCES AND TRANSACTIONS WITH RELATED PARTIES – CONTINUED

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

a) 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.

23.2) MAIN OPERATIONS WITH RELATED PARTIES

	CEMEX SAB de CV and related entities		Trinidad Cement Limited and its subsidiaries		Caribbean Cement Company Limited's subsidiary	
	2023	2022	2023	2022	2023	2022
Included in the income statement						
profit or loss						
Revenue:						
Sale of cement	\$ 121,870	23,398	-	-	-	-
Management fees	40,524	46,967	-	-	-	-
Sale of other goods and services	311	1,677	-	16,887	-	-
Cost of sales and operating expenses:						
Purchase of cement	(457,078)	(921,677)	-	(14,525)	-	-
Purchase of fuel	(1,362,246)	(2,518,618)	-	-	-	-
Purchase of goods and other materials	(129,548)	(4,406)	(140,253)	(94,813)	-	-
Purchase of iron silicate	(126,762)	(172,100)	-	-	-	-
Purchase of additives	(262,689)	(345,638)	-	-	-	-
Technical service fees	(226,905)	(172,751)	-	-	-	-
Freight charges	(11,389)	(68,879)	-	-	-	-
Other income and expenses:						
Management fees	-	-	(203,088)	(200,471)	-	-
Subvention	-	-	-	-	(13,244)	(14,394)
Royalty and service fees	(501,155)	(474,529)	-	-	-	-
Financing income:						
Financial income	112,066	15,037	-	-	-	-
Financing cost:						
Financial expenses	(5,233)	(2,527)	-	(23,045)	-	-
Included in the statement of financial position						
Capital expenditure	\$ (75,187)	(217,823)	-	-	-	-

23.3) COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

		The Group		The Company	
		2023	2022	2023	2022
Short-term employee benefits (i)	\$	226,905	172,751	226,905	172,751
Directors' emoluments (ii)		8,868	8,067	8,868	8,067
	\$	235,773	180,818	235,773	180,818

- (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.

23.4) 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.

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24) CAPITAL COMMITMENTS

An aggregate amount of \$664.842 million (US\$4.292 million) [(2022: \$648.749 million (US\$4.266 million)] was approved and contracted for as of December 31, 2023, in respect of capital projects, relating to the planned expansion of plant capacity. These costs will be financed in the normal course of operations of the company.

25) CONTINGENCIES

As of December 31, 2023 there are four claims against the company. The Directors are of the opinion that if the Claimants are successful, liability should not exceed \$30 million.

