TCL GROUP

Building a Brighter Future

ANNUAL REPORT 2017

CEMEX

Building a better future

Contents

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Strategic Framework

Vision	Building a Brighter Future
Mission	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 and Environment Customer Centricity Operational Efficiencies One TCL Sustainable Returns
Business Model	We leverage on our Group's expertise and footprint to establish best practices and common processes, in order to operate with agility and effectiveness to ultimately create value to all of our stakeholders
Values	Safety Customers Excellence Leadership Integrity

GROUP

Building a Brighter Future

Corporate Information

Board of Directors of Trinidad Cement Limited
Mr. Wilfred Espinet (Chairman)
Mr. Francisco Aguilera Mendoza
(Deputy Chairman)
Mr. José Luis Seijo González
(Managing Director)
Ms. Lucy (Louisa) Page Rodriguez
Mr. Arun K. Goyal
Mr. Ruben McSween
Mr. David Inglefield
Mr. Nigel Edwards

Company Secretary
Mrs. Kathryna Baptiste Assee

Managing Director - TCL Group
Mr. José Luis Seijo González

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

Bankers
(Local)
Republic Bank Limited
High Street, San Fernando
Trinidad & Tobago, W.I.

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

Bankers
(Foreign)
CITIBANK N.A.
111 Wall Street
New York, NY 10043
U.S.A.

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

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

Stock Exchange on which the Company is listed:
Trinidad & Tobago Stock Exchange
10th Floor, Nicholas Tower
63-65 Independence Square
Port of Spain
Trinidad & Tobago, W.I.

Attorneys-At-Law
Jason K. Mootoo
84 Abercromby Street
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Trinidad, W.I.

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Trinidad, W.I.

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30-36 Maraval Road
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Trinidad, W.I.

M. Hamel Smith & Co.
Eleven Albion
Corner Dere & Albion Streets
Port of Spain
Trinidad, W.I.

Alvin Fitzpatrick, S.C.
84 Abercromby Street
Port of Spain
Trinidad, W.I.

Gitanjali Gopeesingh
Chancery Chambers
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Trinidad, W.I.

Pollonais, Blanc, De La Bastide & Jacelon
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Port of Spain
Trinidad, W.I.

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Upper Floor, Abercromby Court
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Port of Spain
Trinidad, W.I.

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Mair & Company
50 Richmond Street
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Trinidad, W.I.

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50 Richmond Street
Port of Spain
Trinidad, W.I.

Derek Ali
12 Fitt Street
Woodbrook
Port-of-Spain
Trinidad, W.I.

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115A Abercromby Street
Port of Spain
Trinidad, W.I.

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Chancery Courtyard
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Port of Spain
Trinidad, W.I.

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Jamaica, W.I.

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53 Knutsford Boulevard
Kingston 5
Jamaica, W.I.

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SP São Paulo
Edificio EZ Towers Torre A
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04711-904
Brazil

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

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

Patterson Mair Hamilton
63-67 Knutsford Boulevard
Kingston 5
Jamaica, W.I.

Caribbean Juris Chambers
Hannah Waverhouse
P.O. Box 801
The Valley
Anguilla, BWI

Kelsick, Wilkin & Ferdinand
P.O. Box 174
Fred Kelsick Building
Independence Square South
Basseterre
St. Kitts, W.I.

Notice of Meeting

Notice is hereby given that the **ANNUAL MEETING** of **TRINIDAD CEMENT LIMITED** for the year ended December 31, 2017 will be held at La Boucan, Trinidad Hilton and Conference Centre, Lady Young Road, Port of Spain, Trinidad, on **Friday, May 25, 2018** at 5:00 p.m. for transaction of the following business:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Audited Financial Statements for the financial year ended December 31, 2017 with the Report of the Auditors thereon;
2. To elect Directors;
3. To appoint Auditors and authorise the Directors to fix their remuneration for the year ending December 31, 2018;
4. To authorise the Board of Directors to fix the remuneration of the Directors; and
5. To transact any other business that may be properly brought before the meeting.

1. Record Date

The Directors have fixed Tuesday, April 3, 2018 as the record date for shareholders entitled to receive notice of the Annual Meeting. Shareholders listed on the Register of Members as at the close of business on that date will be sent formal notice of the Meeting along with a proxy form, by mail. A list of such shareholders will be available for examination by shareholders at the registered office of the Trinidad & Tobago Central Depository, 10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, during usual business hours and at the Annual Meeting.

2. Proxies

Members of the Company entitled to attend and vote at the Meeting are allowed to appoint one or more proxies to attend and vote instead of them. A proxy need not also be a member. Where a proxy is appointed by a corporate member, the form of proxy should be executed under seal or signed by some officer or attorney duly authorised.

To be valid, the proxy form must be completed and deposited at the registered office of the Trinidad & Tobago Central Depository, 10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, not less than 48 hours (excluding non-business days) before the time fixed for holding the Meeting.

3. Annual Reports

Annual Reports for the year ended December 31, 2017 will be mailed to shareholders listed on the Register of Members as at Tuesday, April 3, 2018.

BY ORDER OF THE BOARD

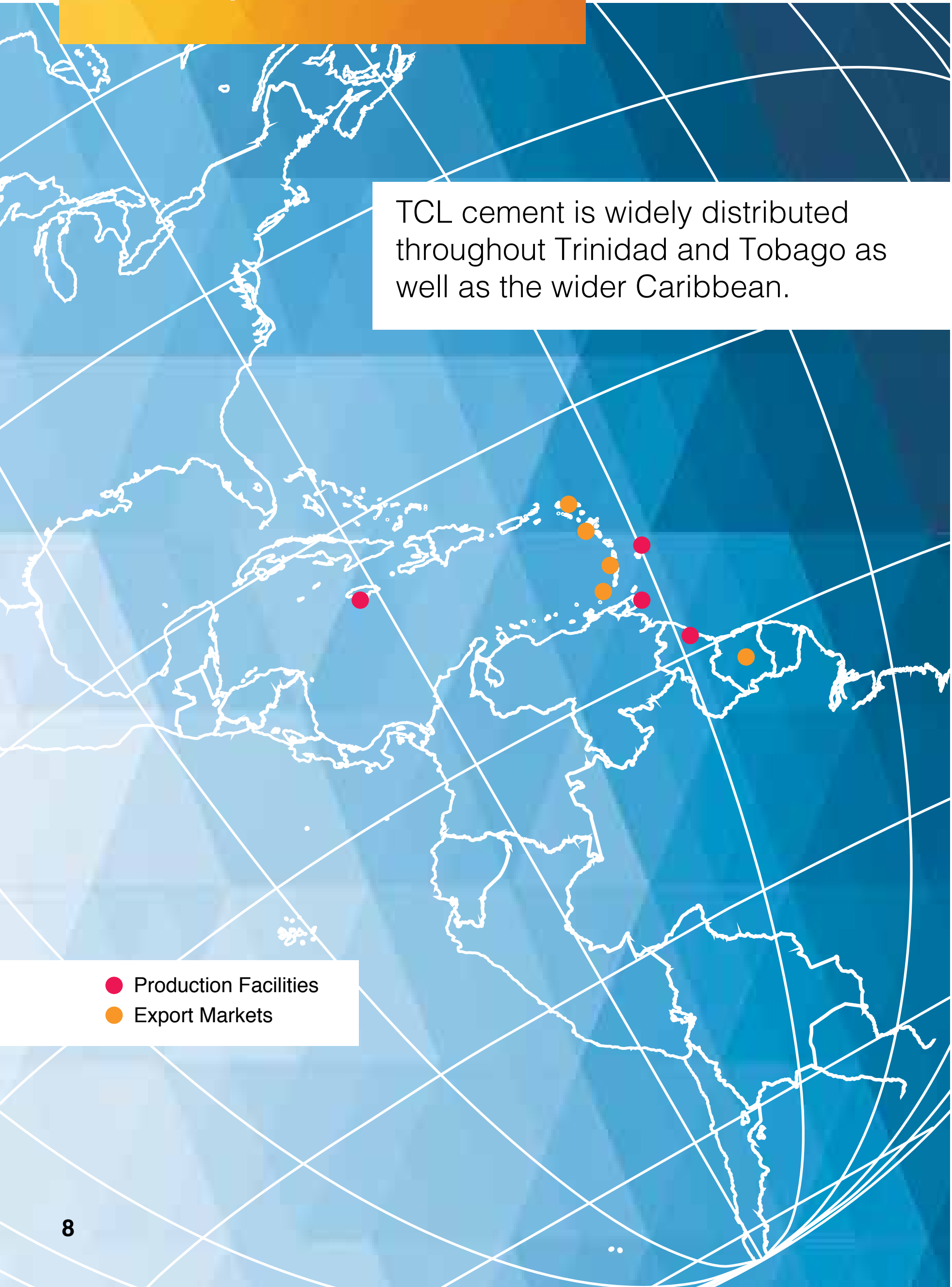
KATHRYNA BAPTISTE ASSEE

COMPANY SECRETARY

April 3, 2018

Our Regional Footprint

TCL cement is widely distributed throughout Trinidad and Tobago as well as the wider Caribbean.



GROUP

Building a Brighter Future

Whether hand-mixed or industrially supplied — TCL, Carib, TGI and Arawak cement is always the best choice for building in the Caribbean region.

10-Year Consolidated Financial Review

	UOM	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Group Third Party Revenue	TT$m	2,074.40	1,755.80	1,561.10	1,560.86	1,615.89	1,941.05	2,104.81	2,115.45	1,887.01	1,712.57
Operating Profit	TT$m	307.20	248.10	(1.20)	62.53	(0.76)	271.56	111.08	446.31	224.43	(49.09)
Group Profit before Taxation	TT$m	195.90	84.00	(149.60)	(162.05)	(351.74)	33.79	(102.47)	487.49	89.63	(172.23)
Group Profit attributable to Shareholders	TT$m	137.40	95.80	(48.50)	(167.17)	(292.91)	58.20	(214.39)	405.11	36.86	(266.17)
Foreign Exchange Earnings	TT $m	362.40	327.70	239.30	271.90	279.60	352.00	309.9	298.40	245.70	219.2
EPS	TT$	0.56	0.39	(0.20)	(0.68)	(1.19)	0.24	(0.87)	1.19	0.10	(0.72)
Ordinary Dividend per Share	TT$	-	-	-	-	-	-	-	-	0.04	0.02
Issued Share Capital – Ordinary	TT $m	466.20	466.20	466.20	466.20	466.20	466.20	466.20	827.73	827.73	827.73
Shareholders' Equity	TT$m	1,372.20	1,459.70	1,424.90	781.99	485.72	561.53	276.98	963.29	1,017.13	761.20
Group Equity	TT$m	1,504.30	1,579.30	1,517.30	810.26	461.07	536.30	245.53	950.97	1,016.91	752.83
Total Assets	TT $m	3,994.70	4,034.40	4,120.90	3,506.48	3,452.76	3,399.14	3,010.00	3,033.08	2,922.30	2,663.68
Net Assets per Share	TT$	6.02	6.32	6.07	3.24	1.85	2.15	0.98	2.54	2.71	2.01
Return on Shareholders' Equity	%	10.00	6.60	(3.40)	(21.38)	(60.30)	10.36	(77.40)	42.05	3.62	(34.97)
Share Price (Dec 31)	TT$	4.00	3.85	2.80	1.79	1.49	2.20	2.50	3.99	4.40	3.75
No. of Shares Outstanding (Dec 31)	'000	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	249,765.00	374,647.70	374,647.70	374,647.70
Market Capitalisation (Dec 31)	TT$m	999.10	961.60	699.30	447.08	372.15	549.48	624.41	1,494.84	1,648.45	1,404.93
Total Long-term Debt	TT$m	1,444.80	1,359.00	1,242.90	1,678.40	2,046.12	1,951.80	1,848.90	1,166.06	968.50	913.11
Total Long-term Debt/Equity Ratio	%	96.00	86.10	81.90	207.14	443.78	363.94	753.03	122.62	95.24	121.29

GROUP

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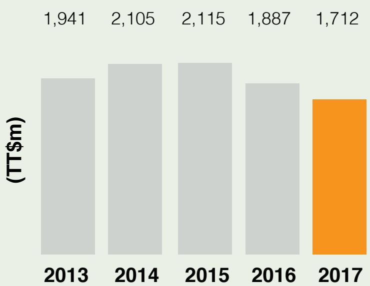
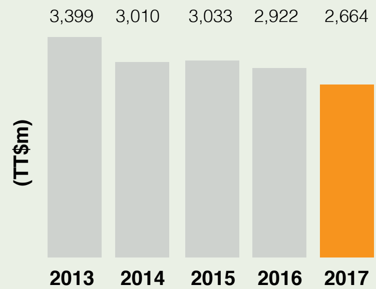
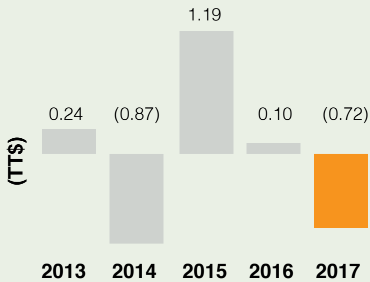
Group Third Party Revenue



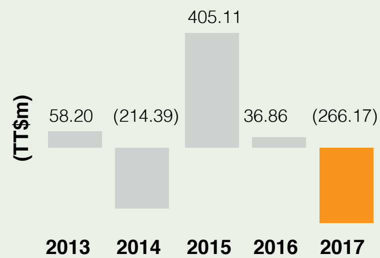
Group Total Assets



Earnings per Share



Group Profit Attributable to Shareholders

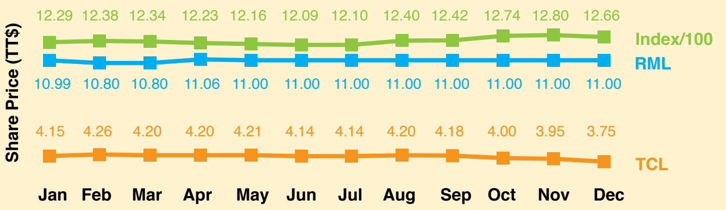


Share and Performance Review

TTSE - www.stockex.co.tt	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Volume - TCL 000	3,476,809	271,357	358,891	684,136	137,841	292,763
Volume - RML 000	0	2,700	1,410	167,234	1,592,923	1,190

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL
Volume - TCL 000	200,422	188,419	182,911	1,195,095	206,119	137,140	7,331,903
Volume - RML 000	0	0	468	4,713	1,243	500	1,772,381

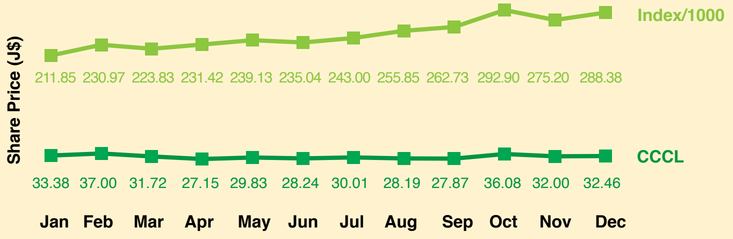
Trinidad & Tobago Stock Exchange



JSE - www.jamstockex.com	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Volume - CCCL	2,341,216	967,924	320,049	937,247	766,401	778,513

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	TOTAL
Volume - CCCL	1,695,187	538,556	1,301,453	745,732	818,850	376,715	11,587,843

Jamaica Stock Exchange



GROUP
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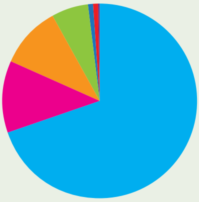
Distribution of Shareholding



Category	% Distribution
Sierra Trading (CEMEX)	69.83%
NIB	11.92%
Individuals	10.38%
Banks/Pension Funds/Credit Unions	6.16%
Unit Trust	0.72%
Other Foreign Investors	0.72%
Insurance Companies	0.14%
T&T Government Related Agencies	0.13%

Group Performance Highlights			**2017**	**2016**	**% Change**
Income Statement					
Group Third Party Revenue		$m	1,712.57	1,887.01	-9.2%
Group (Loss)/Profit attributable to Shareholders		$m	(266.17)	36.86	-822.1%
Foreign exchange earnings		$m	219.21	245.74	-10.8%
Balance Sheet					
Total Assets		$m	2,663.68	2,922.30	-8.8%
Shareholders' Equity		$m	761.20	1,017.13	-25.2%
Net Assets per Share		$	2.01	2.71	-25.9%
Total Long-term Debt		$m	913.11	968.50	-5.7%
Total Long-term Debt to Equity Ratio		%	121.29	95.24	27.4%
Operational Highlights					
TCL	Clinker production	'000 tonnes	557.6	596.5	-6.5%
CCCL	Clinker production	'000 tonnes	691.6	761.1	-9.1%
ACCL	Clinker production	'000 tonnes	173.8	161.1	7.9%
TPL	Paper sack production	millions	26.9	31.0	-13.2%
TPM	Sling/Bag production	thousands	467.1	429.6	8.7%

Group Chairman's Review

Wilfred Espinet
Group Chairman

A Quantum Leap

The increase in ownership by CEMEX, which took place in January of 2017, was perhaps the most significant development in TCL's recent history, placing the Caribbean's sole cement manufacturer on a stronger, more sustainable trajectory for growth and competitiveness.

Now as part of a leading global network in the building materials industry, the TCL Group is well positioned to deliver improved value to its stakeholders in the Region.

After a highly successful six-month post-merger integration exercise in 2017, further alignment with CEMEX's values and overall way of doing business continues as a key priority….with tremendous benefits already being derived from leveraging CEMEX's Global scale, knowledge and experience.

CEMEX Takeover

Following an overwhelming response to *Sierra Trading's revised offer of $5.07 on January 9, the Company's shareholding in TCL moved from 39.5% to 69.83% by January 25. Ten months later, TCL moved its shareholding in Readymix (West Indies) Limited to 97.73% via a successful offer and takeover bid.

*Sierra Trading is an indirect subsidiary of CEMEX, S.A.B. de C.V. - the largest supplier of ready-mix concrete and one of the largest suppliers of cement and aggregates in the world - with operations in over thirty countries.

Extension of the Loan Agreement

The loan agreement entered into by TCL and the Banks, with First Citizens Bank Limited as agent, has been extended by six months until April 26, 2018. All other terms and conditions will remain in full force and effect.

Termination of Operating Lease

On March 16, 2018, TCL signed a memorandum of agreement with its subsidiary Caribbean Cement Company Limited (CCCL) agreeing to the termination of an operating lease agreement originally dated July 2, 2010. Highlights include:

1. The corresponding purchase by CCCL of the assets object of the lease agreement for approximately USD118 million to be paid to TCL;
2. Redemption of an aggregate number of 52 million preference shares issued by CCCL to TCL in 2010 and 2013 for approximately USD40.5 million. This is to be paid over a nine-year period starting in 2018 and sourced from at least one third of CCCL's profits available for distribution from the previous year (the "Redemption");
3. Financing options to fund the Asset Acquisition and the Redemption.

This transaction is seen as another important step towards strengthening the overall capital structure of TCL while also improving our asset management strategy.

Financial Performance

Cash generated from improved working capital management during the year allowed the Group to successfully prepay and refinance its existing debt, substantially improving previous conditions, and resulting in finance cost savings of 9% when compared with 2016. The Group's revenue was impacted by the unprecedented series of storms in its eastern Caribbean markets as well as the economic downturn in Trinidad and Tobago. These factors led to a decrease in revenue by 9% on a year-to-year basis compared to TTD1.7 billion from 2016. Jamaica was an exception and continues to display robust economic growth, driving higher demand for our products in that market, which has been partially offsetting the Group's declining sales.

Group earnings before interest, taxes, depreciation, and loss on disposal of property, plant and equipment and restructuring costs (adjusted EBITDA) was TTD313 million for the year, compared to TTD464 million in 2016. However, the Group incurred significant costs from manpower, stockholding and inventory restructuring and impairment of the assets in Barbados. Collectively, the impact of these expenses was a reduction in net income by TTD234 million, resulting in an Operating Loss of TTD49 million versus an operating profit of TTD224 million in 2016.

Strategic Priorities & Outlook

We have a solid strategic plan aimed at driving sustainable long-term growth and global competitiveness.

We recognise that to deliver value to our key stakeholders, we must maintain an industry leadership role in this era of intense competition and market disruption. It is therefore imperative that the Group continues to innovate and invest in new cement and concrete technologies, as well as to effectively deploy our resources for the biggest impact and optimum returns. We are confident that as a World leader, CEMEX adds value in these as well as other key areas of our operations and customer support initiatives.

Therefore, despite expectations of even further decline in overall economic activity in Trinidad and Tobago, and the escalation of *competition in our markets, we remain optimistic that the full impact of the Group's integration with CEMEX along with the successfully completed efficiency improvement and cost reduction initiatives will serve to mitigate against any negative impact.

* The issue of unfair competition as it relates to the infringement of trade laws i.e. the non-application of the Common External Tariff (CET) on cement being imported into the Region is being dealt with at a legal level and we expect to have the matter rectified in due course.

Dividend Payment

After taking into consideration certain financial, legal, contractual and economic factors, we were pleased to pay a dividend of TTD0.02 per share for the year ending December 31, 2016. This was made on July 19, 2017.

Board Changes

It was a year of changes for the Board. We welcomed David Inglefield and Lucy (Louisa) Page Rodriguez who were appointed to the Board in June and September respectively.

Wayne Yip Choy, Alison Lewis, Bryan Ramsumair, Jean Michel Allard and Alejandro Ramírez Cantu resigned during the year and we thank them for their service and astute contributions to the Group.

TCL GROUP
Building a Brighter Future

Acknowledgements

Our progression is built on the integrated support of each stakeholder and we are indeed grateful for your various contributions…

- Fellow directors who continue to engender and uphold the Group's vision.
- The hard work and enthusiasm of the management teams in keeping the day-to-day operations well-organised.
- The productiveness and commitment of all employees and their representative trade unions.
- The loyalty of our customers and end-users who have placed their confidence in our brands as demonstrated through their ongoing support.
- The varied support of our neighboring communities.
- The persistent confidence of all our shareholders who have invested in this Group.

Through significant investments made in plant and equipment as well as manpower training and development, progress is expected to continue, despite the competitive market conditions and prevailing economic environment. All our initiatives are designed to ensure that the group achieves industry best practice and global competitiveness towards a return to consistent profitability for the benefit of all shareholders.

We remain fully aligned to our strategic objectives and equally motivated by your confidence in us.

Wilfred Espinet
Group Chairman

Board of Directors

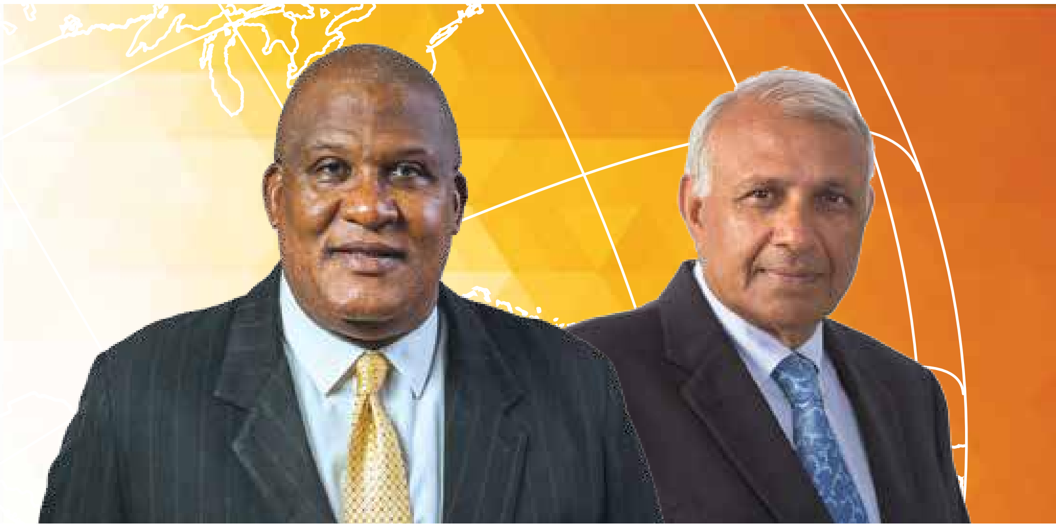
Wilfred Espinet (Chairman)

Francisco Aguilera Mendoza
(Deputy Chairman)

José Luis Seijo González
(Managing Director)

Nigel Edwards

TCL GROUP
Building a Brighter Future



Ruben McSween | Arun K.Goyal

Lucy (Louisa) Page Rodriguez | David Inglefield

About our Board of Directors

The Board of Directors is responsible for setting the strategic aims of the organisation, by reviewing and approving corporate strategy, major plans of action, annual budgets and business plans. It has the statutory authority and obligation to act honestly and in good faith, with a view to the best interest of all shareholders as well as the interests of the Company's employees. Full details of the Board's responsibilities and duties can be downloaded from this website: http://www.tclgroup.com/corporate-governance/

The Board is comprised of the following directors:

Wilfred Espinet – Non-Executive Director and Chairman of the Board

Wilfred Espinet was appointed to the Board in August 2014. He is a businessman with considerable international experience in Manufacturing, Shipping and Retail industries in several countries. He is a former Director of Associated Brands Industries Limited; Managing Director of Consolidated Biscuits Ltd. and Chocolate Products Ltd. in Malta and President Director General of Cheval Blanc S.A. in France. He is a Past President of the Trinidad and Tobago Manufacturers' Association.

Mr. Espinet is also the Chairman of the Petroleum Company of Trinidad and Tobago Limited, Aeromarine International Logistics Company, which has operations in North America, Central America and the Caribbean, and Mayfair, a Cosmetic Retailer with outlets throughout the Caribbean.

Francisco Aguilera Mendoza – Deputy Chairman

Francisco Aguilera Mendoza was appointed to the Board in August 2014. He is the Vice President of CEMEX South, Central America and the Caribbean Region. Mr. Aguilera Mendoza was appointed to this position in October 2016 and prior to this, was responsible for the trading of cement and clinker for CEMEX in the Americas, including the Caribbean Region.

Mr. Aguilera Mendoza joined CEMEX in June 1996, and has held positions in various areas throughout CEMEX's US operations including Logistics Manager, Sales Administration Director, Aggregate Operations VP, and VP & General Manager for the Concrete Pipe Division; and VP of Trading for Europe, Middle East, Africa and Asia, based in Madrid, Spain. He has extensive experience in the building materials industry, especially in fields such as general management, logistics operations, international commerce and post-merger integration.

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

José Luis Seijo González – Managing Director

José Luis Seijo González was appointed Managing Director of the TCL Group effective May 20, 2016. Prior to this, he held the position of Chief Executive Officer of the TCL Group, from May 4, 2015. He has had many years of experience in the cement industry, having worked in several key cross postings at CEMEX. The most recent posting, before taking up his appointment at TCL, was that of Head - Strategic and Financial Planning for Spain and the Mediterranean region.

Mr. Seijo González joined CEMEX in 1999, initially in the area of production before moving to strategic planning at the company's operations in Spain. His vast experience incorporates assignments in Mexico in corporate strategic planning, in Israel as Chief Financial Officer, in Bangladesh as Chief Executive Officer and in Latvia, also as Chief Executive Officer.

He holds a B.Sc. in Mechanical Engineering with a Master's Degree in Finance from the University of Bath, United Kingdom.

Lucy (Louisa) Page Rodriguez – Non-Executive Director

Lucy (Louisa) Page Rodriguez was appointed to the Board effective September 8, 2017. She is a Managing Director of CEMEX located in New York.

Ms. Rodriguez has over twenty five years' experience in international finance and capital markets. She joined CEMEX in 2006 in the Investor Relations Department where she was involved in more than $15 billion of equity and fixed income fundraising efforts. She also represents the company in the international financial community. Prior to CEMEX, Ms. Rodriguez spent 15 years at Citibank where she worked in capital markets origination, debt syndicate and securitisation financing for Emerging Market issuers. In her early career, she worked for KPMG in their Audit Department.

Ms. Rodriguez holds a B.A. in Economics from Trinity College (Hartford Ct.), an MBA from New York University and a Masters from Columbia University School of International and Public Affairs. She is a Certified Public Accountant (lapsed).

Nigel Edwards – Non-Executive Director

Nigel Edwards was appointed to the Board in August 2014. He is the Vice President – Finance at the Trinidad and Tobago Unit Trust Corporation. Mr. Edwards began his career at the Ministry of Finance in 1993 where he worked on several areas of government policy in relation to financial services. In his early career, he worked on originating global equity transactions from emerging markets for an international merchant bank in London. He later spent over fifteen years working in various areas of the financial services sector of the ANSA McAL Group of Companies and has worked in the areas of investment banking, corporate finance, structured lending, investment management as well as accounting and finance before moving on to be the Chief Executive of the ANSA McAL Group's life insurance subsidiary. He has been involved in several advisory mandates for mergers and acquisitions, corporate restructuring and equity issuance.

Mr. Edwards graduated from the University of the West Indies, St. Augustine, with a B.Sc. in Management Studies and subsequently attained an M.Sc. in Finance from the London Business School.

David Inglefield – Non-Executive Director

David Inglefield's career in advertising has spanned 35 years. Starting in 1969 at Trinity Advertising, he became Managing Director in 1978 and in 1981 merged the business with Corbin Compton Caribbean, a major international agency in the Region. He was appointed CEO of Corbin Compton in 1982 until he resigned in 1993 and founded Inglefield, Ogilvy & Mather.

Recognised as one of the leaders in the Caribbean on Strategic Business and Brand Development, in October 2003, he brought his considerable knowledge and experience to the ANSA McAL Group as a Parent Board Director and member of the Group's Executive Committee. As Group Marketing Director, he played a decisive role in the acquisition of the Bryden's Group in Barbados and its successful integration into the Group's distribution business in Barbados.

During the period 2005 to 2015, Mr. Inglefield served in various capacities within the ANSA McAL Group including Group's Distribution Sector Head, President/CEO ANSA McAL (Barbados) Ltd and Sector Head Executive Chairman of Guardian Media Limited as well as Chairman of the Services & Retail Sectors.

Mr. Inglefield retired from the ANSA McAL Group in June 2015 and is now an active business consultant to major businesses in the Energy and Construction Sectors.

Mr. Inglefield was appointed as a Director of Trinidad Cement Limited on June 22, 2017. He is also on the Board of First Citizens Bank Limited, a Director of First Citizens Trustee Services Limited, First Citizens Investment Services Limited, First Citizens Investment Services (Barbados) Limited and First Citizens Bank (Barbados) Limited.

He is also the Chairman and a Director of Inglefield, Ogilvy & Mather.

GROUP
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Ruben McSween – Non-Executive Director

Ruben McSween was appointed to the Board in July 2015. He has been serving as Founder/President of Eve Financial Services Limited since February 2012. Effective February 1, 2016 Mr. McSween was elected as the Deputy Chairman of the National Insurance Board of Trinidad and Tobago.

Mr. McSween has over thirty-four years' experience in the local and international financial services sector having held senior positions in areas such as investments, operations and business development including the position of Vice President, Customer Service at the Trinidad and Tobago Unit Trust Corporation ("UTC"). He is currently a Director and Executive Committee Member of the Employers' Consultative Association ("ECA"); Director - Caribbean Employers' Confederation; Director – UTC; and Alternative Member - Registration and Recognition Board.

Mr. McSween has been a past Chairman of the ECA; President - Rotary Club of Central POS, President - United Nations of Trinidad and Tobago and Chairman - Beetham Gardens Organising Committee.

Ruben McSween holds a B.Sc. in Finance (1st Class Honours), B.Sc. in Accounting (2nd Class Honours) from Southeastern University and an MBA from Howard University in Washington, DC. In 1984, he was one of thirty outstanding students throughout the USA who was granted a one-year scholarship to understudy the American System of Government and Politics.

Arun K. Goyal – Non-Executive Director

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

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

Prior to his appointment as General Manager in 1995, Mr. Goyal, a Chemical Engineer, also served in the capacity of Operations Manager, Senior Process Engineer and Assistant Operations Manager at TCL and Process Engineer at Guyana Mining Enterprise Ltd, Guyana and Industrial Gases Ltd, Trinidad.

Mr. Goyal has been a past member of the Board of Directors of APCAC – Association of Cement Manufacturers of Central America, Caribbean and Latin America, FICEM (Federación Interamericana del Cemento), South Trinidad Chamber of Industry & Commerce and Rotary Club of Pointe-a-Pierre. Mr. Goyal is a Fellow of the Association of Professional Engineers of Trinidad and Tobago and recipient of its Career of Excellence Award in 2009.

Directors' Report

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended December 31, 2017.

Financial Results	TT$'000
Turnover	1,712,569
Net Earnings for the Year	(255,142)
Dividends Paid	7,519

Directors' Interest (Ordinary Shares of TCL)			
Name	**Position**	**Direct Holdings at 31-12-17**	**Indirect Holdings at 31-12-17**
Wilfred Espinet	Chairman	Nil	200
Francisco Aguilera Mendoza	Director/Deputy Chairman	Nil	Nil
José Luis Seijo González	Managing Director	Nil	Nil
Lucy Page Rodriguez	Director	Nil	Nil
Nigel Edwards	Director	16,095	1,970,357
Arun K. Goyal	Director	Nil	Nil
David Inglefield	Director	Nil	Nil
Ruben McSween	Director	Nil	44,671,636

Senior Officers' Interest (Ordinary Shares of TCL)			
Name	**Position**	**Direct Holdings at 31-12-17**	**Indirect Holdings at 31-12-17**
Rodolfo Martinez Martin	General Manager – Trinidad Cement Limited	Nil	Nil
Kathryna Baptiste Assee	Group Manager Legal/Company Secretary	2,164	Nil
Gewan Armoogam	Group Internal Control Manager	2,957	Nil
Roger Ramdwar	General Manager – TCL Packaging and TCL Ponsa Manufacturing	38,450	Nil
Maria Boodoo	Group Internal Audit Manager	Nil	Nil

Senior Officers' Interest (Ordinary Shares of TCL) (continued)			
Name	**Position**	**Direct Holdings at 31-12-17**	**Indirect Holdings at 31-12-17**
Peter Donkersloot Ponce	General Manager – CCCL	Nil	Nil
Manuel Toro Varon	General Manager – ACCL	Nil	Nil
Andres Peña	General Manager – RML (former)	Nil	Nil
Luis Gilberto Ali Moya	Group Finance Manager	Nil	Nil
Ricardo García Viani	Group Strategic Planning Manager (former)	Nil	Nil
Miguel Roberto Estrada Sanchez	Group Operations Manager	Nil	Nil
Juan Carlos Mendoza	Group Procurement Manager	Nil	Nil
Bernardo Cioni Diaz	Group Strategic Planning Manager	Nil	Nil
Nigel Tozer	General Manager – RML	Nil	Nil
Rafael Ernesto White Lopez	Group Enterprise Risk Manager	Nil	Nil

Dividends

A final dividend for the year ended December 31, 2016 of TT$0.02 per share, was paid to shareholders on July 19, 2017.

Substantial Interests (A substantial interest means a beneficial holding of 5% or more of the issued share capital of the Company).		
	Holdings at 31-12-17	**% of Issued Share Capital at 31-12-17**
Sierra Trading (CEMEX S.A. de C.V.)	261,623,911	69.83%
The National Insurance Board of T&T	44,671,636	11.92%

Service Contracts & Directors

There exists a Technical and Managerial Services Agreement dated April 23, 2015 (as amended on October 12, 2015) between CEMEX and TCL, pursuant to which CEMEX provides support to TCL by making available, suitable, qualified and experienced executives to fill key positions, as well as training and technical assistance to support the Group's trading and shipping departments.

There also exists a contract between David Inglefield (Director) and Trinidad Cement Limited dated July 14, 2017, as extended from time to time, pursuant to which Mr. Inglefield provides consultancy advice on the TCL Group's communications strategy. This contract is due to expire on June 30, 2018.

BY ORDER OF THE BOARD

KATHRYNA BAPTISTE ASSEE
Secretary

Corporate Governance

GOVERNANCE COMMITTEE

The TCL Group recognises that a robust corporate governance system redounds to the overall benefit of the organisation by fostering better performance and by facilitating a lower risk of malfeasance 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 throughout the Group. The TCL Group is committed to adhering to the principles and practices of good corporate governance and the Governance Committee, a sub-committee of the Board, establishes the foundations for compliance.

The responsibilities of the Governance Committee include, but are not limited to the following:

1. Recommending all remuneration for directors and the Chairperson;
2. Recommending and monitoring the level and structure of remuneration for Senior Management;
3. Establishing the policy for determining remuneration;
4. Reviewing and evaluating the appropriateness of remuneration plans on an annual basis;
5. Ensuring that the total remuneration and other benefits paid to directors are properly disclosed.

Members: Mr. Arun K. Goyal (Chairman)
Mr. Francisco Aguilera Mendoza (Member)
Mr. Nigel Edwards (Member)
Mr. José Luis Seijo González (Managing Director)
Mrs. Kathryna Baptiste Assee (Recording Secretary)

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

AUDIT COMMITTEE

The Audit Committee is a Sub-committee of the Board charged with the responsibility for:

1. Appointment and ongoing assessment of the External Auditors;
2. Reviewing and advising the Board on the integrity of financial statements;
3. Oversight of the establishment, implementation and assessment of the Risk Management Function;
4. Ensuring that an effective system of internal controls is established and maintained;

5. Assessing compliance with applicable laws and regulations; and
6. Monitoring and assessing the internal audit function.

Members: Mr. Nigel Edwards (Chairman)
Mr. Arun K. Goyal (Member)
Mr. David Inglefield (Member)
Ms. Lucy (Louisa) Page Rodriguez (Member)
Ms. Maria Boodoo (Recording Secretary)

FINANCE COMMITTEE

The objectives of the Board Finance Committee are two-fold:

1. To enhance the financial strength and shareholder value of the TCL Group by providing guidance and recommendations on issues which have a major financial impact on the TCL Group; and
2. To enhance communication and understanding between TCL Group's management and the Board on financial matters.

A summary of the unofficial terms of reference of the Finance Committee follows:

1. Review all significant issues of a financial nature before they are presented for consideration to the Board;
2. Review the adequacy and sourcing of working capital for the TCL Group;
3. Evaluate and recommend proposals for the ongoing long-term financing of the TCL Group;
4. Examine and/or develop proposals for reducing the tax obligation of the TCL Group and the efficient management of its tax affairs;
5. Review annual budgets and five-year plans for the TCL Group before submission for approval to the Board;
6. Examine and/or develop solutions for problems of a financial nature arising from changes in accounting standards, tax regulations and governmental legislation;
7. Develop a set of financial objectives for the TCL Group; and
8. Determine the appropriate capital structure for the TCL Group.

Members: Ms. Lucy (Louisa) Page Rodriguez (Chairman)
Mr. Nigel Edwards (Member)
Mr. Luis Gilberto Ali Moya (Group Finance Manager)
Mr. Osben Cuffie (Recording Secretary)

HUMAN RESOURCE COMMITTEE

The members of the Human Resource Committee were appointed at a Board meeting which was held on January 22, 2015. In order to ensure excellence in TCL Group's human capital and cultural initiatives, the Human Resource Committee's strategic direction and vision are aligned to the Company's strategic plan. The following categories of policies are administered by the Human Resource Committee:

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

A summary of the Terms of Reference of the Human Resource Committee follows:

1. To formulate policies for the TCL Group's Human Resource Management function and to make recommendations to the Board for approval and adoption;
2. To review, approve and ensure compliance with existing administrative policies and recommend to the Board the adoption of proposals for all senior managers and executives across the TCL Group;
3. To ensure that the TCL Group Human Resource function provides efficient services to all Business Units, utilising equitable, transparent and contemporary performance management measures and systems; and
4. To act autonomously and approve on its own account specific human capital initiatives and recommendations that fall within the overall ambit of pre-existing Board approved policies and systems.

Members: Mr. Ruben McSween (Chairman)
Mr. David Inglefield (Member)
Mr. Nigel Edwards (Member)
Mr. José Luis Seijo González (Managing Director)
Ms. Bonnie Alexis (Human Resource Manager/Group Coordinator)

Readymix (West Indies) Ltd. uses fresh TCL cement for its pours — creating durability that lasts for generations.

Group Executive Committee

José Luis Seijo González, Peter Donkersloot Ponce, Manuel Toro Varon, Roger Ramdwar

Kathryna Baptiste Assee, Gewan Armoogam, Juan Carlos Mendoza, Luis Gilberto Ali Moya

TCL GROUP
Building a Brighter Future

Rafael Ernesto White Lopez, Rodolfo Martinez Martin, Nigel Tozer, Bonnie Alexis

Maria Boodoo, Bernardo Cioni Diaz, Khalid Rahaman, Miguel Roberto Estrada Sanchez

About our Group Executive Committee

José Luis Seijo González – Managing Director, TCL Group

José Luis Seijo González, was appointed Managing Director of the TCL Group effective May 20, 2016. Prior to this, he held the position of Chief Executive Officer of the TCL Group, from May 4, 2015. He has had many years of experience in the cement industry, having worked in several key cross postings at CEMEX. The most recent posting, before taking up his appointment at TCL, was that of Head - Strategic and Financial Planning for Spain and the Mediterranean region.

Mr. Seijo González joined CEMEX in 1999, initially in the area of production before moving to strategic planning at the company's operations in Spain. His vast experience incorporates assignments in Mexico in corporate strategic planning, in Israel as Chief Financial Officer, in Bangladesh as Chief Executive Officer and in Latvia, also as Chief Executive Officer.

He holds a B.Sc. in Mechanical Engineering with a Master's Degree in Finance from the University of Bath, United Kingdom.

Peter Donkersloot Ponce - General Manager, Caribbean Cement Company Limited

Peter Donkersloot Ponce was appointed General Manager of Caribbean Cement Company Limited effective November 7, 2016. Mr. Donkersloot Ponce has over twelve years working experience in the Cement Industry, holding key positions in five different countries (Jamaica, Panama, Peru, El Salvador and Guatemala). His experience ranges in Commercial Operations, Logistics, Risk Assessment, Management Strategic Planning and General Management.

Mr. Donkersloot Ponce holds a Global MBA from the Thunderbird School of Global Management along with professional qualifictions in Industrial Engineering from the Monterrey Institute of Technology (ITESM), Mexico. He is fluent in both Spanish and English.

Manuel Toro Varon - General Manager, Arawak Cement Company Limited

Prior to joining the TCL Group as General Manager of Arawak Cement Company Limited on January 1, 2016, Manuel Toro Varon held several key positions in CEMEX including Procurement Director - Central America, South America and the Caribbean, Innovation and Business Development Director and Strategic Planning Director.

Mr. Toro is a Mechanical Engineer with significant experience in the fields of strategy, leadership, sustainability, innovation and negotiation. His academic achievements include an MBA, in which he specialised in finance, innovation and technology. He also holds certification in executive training from Stanford University, INSEAD and Babson College.

Roger Ramdwar - General Manager, TCL Packaging Limited and TCL Ponsa Manufacturing Limited

Roger Ramdwar joined the TCL Group in April 2006 in the capacity of Group Internal Auditor. In February 2016, he assumed the position of General Manager of TCL Packaging Limited and TCL Ponsa Manufacturing Limited.

Mr. Ramdwar has over twenty years of combined finance, internal and external audit experience, of which twelve years have been at the TCL Group.

In January 2013, he graduated with distinction from the Arthur Lok Jack Graduate School of Business with an Executive MBA. He is an FCCA, a Member of the Institute of Internal Auditors and a member of ICATT. Mr. Ramdwar is also a Certified Fraud Examiner.

Kathryna Baptiste Assee - Group Manager Legal/Company Secretary

Kathryna Baptiste Assee joined the Company in September, 2012. She is an Attorney-at-Law with over twenty-one years' experience in various facets, including corporate, commercial and employment Law. Prior to joining the Company, Mrs. Baptiste Assee was the Manager Legal/Company Secretary at Trinidad and Tobago National Petroleum Marketing Company Limited from October 2005 to April 2010 and conducted private practice in the areas of corporate and commercial law from June 2010 to August 2012.

Mrs. Baptiste Assee obtained a Bachelor of Laws (LL.B) (Honours) Degree from the University of the West Indies and a Legal Education Certificate (LEC) from the Hugh Wooding Law School, St. Augustine, Trinidad. She also holds an Executive MBA (Distinction) Degree from the Arthur Lok Jack Graduate School of Business, Trinidad (EMBA Class Valedictorian, 2011). Mrs. Baptiste Assee is a member of the Law Association of Trinidad and Tobago, the Association of Caribbean Corporate Counsel and the Caribbean Corporate Governance Institute.

Bonnie Alexis - Human Resource Manager and Group Coordinator, Trinidad Cement Limited

Bonnie Alexis joined TCL in January 2014 as the HR Business Partner and was promoted to Industrial Relations Manager in 2015. In August 2016, she was elevated to the position of Human Resource Manager/Group Coordinator.

While Ms. Alexis' human resource background is rooted in industrial relations, she has developed a broad knowledge base that has allowed her to successfully practice as a generalist, accredited to her twenty-six years of professional life. Before joining TCL, she served as an executive member of a prominent trade union in Trinidad and Tobago and has held the position of Industrial Relations Officer/Manager in state and private enterprises.

Ms. Alexis is a member of the Society for Human Resource Management (SHRM) and the Human Resources Management Association of Trinidad and Tobago (HRMATT) and graduated from Cipriani College of Labour and Co-operative studies (Trinidad & Tobago) and the National Labour College (USA). She also holds an advanced Diploma in Labour Laws and obtained post graduate certification in Change Management (PROSCI).

Additionally, Ms. Alexis is professionally trained using different methodologies to conduct job evaluation exercises.

Gewan Armoogam – Group Internal Control Manager

Gewan Armoogam has been with the TCL Group for over 23 years and has worked in the Finance and Internal Audit functions. Mr. Armoogam was appointed as the Group Internal Control Manager effective November 1, 2017.

Prior to his appointment, Mr. Armoogam previously held the position of Group Internal Auditor and has a wealth of Internal Audit experience in the Cement, Premix and Packaging operations.

Mr. Armoogam is ACCA qualified and is also a member of the Institute of Internal Auditors. He holds certification as a Lead Auditor of the ISO 9001 Quality Management System and is currently pursuing an Executive MBA at the Arthur Lok Jack Graduate School of Business, Trinidad.

Luis Gilberto Ali Moya - Group Finance Manager

Luis Gilberto Ali Moya was appointed as the Group Finance Manager, effective January 1, 2016. Prior to joining the TCL Group, Mr. Ali Moya served in the positions of: Financial and Cost Analyst (CEMEX, Venezuela); Business Process Coordinator (D.H.L, Costa Rica); and most recently, as Business Service Organisation Manager (CEMEX, Costa Rica).

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

Miguel Roberto Estrada Sanchez - Group Operations Manager

Miguel Roberto Estrada Sanchez was appointed as the Group Operations Manager on May 4, 2016. He has spent his entire professional life of thirty-two years in the cement industry, specifically in the area of plant operations.

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

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

Juan Carlos Mendoza - Group Procurement Manager

Juan Carlos Mendoza was appointed as the Group Procurement Manager on May 4, 2015. He has thirty-five years’ experience in the mining and cement industry, with particular focus on procurement, negotiations and inventories management. His most recent position, prior taking up an appointment at TCL, was as Procurement Manager (CEMEX) in Miami, Florida.

Mr. Mendoza joined CEMEX on July 22, 1982. During his tenure, he was involved in Post-Merger Integration (PMI) in Australia and the USA, as well as Due Diligence (DD) in India, Gabon among other countries.

He has held several positions at CEMEX including, Supply Planning Manager, Mexam Trade (Texas); Procurement Manager (Texas) and Manager: Purchases and Materials/Stock (Venezuela).

Mr. Mendoza's key areas of expertise include: Customs Law, Shipping Insurance, Material Coding and Classification as well as International Business.

Rodolfo Martinez Martin - General Manager, Trinidad Cement Limited

Rodolfo Martinez Martin was appointed General Manager of Trinidad Cement Limited effective June 26, 2017. Prior to this, he held the position of Industrial Segment Sales Director at CEMEX in Monterrey, Mexico. He has had many years of experience in the cement, concrete and aggregates industry, having worked at CEMEX for 19 years.

Mr. Martinez joined CEMEX in 1998, initially in the area of cement operations before moving to planning and later to business management. His vast experience incorporates assignments in Mexico and Europe and as Lime Business Manager, Gray Bulk and White Cement National Manager and Southeast Regional Sales Director among others.

He holds a B.Sc. in Mechanical and Electrical Engineering and an MBA from the IESE Business School, Barcelona, Spain.

Rafael Ernesto White Lopez - Group Enterprise Risk Manager

Rafael Ernesto White was appointed Group Enterprise Risk Manager with effect from November 1, 2017. Mr. White joined CEMEX in 2012 in the Aggregates Department at the company's operations in the Dominican Republic. His experience also incorporates working as a Strategic Projects Coordinator and subsequently a Strategic Planning Advisor.

He holds a B.Sc. in Industrial Engineering from the Instituto Tecnológico de Domingo (INTEC) and an MBA in Management from the Pontificia Universidad Católica Madre y Maestra (PUCMM).

Bernardo Cioni Diaz - Group Strategic Planning Manager

Bernardo Cioni Diaz was appointed Group Strategic Planning Manager with effect from November 1, 2017. He has over 12 years of experience in the cement industry, having worked in several key cross postings at CEMEX. The most recent posting, before taking up his appointment at the TCL Group, was that of Business Development Manager for Arizona, California and Pacific Northwest for CEMEX USA Inc.

Mr. Cioni joined CEMEX in 2006 in the area of strategic planning at the company's operations in the Caribbean. His vast experience also incorporates assignments in Europe, the Middle East, Africa and USA.

He holds a B.Sc. in Accounting with an Executive Master's Degree in Finance from the IEB School of Finance and an Executive MBA from the London Business School.

Maria Boodoo – Group Internal Audit Manager

Maria Boodoo was appointed Group Internal Audit Manager in November 2017. Ms. Boodoo has over eleven years of progressive experience, with seven years of her career at a managerial level. She specialises in the field of internal & external auditing, forensic auditing, internal controls and policy development and compliance management. She has also accumulated knowledge and experience in relation to financial management, analytics and forecasting.

Ms. Boodoo's competencies and expertise was established through her career practice in the areas of oil & gas, manufacturing, financial and banking sector, educational sector, mining and aggregates operations and the telecommunications sector, having worked with state enterprises and private corporations, such as Ernst & Young (T&T), Digicel Group / Digicel Trinidad & Tobago.

Ms. Boodoo is a registered Fellow Charted Certified Accountant (FCCA) and a Certified Forensic Auditor (FCPA). She also holds a B.Sc. in Accounting from the University of the West Indies.

Nigel Tozer - General Manager - Readymix (West Indies) Limited

Nigel Tozer was appointed General Manager of Readymix (West Indies) Limited in October, 2017. Mr. Tozer has over twenty nine years of practical experience in the Readymix & Aggregate Industries throughout the United Kingdom. He was formerly with the RMC Group and joined CEMEX in 2005. His past positions include both Commercial and Operational roles at various levels in the business.

Mr. Tozer has completed the Institute of Leadership & Management programme (ILM) and is NEBOSH certified, being fully conversant with all aspects of Health and Safety management within the Industry. In addition, he is also a distinction student of the Sandler Commercial Academy.

Khalid Rahaman – Group Technology & Information Manager

Khalid Rahaman has been with the TCL Group for over 19 years and has worked in various positions within the Information Technology Department. Mr. Rahaman was appointed as the Group Technology & Information Manager effective April 1, 2013.

Prior to his appointment Mr. Rahaman previously held the position of Group Senior Network Administrator and has considerable experience in leading Process & IT related projects across the region.

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

Minister of Trade and Industry, the Hon. Paula Gopee-Scoon, visits TCL.

Managing Director's Report & Management Discussion 2017

José Luis Seijo González
Managing Director

1.0 HEALTH, SAFETY AND ENVIRONMENT (HSE)

Occupational Safety and Health

In 2017, the TCL Group achieved a further 30% reduction in Lost Time Injuries (LTIs) compared to the previous year. Arawak Cement Company Limited (ACCL) and Readymix (West Indies) Limited (RML) reported an LTI-free year and TCL Ponsa Manufacturing Limited (TPM) has been LTI-free for the past decade.

Major investment was provided by CEMEX into physical aspects of the plants – workers' facilities upgrades, guarding improvements, additional isolation equipment, working-at height access platforms, the first phases of vehicle safety equipment additions, bucket-elevator inspection systems and improved vehicle / pedestrian segregation.

CEMEX's Post Merger Integration (PMI) team also introduced Safety and Driving Essentials, the 'Take 5' individual hazard assessment process, and its cornerstone behavioural training courses – E-Legacy and the Health and Safety Academy across the TCL Group. These were reinforced by the introduction of Near Miss Hazard Alert reporting and Visible Felt Leadership tours, leading indicators that are tracked monthly.

Two teams of HSE professionals visited CEMEX plants in Germany, England, Costa Rica and Colombia to observe the best practices of the CEMEX Group.

Environmental Management

All companies across the Group with Environmental Management systems maintained their certifications in 2017. ACCL and TCL were successful in transitioning their ISO systems to 14001:2015 while CCCL's transition is planned for 2018. All companies also met and complied with legal requirements. More effective waste management and disposal strategies were implemented across the Group.

There was a major focus on emission reduction at the cement plants. At CCCL, nine new dust collectors were installed at the clinker silos discharge conveyors, leading to a significant decrease in emissions, including fugitive dust in that area. Additionally, the installation of two units are in progress at the packing plant for the bulk loading screw and reclaiming hopper, with commissioning earmarked for 2018. At ACCL, the engineering is completed for the conversion of chamber 2 of the EP to a bag filter. This will drastically improve ACCL's environmental performance, and is scheduled for commissioning in June 2018. At TCL, a new jumbo loader was installed and commissioned in the old packing plant. This has reduced dust emissions from the packing plant and improved TCL's environmental performance. Control and monitoring systems were fully commissioned on both of TCL's kilns, allowing for the effective management of the EP and timely interventions by the operational team.

2.0 FINANCIAL REVIEW AND ANALYSIS

During 2017, the Group undertook a Post-Merger Integration (PMI) exercise under the guidance of the ultimate parent company, CEMEX. The PMI included comprehensive reviews of practices and procedures, training and adjustments of accounting estimates.

In Q2, the TCL Group refinanced its 5-year term loan through an intercompany revolving USD loan, a short-term TTD loan and $30 million of operating cash generated. The Q2 refinancing has improved the repayment terms and other conditions of TCL's debt.

The Group's total revenue of $1.7 billion represents a 9% decrease when compared to 2016. This decrease mainly resulted from the continued subdued economic activity in Trinidad and Tobago.

Revenue

Total revenue of $1.7 billion was negatively impacted by a 27% reduction in revenue in Trinidad and Tobago primarily due to continued subdued economic and construction activity. Revenue in Jamaica increased by 10% as Jamaica's economy continues to progress. In Barbados, there was a 14% increase in revenue as some local market share lost to competition in 2016 was recovered. Export sales volumes improved by 9%.

Revenues from the ready-mix and aggregates business declined by 14% compared to 2016 due to the sluggish pace of major construction activity in Trinidad and Tobago.

Operating Results

The Group recorded earnings before interest, tax, depreciation, impairment, loss on disposal of property, plant and equipment and restructuring costs for the year of $313.0 million in 2017. This represents a decrease of $151.2 million or 32% compared to 2016. This reduction was largely driven by reduced sales volumes in Trinidad and Tobago and one-off increases in accounting provisions recorded in 2017.

There was an overall operating loss for the year of $49.1 million compared with profits of $224.4 million in 2016. These results included restructuring costs of $140.3 million (2016- $116.4 million) comprised of stockholding of $81.3 million, and manpower restructuring costs of $59.0 million, as well as asset impairment costs of $93.4 million.

Net Finance Costs

The Group successfully prepaid and refinanced its existing debt during the year, primarily using proceeds from an intercompany loan with CEMEX, a short term facility provided by local financial institutions and cash. This resulted in finance cost savings by 9% when compared to 2016. Upon repayment of the five-year term loan, the company recorded a one-off debt extinguishment expense of $44.9 million, representing unamortised loan fees and expenses.

Liquidity & Financial Position

Cash generated from Operations in 2017 was $422.6 million, a decline from 2016 ($530.8 million). A significant amount of this, $214.9 million, was used for capital investment and $35.3 million was used to acquire part of the non-controlling interest in Readymix (West Indies) Limited, as the Group seeks to consolidate and streamline its structure. Dividends amounting to $7.5 million were also paid during the year.

The Group continued to aggressively reduce its debt during the year, and after prepayments on long-term debt of $106.8 million, balances as at the end of 2017 stood at $913.2 million.

Summary Financial Performance (figures quoted in TTD)

The Group recorded a loss for the year of $255.1 million (in 2016 a profit of $52.4 million). Impacting significantly on this result were costs incurred as a result of the Post-Merger Integration exercise with CEMEX. The major costs included were one-off operating costs of $140.3 million, impairment of $93.4 million, debt extinguishment of $44.9 million and write-off of deferred tax assets of $39.6 million. These initiatives continue to be crucial to laying the foundation that will position the Group to adapt to and thrive in the increasingly competitive regional environment.

Group revenue of $1.7 billion (2016: $1.9 billion) was achieved despite the continued contraction of economic activity in Trinidad and Tobago and competition across the region.

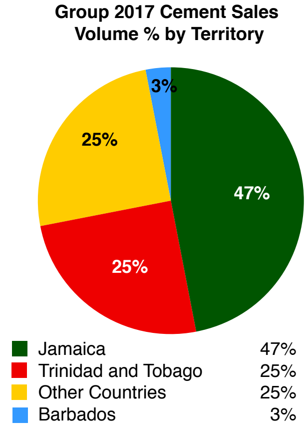
The Group paid a dividend of $0.02 per share in 2017 (2016: $0.04 per share).

3.0 GROUP MARKETING

Our 2017 total cement sales volume experienced a decrease of 4% when compared to 2016.

In Jamaica, CCCL increased its domestic sales volume by 6% over its 2016 level due to growing market demand. Domestic demand was fueled by continued government spending in infrastructural projects, private developments and retail consumption. Total cement sales declined by 4%, primarily as a result of cement export sales being curtailed to 29% of its 2016 export volume as the company focused its efforts to satisfy the surge of the local demand.

Trinidad and Tobago saw its fourth consecutive year of negative growth in 2017. Domestic cement demand decreased by a further 15% as a consequence of the contraction of the economy, significantly curtailed government spending and increased competition. TCL's export volume increased by a modest 4% above the 2016 level. However, total cement sales fell by 7%.



In Barbados, overall cement demand shrunk by 5.5%. Despite this, ACCL's domestic volume sales increased by 14% from 2016. This was largely attributed to the recaptured market share from the foreign competition which saw a decline of 35% from its 2016 level. Additionally, ACCL's export volume grew by 9% as a result of increased volumes to the Guyana market as well as recapture of the Suriname market by the TCL Group.

In the premixed concrete sector in Trinidad and Tobago, declining activity in the construction sector persisted in 2017. Concrete sales volumes at RML decreased by 13% in 2017 compared to 2016. RML was able to maintain a leadership position in this sector, remaining focused on providing its customers with affordable high quality concrete solutions and technology, together with its reputable level of service. Third-party aggregate sales remained significant in 2017, with an 8% increase vs the 2016 volume sold.

4.0 GROUP OPERATIONS

In 2017, the main operational focus was continuous improvement, building on the foundations set in 2016. Key to this was development of the Group's human capital through training at CEMEX plants and facilities across the world along with visits by subject experts to our facilities. Improved mind-sets in the areas of empowerment, teamwork and creativity are being demonstrated and are leading to improved results. Other major areas of focus for 2017 included:

Equipment Overhauls

The cement manufacturing industry is highly capital-intensive in nature and CEMEX continues to invest heavily in the TCL Group. In 2017, more than TT$200M was spent on capital expenditure projects across the Group.

These included:

- ACCL - modifications to the cement transport system to load vessels at a rate of 66% higher, with no stoppages or blockages and better environmental performance.

- CCCL - the purchase of a 10-spout Roto-packer and an Automatic Bag Placer that would increase packaging output by a rate of 35% and further improve reliability of supply to customers. The unit will be installed and commissioned in 2018. A new grinding system for coal/petcoke was installed, while shutting down two old Raymond mills. This upgrade would avoid the use of fuel oil and prepare the CCCL plant for a future kiln capacity increase.

New Coal Grinding System at CCCL

- TPL - a modern batching station unit was installed, which improves tuber output and overall productivity.
- RML - a new wash plant was purchased that would increase production and reduce the operating cost per tonne. The plant is expected to be installed and commissioned in 2018.
- TCL - a major overhaul was done at the HPGR resulting in a production increase of approximately 35%. This modification allows for lower maintenance cost and higher reliability on the system and has resulted in the mothballing of the two 1950s cement mills that were in operation. At the quarry, process re-engineering with oversight by the CEMEX team was done on Raw Mill 2, resulting in a production increase of approximately 30%. With this increase, the 1950s Raw Mill 1 is only operated a few days per month.

Housekeeping

Considerable resources were invested in housekeeping at all facilities across the Group, as part of improving the operational culture and alignment with CEMEX's best practices. These are some of the achievements:

RML's Guanapo Entrance, before and after

#3 Clinker Shed at TCL, before and after

TPL Bag Plant Work Floor, before and after

Truck Drivers' Washroom at CCCL, before and after

Quarry Management

'Garbage in, Garbage out' is one of the first and most important aspects of cement manufacturing. To this end, CEMEX supplied extensive support to the TCL Group in its quarry management – the start of the manufacturing process.

At ACCL, there was a heavy focus on the Shale Quarry whereby a topographical survey of the Greenland Shale Quarry was completed. This will be complemented with further geological reviews with an aim of better qualification and quantification of reserves. The overall intent is to optimise mining and to maximise reserves.

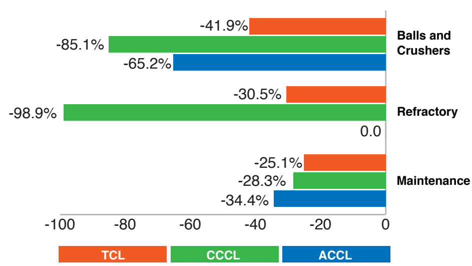
The Datamine project, which began in 2016 at the Mayo Quarry, has brought significant benefit with the installation of a very robust mining system. The system facilitated vast improvement in the reliability of material being mined from the quarry. The focus is now on further optimisation of the mining operations and improved mining practices.

The Datamine project was also fully implemented at CCCL with successful results, aiding in quality management. Further use of the software is intended in order to achieve long and medium-term planning, which will allow for the optimisation of reserves at the quarries. In 2017, emphasis was also placed on gaining the required licences for the quarries.

Cost Management

Cost control across the TCL Group continued aggressively in 2017, in order to bring the cement plants in line with CEMEX's operating standards. There was major focus in the area of maintenance spares, balls and crushers and refractory. The results achieved in 2017 over 2016 are reflected at right:

Reduction in Operating Cost per Tonne for 2017 over 2016 (percentage decrease)



Quality Assurance

The Quality Index (QI), as used by CEMEX, was implemented at all TCL Group cement plants. The QI is a number, the higher of which not only indicates improved quality of the cement and its by-products, but also the consistency of the quality. This is monitored by CEMEX SCA+C, which provides support to the TCL Group for actions related to increased quality performance.

During QI, the TCL Group was able to measure, in a summary format, all KPIs for quality, allowing better management. All employees now have a clear visual goal of where/what the Group would like to be/achieve. Together with the improved frequency of testing, the results have shown improved control of cement strength and consistency and therefore an even greater improved product for our customers.

Concrete Operations

Combined, the plants produced 72.054 cubic metres of concrete of varying strength classes, ranging from 10 MPa to 40 MPa. Major developments for the year included the completion in concrete of the roadway to the Guanapo main office, the installation of new dispensing systems to be used for CEMEX admixtures, a rigorous laboratory and field testing of the new range of CEMEX admixtures, concrete mix optimisation, improvements to the physical infrastructure of all plants and the termination of operations at Mayaro.

Both technical and sales staff interacted more closely with customers to better understand their requirements and to provide increased support on projects. This led to a 35% reduction in complaints as well as in the severity of the complaints/feedback raised.

Packaging Operations

In 2017, TPL reorganised its operations to achieve greater operating efficiencies. As the organisation moves towards a competitive cost structure, there have been significant increases in the cost of major inputs. All companies in the TCL Group were fully converted to 2-ply sacks for their respective local markets.

TPM was able to secure the supplies to new customers – CEMEX Jamaica and CEMEX Dominican Republic – of Jumbo Bags and Slings respectively. Discussions are actively ongoing with a number of potential customers within the wider CEMEX Group. Negotiations are continuing with a number of new suppliers in low-cost countries and this has already contributed to an overall improvement in financial performance.

5.0 GROUP DEVELOPMENTAL ACTIVITIES

Sustainable Road Solutions

2017 proved to be quite a developmental year for concrete road solutions within the Group, following the pilot projects completed in 2016. The key priority for progressing the “Grow the Pie” initiative has been in technical and commercial training of the commercial teams within the Group. Furthermore, training was conducted for contractors under the “Xperts” programme to ensure that their construction capabilities are in keeping with CEMEX and each country’s standards. Moving forward, the focus will be on more structured and aligned advocating and lobbying with major stakeholders in each country in order to build the business.

In Guyana, three projects were completed with additional phases being awarded in 2018 to the two trained contractors. The focus will be to train additional contractors on the technologies and to advocate heavily with their support to the public sector.

In Trinidad, a similar strategy is being exercised where more contractors are being trained and strategic partnerships formed to support the tendering process for the few “big” projects scheduled for 2018. The objective still remains the same, which is to capture at least 5% of all roads to be constructed/rehabilitated in the public sector.

In Barbados, lobbying government and the local entities was the main focal point in 2017 and continues to be for 2018.

In Jamaica, a major project was won for the rehabilitation of the Montego Bay airport, which is being heavily supported by CEMEX Mexico and is a major success story to push advocacy in the region.

Housing

Housing continues to be a major socio-economic issue for the Caribbean. Most countries have indicated that affordable housing continues to be a challenge especially to people in the lower income tier.

In Trinidad, discussions with the Ministry of Housing have been ongoing with the objective to support and fill the gaps in low-cost housing for the country. TCL Group has been working co-operatively within its business units to provide support in bundled packages for building solutions.

The development of the East Lakes housing project by Home Solutions at RML, Guanapo has commenced with construction in phase one. It is aimed primarily at providing middle-income homes to the public as this was the tier highlighted by the Housing Ministry to be in high demand. The development will be designed and constructed utilising concrete in all ancillary work such as pavements, sidewalks, car parks and utility corridors.

In Guyana, the Minister of Housing has also requested that low-cost solutions be provided for middle-income families. Discussions have been ongoing primarily with the various housing contractors who have been involved in the construction process and have requested building solutions support from TCL Guyana Inc/TCL Group.

In Barbados, lobbying the government continues with a focus on supporting the need for low-cost housing. Additionally, in a move to become more vertically integrated, ACCL has expanded its product portfolio to supply Readymix concrete and precast solutions to the housing market of Barbados. The company has since launched a successful initiative, where projects are already being supplied with solutions.

In Jamaica, Government and the private construction sector are responding positively to incorporating more concrete solutions into housing and other building projects. The Group continues to support the efforts by regional governments to improve infrastructure in the wake of recent severe hurricanes.

6.0 HUMAN CAPITAL

Our People ... Our Focus

Emphasis continued to be placed on development of the company's most fundamental asset - our employees. In strengthening our human capital, a wide cross section of employees across the Group was exposed to training in different aspects of the business - process and operations; human resources; information technology; health and safety; financial; risk assessment; concrete technology and commercial strategy.

Our mission is to ensure that we have a pool of highly talented employees in an environment that fosters workplace diversity, by cohesively building strong teams to achieve our overall growth and objectives.

In the pursuit of excellence and human resource capability optimisation, we remained focused on talent management and employee development by creating synergies that cultivate and empower employees to perform at their best. It is through the dedication of our people that we are able to create stakeholder value.

Moving towards 'One CEMEX' continues to be a key component in our pursuit of building a more flexible and agile Group. The integration process continues to support innovation and technology, higher standards for health and safety and superior value for our customers. Increasingly, we are seeing the heightening of our leadership capabilities, in a globally diverse workplace that anticipates challenges, takes proactive steps and responds rapidly to change.

Among other highlights, the restructuring exercise continues to be a key priority in systematically managing costs and achieving best practice in our operations throughout the Group.

7.0 COMMUNICATIONS

Ongoing communication continues to play a pivotal role in our operations and we are always looking for innovative approaches to interact with and engage our internal and external publics. We are particularly focused on providing platforms for two-way dialogue, which allows us to gain feedback and better respond to the needs of our customers, employees, shareholders, communities and other stakeholders. Apart from creating direct interface opportunities, we have been heightening our presence on digital media including Facebook and Instagram, through which we are organically gaining recognition and an even stronger following.

During the year, “Refreshing News”, a twice-weekly “newsletter-type” conduit was introduced as one of the primary ways of keeping our employees constantly updated on positive achievements in Health & Safety (H&S), community outreach, training and development and other HR-related initiatives. Internal communication mechanisms such as these effectively help to boost employee morale and are also used as a tool for driving involvement in the company’s H&S agenda.

Traditional print media was used in 2017 to highlight positive developments and for an awareness campaign informing consumers about the negative effects of imported, competing cement that was past the date of its best performance.

Corporate Social Responsibility

The TCL Group treasures the many relationships it has built through initiatives geared towards the socio-economic well-being of communities and disadvantaged sectors in the Caribbean.

Our social investments are aligned to national/regional development goals and we are also moving to CEMEX’s model of creating shared value with the communities in which we operate.

We are proud to be helping to build a stronger Caribbean and are pleased to share highlights of our recent contributions on pages 50–53.

8.0 CHANGES TO EXECUTIVE MANAGEMENT

There were several changes to the Group’s executive structure and management team in 2017:

- Rodolfo Martinez Martin was appointed General Manager of Trinidad Cement Limited on June 26, replacing Jinda Maharaj who retired.
- Cessation of Egwin Daniel as General Manager – International Business and Marketing effective June 30.

- Cessation of Andres Peña as General Manager, Readymix (West Indies) Limited on August 17 and the appointment of Ricardo Garcia Viani to act as General Manager, Readymix (West Indies) Limited in addition to his substantive duties.
- October 4 – Appointment of Nigel Tozer as General Manager of Readymix (West Indies) Limited and cessation of the acting appointment of Ricardo Garcia Viani.
- Bernardo Cioni Diaz was appointed Group Strategic Planning Manager on November 1, replacing Ricardo Garcia Viani.
- Rafael Ernesto White was appointed Group Enterprise Risk Manager, Gewan Armoogam as Group Internal Control Manager and Maria Boodoo as Internal Audit Manager – all effective November 1.

9.0 LOOKING AHEAD

The current slowdown in construction activity against a backdrop of increased competition is expected to remain, particularly for Trinidad & Tobago and Barbados. Despite this, we are optimistic that through our integration with CEMEX, improved operational efficiencies, cost reduction initiatives, a strategic marketing approach and the continued support of our stakeholders, we will continue to navigate the challenging times.

10.0 ACKNOWLEDGEMENTS

We are sincerely appreciative of all our stakeholders for their unstinting support, as together we work to build a stronger Caribbean. I wish to specially thank our valued shareholders for their confidence; our dedicated employees for their hard work and commitment, and our Chairman and my fellow directors for their stewardship throughout the year.

José Luis Seijo González
Managing Director

Indispensible for our local and export business: quality slings and paper sacks made by TCL Ponsa and TCL Packaging.

Corporate Social Responsibility

Part of our Communities


TCL
TRINIDAD CEMENT LIMITED

The TCL Group is comprised of several business units that operate in different nation states of the Caribbean (see details on pages 56–65). Each business unit sees itself as a responsible corporate citizen and interacts with the communities in which it is located. In our experience, this approach has proven to be flexible in its catering to individual and varied necessities that arise in the communities, and allows us to improve the lives of as many people as possible.

Sometimes, as seen in the past year with the terrible impact of hurricanes Irma and Maria in our neighbouring islands, a Group-wide response is called for. In emergencies like this, we can swiftly leverage the resources of our 1,000+ employees, and assist on a larger scale as the circumstances require.

Both at the grassroots community level, where a single child can benefit, and in situations like the emergency response, where many people require help, TCL Group and its member companies have the building of a stronger region at heart.

Here are some of the key CSR initiatives that were undertaken across the Caribbean:

Arawak Cement, Barbados:

Sheltering our Communities: In March, four bus shelters were erected in Six Roads, St. Lucy, Warrens and Spring Gardens in Barbados (see pic at right).

Young Leaders in the Making: Five students from the Daryll Jordan Secondary School started their CVQ internship at Arawak Cement in the Mechanical and Electrical fields with one culinary student attached to the Canteen. Throughout the school year, a total of fifteen students were trained at Arawak.

CCCL touched over 200,000 lives in Jamaica through our CSR efforts alone!

Carib Cement, Jamaica:

Building wholesome communities: During the year, we renovated Donmar Sports Complex, Cooreville Gardens Community Centre and the Hope Pastures Community Park for the enjoyment and safety of the residents.

Building lasting infrastructure: We rehabilitated concrete roads at David’s Hill and Charlton Fording. Carib Cement also donated 3,000 bags of cement to the Jamaican government in response to devastating floods that affected Jamaica in April and May (see pic at left).

Building community relationships: We partnered with the Kingston Eastern Police Division in launching their first annual spelling bee competition, and assisted the Orthopaedic Ward of the Bustamante Hospital for Children financially and with our annual Christmas treat for patients and staff.

Building well-rounded students: We gave scholarships exceeding J$3 million to students within the community, and participated in sports and other initiatives through financial and other assistance.

TCL Guyana:

Cement donation: TCL Guyana Inc. donated cement to the Rotaract Club of Georgetown Central, in aid of the club's initiative, "Project A.R.I.S.E. – Anna Regina: Inspire, Strengthen, Engage!" The donation was used for the rehabilitation and beautification of the Cheddi Jagan Play Park in Anna Regina (see pic at right).

Customer and employee appreciation: We hosted our customers and long-service employees at the Pegasus Hotel in Guyana, where we presented awards in recognition of their loyal support.

TCL, TPL, TPM, RML, Trinidad and Tobago:

Assisting the Scout cubs: Members of the 3rd Claxton Bay Cub Pack were presented with a donation for their Investiture Ceremony. Ten boys were invested into this pack. Two of the cub scouts along with two members of the Parent Teachers' Association were present to receive the donation and were very grateful for TCL's continued support.

Learning the ropes: An annual event, 25 Mechanical Engineering students from the University of the West Indies visited TCL Packaging's plant. The students were treated to a plant tour where the general operation of the machines and the conversion process were thoroughly explained. Following this, a presentation on TPL's technical aspects was done.

Hurricane relief: In the aftermath of hurricanes Irma and Maria, the TCL Group worked with regional governments and the Caribbean Disaster Emergency Management Agency to launch a massive relief drive. We collected cash and non-cash donations from employees Group-wide, suppliers and customers, and matched employees' financial contributions with that from the Company. People gave generously and TCL's export and logistics experts made sure that the relief items reached their intended destinations quickly (see pic above).

TCL Group Business Units

Principal Officers


GROUP
Building a Brighter Future
Quality in Every Bag

Trinidad Cement Limited

TRINIDAD CEMENT LIMITED

Registered Office
Southern Main Road, Claxton Bay
Trinidad & Tobago, W.I.
Tel: (868) 225-8254
Fax: (868) 659-0818
Website: www.tcl.co.tt

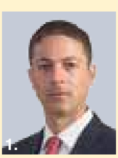
Trinidad Cement Limited was incorporated in Trinidad in 1951 and commenced production in 1954. Its primary activity is the manufacture and sale of Portland Pozzolan Cement, Ordinary Portland Cement and Class G High Sulphate Resistant (HSR) Oilwell Cement. The distribution of its shareholding is detailed in the pie chart on page 13.

Company Secretary

Mrs. Kathryna Baptiste Assee

Principal Officers

1.	Mr. Rodolfo Martinez Martin	-	General Manager
2.	Mr. Rodney Cowan	-	Marketing Manager
3.	Ms. Lisel Cozier	-	Procurement Manager
4.	Mrs. Sonia Gobin	-	Finance Manager
5.	Mrs. Gloria Jacobs	-	Projects & Operations Support Manager
6.	Ms. Bonnie Alexis	-	Human Resource Manager/Group Coordinator
7.	Lt. Col. (ret'd) Richardo Garcia	-	Health, Safety, Security & Environment Manager
8.	Mr. Ravi Bahall	-	Engineering Services Manager (Ag.)
9.	Mr. Rajeev Chadee	-	Production Manager



READYMIX (WEST INDIES) LIMITED

Registered Office
Tumpuna Road, Guanapo, Arima
Trinidad & Tobago, W.I.
Tel: (868) 225-8254
Fax: (868) 643-3209
Website: www.readymix.co.tt

Readymix (West Indies) Limited (RML) was incorporated in Trinidad in 1961. Its primary activities are the manufacture and sale of pre-mixed concrete and the mining and sale of sand and gravel. In 1995, Trinidad Cement Limited (TCL) acquired majority ownership of the Company. RML acquired a 60% shareholding in Premix and Precast Concrete Inc. (PPCI) in Barbados in 2002.

Board of Directors

Mr. Nigel Edwards (Chairman)
Mr. Michael Glenn Hamel-Smith
Mr. José Luis Seijo González
Mr. Jinda Maharaj
Mr. Luis Gilberto Ali Moya

Distribution of Shareholding

TCL	97.23%
Other Shareholders	2.77%

Company Secretary

Mr. Malcolm Sooknanan

Principal Officers

1.	Mr. Nigel Tozer	-	General Manager
2.	Mr. Malcolm Sooknanan	-	Finance Manager / Company Secretary
3.	Mr. Afzal Ali	-	Marketing Manager (Ag.)
4.	Mr. Wayne Benjamin	-	Technical Services Manager
5.	Mr. Arneal Sieupresad	-	Maintenance Manager (Ag.)
6.	Ms. Cindy Siewbally	-	Human Resource Manager
7.	Mr. Anthony Ferguson	-	Health, Safety, Security & Environment Coordinator
8.	Mr. Kevin Douglas	-	Security Supervisor

Caribbean Cement Company Limited

CARIBBEAN CEMENT COMPANY LIMITED
CARIB CEMENT

Registered Office
P.O. Box 448, Kingston
Jamaica, W.I.
Tel: (876) 928-6231-5
Website: www.caribcement.com

Caribbean Cement Company Limited was incorporated in Jamaica in 1947 and commenced production in 1952. Its primary activity is the manufacture and sale of Portland Pozzolan Cement and Ordinary Portland Cement. CCCL has three subsidiaries, namely Jamaica Gypsum & Quarries Limited, which is involved in the mining and sale of gypsum and anhydrite; Caribbean Gypsum Company Limited which has major assets of gypsum/anhydrite quarry lands to enhance the reserve of raw material available to the Company, where the new Halberstadt Quarry opened in 2014; and Rockfort Mineral Bath Complex Limited, a national heritage site and mineral spa. The distribution of its shareholding is as follows:

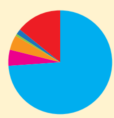
Board of Directors

Mr. Parris Lyew-Ayee (Chairman)
Mr. José Luis Seijo González
Mr. Peter Donkersloot Ponce
Mr. Luis Gilberto Ali Moya
Mr. Hollis N. Hosein
Mr. Peter Moses
Mrs. Dania Jocelyn Heredia Ramírez

Company Secretary

Mr. Craig Lloyd Neil

Distribution of Shareholding



TCL	74.08%
CEMEX - Scancem International (St. Lucia) Ltd	4.96%
Financial Institutions	4.92%
Pension Plans	0.41%
Government	1.58%
Other	14.05%

Principal Officers

1. Mr. Peter Donkersloot Ponce - General Manager
2. Mr. Sergio Zazueta - Operations Director
3. Mr. Ricardo Lopez - Finance Manager
4. Mr. Jorge Camelo - Human Resource Manager
5. Mr. Craig Lloyd Neil - Company Secretary/Legal Counsel
6. Mrs. Sophia Lowe-Pinnock - Corporate Communication & Public Affairs Manager
7. Mr. Adrian Spencer - Procurement Manager
8. Mr. Andrew Stephenson - Quality, Raw Material & Environment Manager
9. Mr. Christopher Brown - Production Manager
10. Mr. Wayne Ballen - Security Manager
11. Mr. Carlos Phipps - Maintenance Manager
12. Mr. Marchel Burrell - Health & Safety Manager
13. Mr. Garen Williams - Distribution Sales Manager
14. Mr. Wilson Peña - Industrial Sales Manager
15. Mr. Jose Mongue - Strategic Planning Manager
16. Mr. Jorge Herrera - Supply Chain Manager

Arawak Cement Company Limited

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

Arawak Cement Company Limited was incorporated in Barbados in 1981 and was wholly acquired by TCL in 1994. Its primary activity is the manufacture and sale of Portland Limestone Cement.

Board of Directors

Mr. Arun K. Goyal – Chairman
Mr. José Luis Seijo González
Mr. Miguel Roberto Estrada Sanchez
Mr. Juan Carlos Mendoza
Mr. Luis Gilberto Ali Moya

Company Secretary

Ms. Michelle Davidson

Principal Officers

1. Mr. Manuel Toro Varon - General Manager
2. Mr. Deodat Arjune - Finance Manager
3. Mrs. Sheryllyn Welch-Payne - Procurement Manager
4. Mr. Olvin Collymore - Human Resource Manager (Ag.)
5. Mr. Raul Bustamante Perez - Operations Co-Ordinator
6. Mr. Juan David Bedoya Velasquez - Marketing Co-Ordinator


1.

2.

3.

4.

5.

6.

TCL Packaging Limited

TCL PACKAGING LIMITED

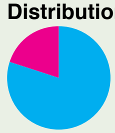
Registered Office
Southern Main Road, Claxton Bay
Trinidad & Tobago, W.I.
Tel: (868) 225-8254
Fax: (868) 659-0950

TCL Packaging Limited was incorporated in Trinidad in 1989 and commenced operations in 1991. Its primary activity is the manufacture and sale of papersacks.

Board of Directors

Mr. Arun K. Goyal – Chairman
Mr. José Luis Seijo González
Mr. Juan Carlos Mendoza
Mr. Luis Gilberto Ali Moya
Mr. Carlos Martinez (Mondi Group –
Parent Company of Dipeco Switzerland)

Distribution of Shareholding



Company Secretary

Mr. Brendan Sutherland

Principal Officers

1. Mr. Roger Ramdwar - General Manager
2. Ms. Sursatee Heeralal - Marketing and Logistics Officer
3. Mr. Kaveer Seepersad - Senior Plant Co-ordinator
4. Mr. Joel Jaggernath - Health and Safety Officer

TCL Ponsa Manufacturing Limited

TCL – PONSA
MANUFACTURING LIMITED

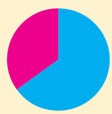
Registered Office
Pacific Avenue, Point Lisas Industrial Estate
Point Lisas, Trinidad & Tobago, W.I.
Tel: (868) 679-4120
Fax: (868) 636-9627

TCL Ponsa Manufacturing Limited was incorporated in Trinidad in 1995. Its primary activity is the manufacture and sale of single use slings. It is also involved in the sale of jumbo bags, reusable slings, safety harnesses and polypropylene sacks, as well as webbing for use in the furniture industry.

Board of Directors

Mr. Arun K. Goyal - Chairman
Mr. José Luis Seijo González
Mr. Juan Ponsa (Industrias Ponsa - Spain)
Ms. Laura Ponsa (Industrias Ponsa - Spain)
Mr. Luis Gilberto Ali Moya
Mr. Juan Carlos Mendoza

Distribution of Shareholding



TCL	65%
Industrias Ponsa S.A. (Spain)	35%

Company Secretary

Mr. Brendan Sutherland

Principal Officers

1. Mr. Roger Ramdwar - General Manager
2. Ms. Sursatee Heeralal - Marketing & Logistics Officer
3. Mr. Stephen Ramcharan - Technical Co-ordinator
4. Mr. Joel Jaggernath - Health & Safety Officer


1.


2.


3.


4.

TCL Trading Limited

Registered Office
Box 885, Fair Play Complex
The Valley, Anguilla, W.I.
Tel: (264) 497-3593
Fax: (264) 497-8501

TCL Trading was incorporated in Anguilla, W.I. on December 12, 1997 and commenced business in April 1998. Its primary activity is trading in cement and related products and it functions as a marketing support unit for the two cement companies, Trinidad Cement Limited and Arawak Cement Company Limited. The company is wholly owned by TCL.

Board of Directors

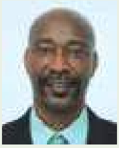
Mr. José Luis Seijo González
Mr. Bernardo Cioni Diaz

Company Secretary

Ms. Michelle Davidson

Principal Officer

Mr. Jaris Liburd - General Manager



TTLI Trading Limited

TTLI TRADING LIMITED

Registered Office
Checker Hall, St. Lucy
BB 27178, Barbados
Tel: (246) 271-8854
Fax: (246) 439-7976

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

Board of Directors

Mr. José Luis Seijo González
Mr. Miguel Roberto Estrada Sanchez
Mr. Manuel Toro Varon

Company Secretary

Ms. Michelle Davidson

Principal Officer

Mr. Jaris Liburd - General Manager

TCL Guyana Inc.

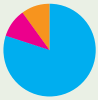
Registered Office
2-9 Lombard Street
GNIC Compound, Georgetown
Guyana, South America
Tel: 011 (592) 225-7520
Fax: 011 (592) 225-7347

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

Board of Directors

Mr. Hollis N. Hosein (Chairman)
Mr. José Luis Seijo González
Mr. Manuel Toro Varon
Mr. Ramjeet Ramphal
Mr. Vinode Persaud

Distribution of Shareholding



TCL (Nevis) Limited	80%
Anral Investments Limited	10%
Toolsie Persaud Limited	10%

Company Secretary

Mrs. Kathryna Baptiste Assee

Principal Officer

Mr. Phillip Yeung - Business Manager

Statement of Management Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Trinidad Cement Limited (“the Company”) and its subsidiaries (collectively, “the Group”) which comprise the consolidated statement of financial position as at December 31, 2017, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group’s assets, detection/prevention of fraud, and the achievement of the Group’s operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

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

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

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

José Luis Seijo González
Managing Director
February 9, 2018

Kathryna Baptiste Assee
Group Manager Legal/Company Secretary
February 9, 2018

Independent Auditors' Report

To the Shareholders of Trinidad Cement Limited

Opinion

We have audited the consolidated financial statements of Trinidad Cement Limited ("the Company") and its subsidiaries (collectively, "the Group"), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for opinion

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

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

Key audit matters

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

Key audit matters_continued_

Impairment testing of property, plant and equipment	
See Note 7(t) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Impairment tests on assets as performed by management involve significant estimation and the application of a high level of judgment relative to key assumptions such as the applicable discount rate and future cash-flows. We consider this a key audit matter because it involves complex and subjective judgements by management regarding long-term sales growth, costs and projected gross margins in the different countries where the Group operates as well as discount rates used to discount future cash flows and expected market share. The outcome of the impairment testing performed by management is sensitive to these assumptions and estimates, such that changes in these assumptions/ estimates may result in different impairment test conclusions.	Our audit procedures included testing the Group's methodology and assumptions used in preparing discounted cash flow models and the determination of Cash Generating Unit (CGU). We also evaluated whether the impairment test was performed by management in accordance with that prescribed by accounting Policy Note 7(t). We evaluated and tested the assumptions, methodologies, CGU determination, discount rate, other key data used by management and projected economic growth and compared the latter with reference to historical forecasting accuracy, considering the potential risk of management bias. We challenged the overall results of the calculations and performed our own sensitivity analysis, including a reasonably probable reduction in assumed growth rates and cash flows. We also assessed the Group's disclosures about the sensitivity of the outcome of the impairment assessment to key assumptions such as discount rates and growth rates which cause the carrying amount of the CGU to exceed its recoverable amount. We also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

Key audit matters_continued_

Tax contingencies	
See Note 26 to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group is involved in certain significant tax proceedings. Compliance with tax regulations is a complex matter within the Group because uncertainties exist with respect to the interpretation of certain tax regulations. Therefore management judgement and estimation is involved in the determination of any tax provisions which should or should not be recorded in respect of these tax matters. Resolution of tax proceedings may span multiple years, and may involve negotiation and therefore, making judgments of potential outcomes is a complex issue for the Group. Management applies judgment in estimating the likelihood of the future outcome in each case and recognises a provision where applicable. We focused on this area due to the inherent complexity and judgement in estimating the amount of the provision required.	We assessed the adequacy of the level of provision established, or lack thereof, in relation to significant uncertain tax positions, primarily in respect of cases in Trinidad and Guyana. We discussed the status of each significant case with management and critically assessed their responses. We read the latest correspondence between the Group and the various tax authorities and attorneys where applicable. We also obtained written responses from the Group's legal advisors containing their views on material exposures and any related litigation. In relation to tax matters, we also met with the Group's tax officers to assess their judgements on significant cases, their views and strategies, as well as the related technical grounds to their position based on applicable tax laws by involving our tax specialists. We assessed whether the Group's disclosures about legal and tax contingencies provided sufficient information to readers of the financial statements in light of the significance of these cases.

Key audit matters_continued_

Recoverability of deferred tax assets related to tax loss carry forwards	
See Note 7(h) and 11(d) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The Group has significant deferred tax assets in respect of tax losses (mainly in Trinidad and Tobago and Jamaica). There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognised.	We evaluated the reasonableness of key tax assumptions, timing of reversal of temporary differences as well as evaluated the reasonableness of the forecasts for future taxable profits with reference to historical forecasting accuracy, considering the potential risk of management bias. These assessments were based on our knowledge of the tax, legal and operating environments in which the Group operates. We also assessed the adequacy of the Group's disclosures setting out the basis of the deferred tax asset balances and the level of estimation involved.

Key audit matters_continued_

Allowance for impairment of trade receivables	
See Note 7(t) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
As presented in Note 10, a significant percentage of the Group's trade receivables (44% or $50 million) are aged in excess of 90 days past due and have not been provided for by management. The recoverability of trade receivables requires management judgement due to the specific risks associated with each individual trade receivable. There is an element of management judgement in the assessment of extent of the recoverability of long outstanding trade receivable balances. Management assessed the recoverability of trade receivables by reviewing customers' aging profile, credit history and status of subsequent settlement, and determined whether an impairment provision is required. For the purpose of impairment assessment, significant judgement and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables, are required for the identification of impairment events and the determination of the impairment charge.	Our audit procedures in relation to the recoverability of trade receivables included: • understood and tested the Group's credit control procedures and tested key controls over granting of credit to customers; • tested aging of trade receivable balances at year end on a sample basis; • obtained a list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management; • assessed the recoverability of these outstanding receivables through our discussion with management and with reference to detailed receivable listings for the subsequent period; and • assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent settlements. In addition, we evaluated the adequacy of the Group's disclosures regarding trade receivables.

Key audit matters_continued_

Timing of revenue recognition	
See Note 7(g) to the consolidated financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Revenues consist of small transactions with short payment terms and low complexity. We have identified the recognition of revenue as a key audit matter because there is a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period (cut-off).	In order to address the risk of misstatement related to cut-off in revenue recognition, we tested the Group's controls with respect to revenue recognition and tested individual transactions occurring immediately before and after the year end. We also tested on a sample basis, credit notes issued after year end, to assess whether those transactions were recognised in the correct accounting period. Our tests of detail focused on transactions occurring within proximity of the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents.

Information other than the Consolidated Financial Statements and Auditors' Report thereon

Management is responsible for the other information. The other information comprises the information included in the Group's 2017 Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Group's 2017 Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Group's 2017 Annual Report, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2016 were audited by another auditor who expressed an unqualified opinion on those financial statements on February 23, 2017.

Responsibilities of Management and those charged with governance for the Consolidated Financial Statements

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

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

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

Auditors' responsibilities for the audit of the Consolidated Financial Statements

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

Auditors' responsibilities for the audit of the Consolidated Financial Statements _continued_

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this Independent Auditors' report is Marissa Quashie.

Chartered Accountants
Port of Spain
Trinidad and Tobago
February 9, 2018

Consolidated Statement of Financial Position

As at 31 December 2017

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2017 $	2016 $
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,811,779	1,805,255
Employee benefits	9	34,392	37,256
Trade and other receivables	10	114	1,966
Deferred tax assets	11 (d)	332,655	394,075
		2,178,940	2,238,552
Current assets			
Inventories	12	205,374	362,521
Trade and other receivables	10	160,539	134,683
Cash and cash equivalents	13	118,826	186,546
		484,739	683,750
Total assets		2,663,679	2,922,302
EQUITY AND LIABILITIES			
Equity			
Stated capital	14 (a)	827,732	827,732
Unallocated ESOP shares	15	(20,019)	(20,849)
Reserves	14 (b)	(240,405)	(254,305)
Retained earnings		193,890	464,549
Equity attributable to owners of the Company		761,198	1,017,127
Non-controlling interests	16	(8,365)	(221)
Total equity		752,833	1,016,906
Non-current liabilities			
Borrowings	17	669,137	839,646
Employee benefits	9	20,501	24,928
Other post-retirement benefits	9	103,359	94,412
Trade and other payables	18	87	-
Deferred tax liabilities	11 (d)	327,956	344,959
		1,121,040	1,303,945
Current liabilities			
Trade and other payables	18	545,835	472,601
Borrowings	17	243,971	128,850
		789,806	601,451
Total equity and liabilities		2,663,679	2,922,302

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

These consolidated financial statements were approved by the Board of Directors on February 9, 2018 and signed on their behalf by:

AKhord

Director **Director**

Consolidated Statement of Profit or Loss

For the year ended
31 December 2017

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	2017 $	2016 $
Continuing operations			
Revenue	19	1,712,569	1,887,013
Earnings before interest, tax, depreciation, gain on disposal of property, plant and equipment and restructuring costs	19	312,998	464,226
Depreciation	8	(127,969)	(123,148)
Loss on disposal of property, plant and equipment		(325)	(163)
Stockholding and restructuring costs	12	(81,352)	(72,026)
Impairment charge – Property, plant and equipment	8	(93,418)	-
Manpower restructuring costs	19	(59,023)	(44,464)
Operating (loss)/profit		(49,089)	224,425
Finance costs - Net	20	(123,137)	(134,798)
(Loss)/profit before taxation		(172,226)	89,627
Taxation	11	(82,916)	(37,205)
(Loss)/profit for the year from continuing operations		(255,142)	52,422
(Loss)/profit attributable to:			
Owners of the Company	21	(266,165)	36,859
Non-controlling interests	16	11,023	15,563
		(255,142)	52,422

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

Consolidated Statement of Comprehensive Income

For the year ended
31 December 2017

(Expressed in Thousands of
Trinidad and Tobago Dollars)

	Notes	2017 $	2016 $
(Loss)/profit for the year		(255,142)	52,422
Items that are or maybe reclassified to profit or loss:			
Exchange differences on translation of foreign operations	14 (b)	14,834	(12,864)
Change in fair value of cash flow hedge	14 (b)	3,976	-
		18,810	(12,864)
Items that will not be reclassified to profit or loss:			
Re-measurement gains on pension plans and other post-retirement benefits	9	21,158	36,194
Related tax	11 (c)	(6,678)	2,508
		14,480	38,702
Other comprehensive income for the year, net of tax		33,290	25,838
Total comprehensive (loss)/income for the year		(221,852)	78,260
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(238,333)	65,790
Non-controlling interests		16,481	12,470
		(221,852)	78,260
Earnings per share:			
Basic and diluted (expressed in $ per share)	21	($0.72)	$0.10

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	Attributable to Owners of the Company						
		Stated capital $	Unallocated ESOP shares $	Other reserves $	Retained earnings $	Total $	Non-controlling interests $	Total equity $
Year ended December 31, 2016								
Balance at January 1, 2016		827,732	(25,299)	(243,485)	404,345	963,293	(12,323)	950,970
Profit for the year		-	-	-	36,859	36,859	15,563	52,422
Other comprehensive (loss)/income	14(c)	-	-	(10,820)	39,751	28,931	(3,093)	25,838
Total comprehensive (loss)/income		-	-	(10,820)	76,610	65,790	12,470	78,260
Transactions with owners of the Company								
Share-based allocations	15	-	4,450	-	(1,420)	3,030	-	3,030
Dividends	22	-	-	-	(14,986)	(14,986)	(368)	(15,354)
		-	4,450	(10,820)	60,204	53,834	12,102	65,936
Balance at December 31, 2016		827,732	(20,849)	(254,305)	464,549	1,017,127	(221)	1,016,906
Year ended December 31, 2017								
Balance at January 1, 2017		827,732	(20,849)	(254,305)	464,549	1,017,127	(221)	1,016,906
Profit for the year		-	-	-	(266,165)	(266,165)	11,023	(255,142)
Other comprehensive (loss)/income	14(c)	-	-	13,900	13,932	27,832	5,458	33,290
Total comprehensive (loss)/income		-	-	13,900	(252,233)	(238,333)	16,481	(221,852)
Transactions with owners of the Company								
Share-based allocations	15	-	830	-	(200)	630	-	630
Dividends	22	-	-	-	(7,493)	(7,493)	(26)	(7,519)
Acquisition of NCI without change of control		-	-	-	(10,733)	(10,733)	(24,599)	(35,332)
		-	830	13,900	(270,659)	(255,929)	(8,144)	(264,073)
Balance at December 31, 2017		827,732	(20,019)	(240,405)	193,890	761,198	(8,365)	752,833

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

Consolidated Statement of Cash Flows

For the year ended
31 December 2017

(Expressed in Thousands of
Trinidad and Tobago Dollars)

	Notes	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	23	422,610	530,804
Pension contributions paid	9(a)	(9,822)	(10,928)
Post-retirement benefits paid	9(b)	(3,140)	(2,408)
Taxation paid		(42,059)	(62,385)
Net interest paid		(72,104)	(88,842)
Net cash from operating activities		295,485	366,241
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	8	(214,914)	(200,520)
Proceeds from disposal of property, plant and equipment		886	713
Net cash used in investing activities		(214,028)	(199,807)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,135,922)	(261,133)
Proceeds from borrowings		1,029,155	-
Dividends paid		(7,519)	(15,354)
Acquisition of non-controlling interests		(35,332)	-
Net cash used in financing activities		(149,618)	(276,487)
Net (decrease)/increase in cash and cash equivalents		(68,161)	(110,053)
Cash and cash equivalents at January 1		186,546	288,500
Effect of movement in exchange rate on cash held		441	8,099
Cash and cash equivalents at December 31		118,826	186,546
Represented by:			
Cash and cash equivalents	13	118,826	186,546

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

1. Incorporation and business activities

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

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

As at year end the ordinary shares of the Company and certain entities within the Group are publicly traded on the Trinidad and Tobago Stock Exchange (TTSE), Jamaica Stock Exchange (JSE) and Barbados Stock Exchange (BSE). At the date of approval of the consolidated financial statements, the Company had embarked upon a process of delisting from the JSE and BSE exchanges and were at various stages of completion in this delisting process.

On January 24, 2017 the Company became a subsidiary of Sierra Trading. Consequent to this development, the Group's ultimate parent company became CEMEX, S.A.B. de C.V., a public stock corporation with variable capital organised under the laws of the United Mexican States, or Mexico and its shares are publicly traded on the Mexican Stock Exchange ("MSE") as Ordinary Participation Certificates ("CPOs") under the symbol "CEMEXCPO". Each CPO represents two series "A" shares and one series "B" share of common stock of CEMEX, S.A.B. de C.V. In addition, CEMEX, S.A.B. de C.V.'s shares are listed on the New York Stock Exchange ("NYSE") as American Depositary Shares ("ADSs") under the symbol "CX." Each ADS represents ten CPOs.

The Company's subsidiaries and their principal activities are detailed in Note 24.

These consolidated financial statements were authorised for issue by Trinidad Cement Limited's Board of Directors on February 9, 2018.

2. Basis of accounting

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

3. Basis of measurement

The consolidated financial statements are prepared on the historical cost basis modified for the inclusion of net defined benefit asset (obligation) which is recognised at fair value of plan assets, adjusted by re-measurement through other comprehensive income (OCI), less the present value of the defined obligation adjusted by experience gains/losses on revaluation, limited as explained in Note 7(i) and Note 9.

4. Basis of consolidation

(i) Subsidiaries

A subsidiary Company is an entity controlled by the Group. Control is achieved when the Group 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.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the carrying amount of assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained

4. Basis of consolidation_continued_

*(i) Subsidiaries_continued_*

- Reclassifies to profit or loss or to retained earnings, as appropriate, the amounts recognised in OCI as would be required if the Group had directly disposed of the related assets or liabilities
- Recognises any resulting difference as a gain or loss in profit or loss attributable to the Parent

Non-controlling interests represent the interests not held by the Group in Readymix (West Indies) Limited, Caribbean Cement Company Limited, TCL Ponsa Manufacturing Limited, TCL Packaging Limited and TCL Guyana Inc.

(ii) Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

5. Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). These consolidated financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Group's functional and presentation currency.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

6. Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell is determined using an approach that includes the use of market observable data for similar type CGUs. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested.

6. Use of judgements and estimates_continued_

*(i) Impairment of non-financial assets_continued_*

The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(ii) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the existence of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group Companies' domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised or there are available timing differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies and the availability of timing differences.

(iii) Provision for doubtful debts

Management exercises judgement in determining the adequacy of provisions established for accounts receivable balances for which collections are considered doubtful. Judgement is used in the assessment of the extent of the recoverability of certain balances. Actual outcomes may be materially different from the provision established by management.

(iv) Property, plant and equipment

Management exercises judgement in determining whether costs incurred can accrue significant future economic benefits to the Group to enable the value to be treated as a capital expense.

Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.

Additionally, management exercises judgement in the determination of the key assumptions utilised in the impairment tests performed on the property, plant and equipment. These assumptions include the use of a suitable discount rate and applicable cash flow forecasts to be used in the analysis. These variables significantly impact the results and conclusions derived from the impairment tests performed.

6. Use of Judgements and estimates_continued_

(v) Employee benefits

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

7. Significant accounting policies

The significant accounting policies adopted in the preparation of these consolidated financial statements have been applied consistently to all the periods presented in the consolidated financial statements and are set out below.

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39: "*Financial instruments: Recognition and Measurement*" either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

7. Significant accounting policies_continued_

(a) Business combinations and goodwill_continued_

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The Group assesses at each reporting date whether there is an indication that goodwill may be impaired. If any such indication exists, or when impairment testing for an asset is required, the Group makes an estimate of the assets recoverable amount.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. All other repairs and maintenance are recognised in profit or loss.

Depreciation is provided on the straight line or reducing balance basis at rates estimated to write-off the assets over their estimated useful lives. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Current rates of depreciation are:

Buildings	-	2%	-	4%
Plant, machinery and equipment	-	3%	-	25%
Motor vehicles	-	10%	-	25%
Office furniture and equipment	-	10%	-	33%

Leasehold land and improvements are amortised over the shorter of the remaining term of the lease and the useful life of the asset. Freehold land and capital work-in-progress are not depreciated. The limestone reserves contained in the leasehold land at a subsidiary is valued at fair market value determined at the date of acquisition of the subsidiary and was subsequently carried at this cost. A depletion charge is recognised based on units of production from those reserves.

7. Significant accounting policies_continued_

(b) Property, plant and equipment_continued_

All other limestone reserves which are contained in lands owned by the Group are not carried at fair value but the related land is stated at historical cost.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognising of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(c) Inventories

Plant spares, raw materials and consumables are valued at the lower of weighted average cost and net realisable value. Work in progress and finished goods are valued at the lower of cost and net realisable value. Cost of inventories includes those expenditures incurred in acquiring or producing inventories including production overheads and other conversion costs incurred to bring them to their existing location and condition. Net realisable value is the estimate of the selling price less the costs of completion and direct selling expenses.

(d) Foreign currency translation

Foreign currency transactions

Transactions in foreign currencies are initially recorded by Group entities in their functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign currency spot rate of exchange ruling at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Exchange differences on foreign currency transactions are recognised in profit or loss.

Foreign entities

On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the financial reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are recognised in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognised in other comprehensive income is recognised in profit or loss.

(e) Segment information

The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Revenues are attributable to geographic areas based on the location of the assets producing the revenues.

7. Significant accounting policies_continued_

(f) Financial instruments

Financial instruments carried on the consolidated statement of financial position include cash and bank balances including advances/overdrafts, accounts receivables, accounts payables, and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(g) Leases

Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(h) Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that future taxable profit will be available against which these deductible temporary differences and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

7. Significant accounting policies_continued_

(i) Employee benefits

Employee benefits include pension plans and post-retirement medical benefits. Defined benefit pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the rules of the pension plans and the recommendations of independent professional actuaries.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is calculated based on the advice of independent actuaries who also carry out a full funding valuation of the plans every three years. The pension obligation is measured at the present value of the estimated future cash outflows using interest rates of long term government securities.

Defined contribution plans are accounted for on the accrual basis, as the Group's liabilities are limited to its contributions.

Certain subsidiaries also provide post-retirement healthcare benefits to their retirees. The expected costs of these benefits are measured and recognised in a manner similar to that for defined benefit plans. Valuation of these obligations is carried out by independent professional actuaries using an accounting methodology similar to that for the defined benefit pension plans.

Past service costs are recognised in profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under 'personnel remuneration and benefits' in profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account discounts, returns, rebates and sales taxes. The Group has concluded that it is the principal in all its revenue arrangements since it is the primary obligor in all of its revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. The following specific recognition criteria must be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and the amounts of revenue can be measured reliably.

7. Significant accounting policies_continued_

(j) Revenue recognition_continued_

Interest and investment income

Interest and investment income are recognised as they accrue unless collectability is in doubt.

(k) Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. Provision is made for specific doubtful receivables based on a review of all outstanding amounts at the year-end.

(l) Trade and other payables

Liabilities for trade and other payables, which are normally settled on 30-120 day terms are carried at cost, which represents the consideration to be paid in the future for goods and services received whether or not billed to the Group.

(m) Interest bearing loans and borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in profit or loss.

(n) Borrowing costs

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

(o) Provisions

Provisions are recorded when the Group has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

7. Significant accounting policies_continued_

(o) Provisions_continued_

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

(p) Earnings per share

Earnings per share is computed by dividing net profit or loss attributable to the shareholders of the Parent for the year by the weighted average number of ordinary shares in issue during the year. Diluted earnings or loss per share is computed by adjusting the weighted average number of ordinary shares in issue for the assumed conversion of potential dilutive ordinary shares into issued ordinary shares. The Group has no dilutive potential ordinary shares in issue.

(q) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents include all cash and bank balances and overdraft balances with maturities of less than three months from the date of establishment.

(r) Equity compensation benefits

The Group accounts for profit sharing entitlements which are settled in the shares of the Parent Company through an Employee Share Ownership Plan (ESOP) as an expense determined at market value. The cost incurred in administering the Plan is recorded in the statement of income of the Parent Company. The cost of the unallocated shares of the Parent Company, which are treated as treasury shares, is recognised as a separate component within equity.

(s) Equity movements

Stated capital

Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Company. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the consolidated statement of financial position as treasury shares.

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's Board of Directors. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the consolidated statement of financial position date are dealt with as an event after the end of reporting date.

Treasury shares

Own equity instruments which are re-acquired ("treasury shares") are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other reserves. Such treasury shares are presented separately within equity and are stated at cost.

7. **Significant accounting policies**_continued_

(t) Impairment of assets

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to dispose and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are separately disclosed in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amounts in which case the reversal is treated as a revaluation increase. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Financial assets

The carrying value of all financial assets not carried at fair value through profit or loss is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

(u) Fair value measurement

The Group does not measure any assets or liabilities at fair value in its consolidated statement of financial position. The fair values of financial instruments measured at amortised cost are disclosed in Note 28. 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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

7. Significant accounting policies_continued_

(u) Fair value measurement_continued_

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(v) Financial instruments

Financial instruments carried on the consolidated statement of financial position include cash at bank and short-term deposits, accounts payables, accounts receivables and borrowings.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. The Group’s financial liabilities include accounts payable and accruals which are recognised initially at fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

7. Significant accounting policies_continued_

(v) Financial instruments_continued_

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(w) New, revised and amended standards and interpretations that became effective during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements:

- Amendments to IAS 7, Statement of Cash Flows, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.
- Amendments to IAS 12, Income Taxes, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:
    - The existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.
    - A deferred tax asset can be recognised if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.
    - Future taxable profits used to establish whether a deferred tax can be recognised should be the amount calculated before the effect of reversing temporary differences.
    - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.
    - Deductible temporary differences related to unrealised losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

7. Significant accounting policies_continued_

(w) New, revised and amended standards and interpretations that became effective during the year_continued_

The adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements.

(x) New, revised and amended standards and interpretations not yet effective

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to the Group's operations and has determined that the following are likely to have an effect on the consolidated financial statements.

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

  In this regard, the Group adopted an expected credit loss model from its Parent Company applicable to its trade accounts receivable that considers the historical performance, as well as the credit risk and expected developments for each group of customers, ready for the prospective adoption of IFRS 9 on January 1, 2018. The preliminary effects for adoption of IFRS 9 on January 1, 2018 related to the new expected credit loss model which do represent any significant impact on the Group's operating results, financial situation and compliance of contractual obligations (financial restrictions), represent an estimated increase in the allowance for doubtful accounts as of December 31, 2017 of approximately $7.2 million that will be recognised against equity.

  According to the options provided by the standard we consider the prospective adoption of IFRS 9 as of January 1, 2018.

- IFRS 15, *Revenue From Contracts With Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers and SIC-31 Revenue – Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two entities in the same line of business exchange non-monetary assets to facilitate sales to other parties.

7. Significant accounting policies_continued_

(x) New, revised and amended standards and interpretations not yet effective _continued_

- IFRS 15, *Revenue From Contracts With Customers*_continued_

  The Group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

  For the sale of products, revenue is recognised when control of the goods is passed to the customers. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

  Under IFRS 15 revenue will be recognised when the customer obtains control of the goods. Based on the Group's assessment the treatment of sales of products is similar to the required treatment.

  Certain companies of the Group have entered into supply contracts with individual customers. These supply contracts specify the selling prices and discount arrangements that are extended to the respective customers. Discounts are extended to customers in particular markets based on monthly sales volumes and the discounts are recorded in arriving at the revenue for the respective months. Discounts are also extended to customers based on specific criteria of individual transactions. In these circumstances, past sales do not entitle customers to obtain discounts on sales of future months.

  Under IFRS 15 revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Monthly volume discounts and discounts related to specific criteria are recorded in the month of the related sales and discounts granted for standalone sales are reflected in the revenue recorded from the individual sales.

  Based on the Group's assessment, the revenue recognised is similar to the requirements under IFRS15 and the Group does not expect the application of IFRS 15 to result in a difference in the value and timing of revenue recognition.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

7. Significant accounting policies_continued_

(x) New, revised and amended standards and interpretations not yet effective _continued_

- IFRS 16, *Leases*, which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Entities will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

  The Group is assessing the impact that this amendment will have on its 2019 financial statements.

8. Property, plant and equipment

	Land and buildings $	Plant, machinery and equipment and motor vehicles $	Office furniture and equipment $	Capital work in progress $	Total $
At December 31, 2017					
Cost	466,368	3,428,825	58,855	318,740	4,272,788
Accumulated depreciation and impairment	(243,913)	(2,135,212)	(39,829)	(42,055)	(2,461,009)
Net book amount	222,455	1,293,613	19,026	276,685	1,811,779
Net book amount					
January 1, 2017	238,894	1,331,318	21,787	213,256	1,805,255
Exchange rate adjustments	2,990	10,572	88	571	14,221
Additions	8,180	32,983	449	173,302	214,914
Transfers	23,948	43,516	966	(68,430)	-
Disposals and adjustments	(45)	(1,093)	(86)	-	(1,224)
Depreciation charge	(12,085)	(112,271)	(3,613)	-	(127,969)
Impairment charge	(39,427)	(11,412)	(565)	(42,014)	(93,418)
December 31, 2017	222,455	1,293,613	19,026	276,685	1,811,779

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

8. Property, plant and equipment_continued_

	Land and buildings $	Plant, machinery and equipment and motor vehicles $	Office furniture and equipment $	Capital work in progress $	Total $
At December 31, 2016					
Cost	444,589	3,352,021	59,433	213,395	4,069,438
Accumulated depreciation and impairment	(205,695)	(2,020,703)	(37,646)	(139)	(2,264,183)
Net book amount	238,894	1,331,318	21,787	213,256	1,805,255
Net book amount					
January 1, 2016	241,801	1,355,286	21,136	111,571	1,729,794
Exchange rate adjustments	2,137	(2,060)	(30)	(929)	(882)
Additions	1,306	29,854	2,219	167,141	200,520
Transfers	6,612	55,018	2,851	(64,481)	-
Disposals and adjustments	-	(937)	(46)	(46)	(1,029)
Depreciation charge	(12,962)	(105,843)	(4,343)	-	(123,148)
December 31, 2016	238,894	1,331,318	21,787	213,256	1,805,255

In accordance with IAS 36: "*Impairment of assets*", management performed an impairment test on Property, Plant and Equipment (PPE) and related assets of the Barbados subsidiary (ACCL) and recorded an impairment provision of $93.4 million. The recoverable amount of $66.5 million as at December 31, 2017 was based on the fair value. A valuation exercise was undertaken during the year to determine the fair value of the Group and its assets at February 1, 2017. The valuation was conducted by external, independent professionals having appropriate qualifications and experience in the location and assets valued. The valuator used the market approach to value real property (land) and the cost approach to value buildings and machinery and equipment. This valuation was used to measure the fair value of the PPE in Barbados at December 31, 2017.

9. Employee benefits

The Trinidad Cement Limited Employees' Pension Fund Plan, a defined benefit plan, is sectionalised for funding purposes into three segments to provide retirement pensions to the retirees of Trinidad Cement Limited ("TCL"), TCL Packaging Limited ("TPL") and Readymix (West Indies) Limited ("RML"). Another pension plan, resident in Barbados, covers the employees of Arawak Cement Company Limited and Premix and Precast Concrete Incorporated. Employees of TCL Ponsa Manufacturing Limited are paid an end of service lump sum payment directly by the Company.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee benefits_continued_

The Parent Company's employees and employees of TPL and RML are members of the Trinidad Cement Limited Employees' Pension Fund Plan (the Plan). This is a defined benefit pension plan which provides pensions related to employees' length of service and basic earnings at retirement. The Plan's financial funding position is assessed by means of triennial actuarial valuations carried out by an independent professional actuary. The Actuarial Valuation report (the Report) as at December 31, 2015 revealed that the TCL section was in surplus by $77.1 million but the RML and TPL sections were in deficit by $6.1 million and $2.2 million respectively. The next triennial actuarial valuation is due as at December 31, 2018.

The Report recommended service contribution rates for TCL, RML and TPL as a percentage of salaries at 10%, 17.4% and 25.7% respectively.

Employees of Arawak Cement Company Limited are members of a defined benefit pension plan (the ACCL Plan), which became effective in September 1994. The ACCL Plan is established under an irrevocable trust and its assets are invested through an independently administered segregated fund policy. The triennial actuarial valuation was last carried out as at January 2013 and showed a funding surplus of $4.3 million. The actuary has recommended that the Company contributes at the rate of 1% of members' earnings.

The numbers below are extracted from information supplied by independent actuaries.

Pension plan assets/(liabilities) and other post-retirement obligations:

	2017 $	2016 $
Pension plan assets	34,392	37,256
Pension plan liabilities	(20,501)	(24,928)
Net pension plan assets	13,891	12,328
Other post-retirement obligations:		
Retiree's medical benefit obligations	(99,976)	(91,112)
Service benefit obligations	(3,383)	(3,300)
Total other post-retirement obligations	(103,359)	(94,412)
Re-measurement gains/(losses) recognised in OCI:		
Pension plan	26,462	58,497
Other post-retirement obligations	(5,304)	(22,203)
Total	21,158	36,194
Pension costs charged to profit or loss:		
Pension plan	34,732	30,758
Other post-retirement obligations	6,783	5,934
Total	41,515	36,692

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee benefits_continued_

(a) Changes in the defined benefit obligation and fair value of plan assets

	Defined benefit obligation $	Fair value of plan assets $	Net pension plan asset $
Balance at January 1, 2017	(941,920)	954,248	12,328
Pension cost charged to profit or loss			
Current service cost	(24,957)	(2,107)	(27,064)
Past service cost	(8,485)	-	(8,485)
Net interest	(51,966)	52,783	917
Sub-total included in profit or loss	(85,408)	50,676	(34,732)
Re-measurement gains/(losses) recognised in OCI			
Return on plan assets	-	11,430	11,430
Actuarial changes arising from changes in financial assumptions			
Experience adjustments	19,547	(4,515)	15,032
Sub-total included in OCI	19,547	6,915	26,462
Other movements			
Contributions by employee	(5,420)	5,420	-
Contributions by employer	-	9,822	9,822
Benefits paid	46,306	(46,306)	-
Other movements	(22)	33	11
Sub-total – other movements	40,864	(31,031)	9,833
Balance at December 31, 2017	(966,917)	980,808	13,891

The Group expects to contribute $15.5 million to its pension plan in 2018.

The weighted average duration of the defined benefit obligations at December 31, 2017 ranges from 13.7 to 17.7 years (2016: 13.7 to 17.7 years).

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee benefits_continued_

(a) Changes in the defined benefit obligation and fair value of plan assets _continued_

	Defined benefit obligation $	Fair value of plan assets $	Net pension plan asset $
Balance at January 1, 2016	(990,125)	963,490	(26,635)
Pension cost charged to profit or loss			
Current service cost	(27,686)	(2,137)	(29,823)
Net interest	(49,933)	48,998	(935)
Sub-total included in profit or loss	(77,619)	46,861	(30,758)
Re-measurement gains (losses) recognised in OCI			
Return on plan assets	-	(30,682)	(30,682)
Actuarial changes arising from changes in financial assumptions	63,059	-	63,059
Experience adjustments	26,120	-	26,120
Sub-total included in OCI	89,179	(30,682)	58,497
Other movements			
Contributions by employee	(6,028)	6,028	-
Contributions by employer	-	10,928	10,928
Benefits paid	44,584	(44,584)	-
Other movements	(1,911)	2,207	296
Sub-total – other movements	36,645	(25,421)	11,224
Balance at December 31, 2016	(941,920)	954,248	12,328

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee benefits_continued_

(b) Changes in the other post-retirement benefits

	2017 $	2016 $
Balance at January 1	(94,412)	(68,583)
Pension cost charged to profit or loss		
Current service cost	(3,581)	(2,564)
Past service cost	1,729	-
Net interest	(4,931)	(3,370)
Sub-total included in profit or loss	(6,783)	(5,934)
Re-measurement (losses)/gains recognised in OCI		
Actuarial changes arising from changes in demographic assumptions	-	(10,591)
Actuarial changes arising from changes in financial assumptions	-	7,813
Experience adjustments	(5,304)	(19,525)
Sub-total included in OCI	(5,304)	(22,303)
Other movements		
Benefits paid	3,140	2,408
Sub-total – other movements	3,140	2,408
Balance at December 31	(103,359)	(94,412)

(c) The major categories of the fair value of the total plan assets are as follows:

	2017 %	2016 %
Cash and cash equivalents	6	6
Equities	43	42
Bonds	50	52
Mortgages	1	1
	100	100

Overseas equities are quoted on actively traded markets. Local equities are quoted on relatively illiquid markets.

(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee benefits_continued_

(d) Principal actuarial assumptions used in determining pension plans and other post-retirement benefits for the Group:

Pension plan

The actual return on plan assets for 2017 amounted to $57,330 (2016: $18,335).

		2017 %	2016 %
Discount rate at December 31:			
Trinidad Cement Limited Employees' Pension Fund Plan		5.50	5.50
Arawak Cement Company Limited Pension Fund Plan		7.75	7.75
Future salary increases:			
Trinidad Cement Limited Employees' Pension Fund Plan		5.00	5.00
Arawak Cement Company Limited Pension Fund Plan		6.75	2.50
		2017	**2016**
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0
	Female	25.1	25.1

A quantitative sensitivity analysis for significant assumptions as at December 31, 2017 is as shown below:

Assumptions	Discount Rate		Future Salary increase		Life Expectancy of Pensioners
Sensitivity level - 1%	Increase $	Decrease $	Increase $	Decrease $	Increase by 1 year $
Impact on the defined benefit obligation	(5,609)	7,588	4,393	(3,360)	931

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Other post-retirement obligations

		2017 %	2016 %
Discount rate at December 31		5.5	5.5
Future medical claims inflation		5.0	5.0
		2017	**2016**
Post-retirement mortality for pensioners at 60:	Male	21.0	21.0
	Female	25.1	25.1

(Expressed in Thousands of Trinidad and Tobago Dollars)

9. Employee benefits_continued_

(d) Principal actuarial assumptions used in determining pension plans and other post-retirement benefits for the Group:_continued_

A quantitative sensitivity analysis for significant assumptions as at December 31, 2017 is as shown below:

Assumptions	**Discount Rate**		**Future Medical Claims Inflation**		**Life Expectancy of Pensioners Increase by**
Sensitivity level - 1%	**Increase**	**Decrease**	**Increase**	**Decrease**	**1 year**
	$	**$**	**$**	**$**	**$**
Impact on the defined benefit obligation	(14,278)	18,167	17,737	(14,164)	3,559

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The Group expects to contribute $3.254 million to its other post-retirement benefits in 2018.

10. Trade and other receivables

	2017 $	**2016 $**
Trade receivables	144,111	141,075
Less: provision for doubtful debts	(31,136)	(43,669)
Trade receivables (net)	112,975	97,406
Sundry receivables and prepayments	30,217	25,517
Due to group companies (Note 25)	6,361	979
Deferred expenditure	865	1,054
Taxation recoverable	10,235	12,672
	160,653	136,649
Presented in the consolidated statement of financial position as follows:		
Non-current	114	1,966
Current	160,539	134,683
	160,653	136,649

Included within trade receivables are balances due from three classes of customers with agreed repayment terms over one year and therefore $0.1 million (2016: $2.0 million) is presented as a non-current asset.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

10. Trade and other receivables_continued_

	Total	Neither past due nor impaired	Past due but not impaired 1-90 days	Past due but not impaired 91-180 days	Past due but not impaired Over 180 days
	$	$	$	$	$
2017	112,975	62,936	47,531	1,949	559
2016	97,406	49,156	23,998	7,230	17,022

As at December 31, the impairment provision for trade receivables assessed to be doubtful was $31.1 million (2016: $43.7 million). Movements in the provision for impaired receivables were as follows:

	2017	2016
	$	$
At January 1	43,669	38,379
Charge for the year	6,661	10,961
Unused amounts reversed/written off	(19,194)	(5,671)
At December 31	31,136	43,669

11. Taxation

(a) Taxation charge

	2017	2016
	$	$
Deferred taxation (Note 11(c))	36,934	(8,405)
Current taxation	45,982	45,610
	82,916	37,205

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

11. Taxation_continued_

(b) Reconciliation of applicable tax rate to effective tax rate

	2017		2016	
	$	**%**	**$**	**%**
(Loss)/profit before taxation	(172,226)	100	89,627	100
Tax charge calculated at 30% (2016: 25%)	(51,668)	(30)	22,407	25
Net effect of other charges and disallowances	(7,268)	(4)	(10,601)	(12)
Movement in deferred tax assets not recognised	116,755	68	11,274	13
Impact of income not subject to tax	(6,953)	(4)	(9,801)	(11)
Business and green fund levies	6,983	4	8,797	10
Impact of change in Trinidad and Tobago tax rate	(50)	0	6,754	8
Effect of different tax rates outside Trinidad and Tobago	25,117	15	8,375	9
Taxation charge reported in the profit or loss	82,916	49	37,205	42

Based on the Budget Presentation on October 2, 2017, the Minister of Finance of the Government of Trinidad and Tobago announced a change in corporation tax rate from 25% to 30% for Companies, on chargeable income less than $1 million. The change was enacted by the Parliament of Trinidad and Tobago and was subsequently assented to on December 19, 2017. This change in tax rate is effective from January 1, 2018.

The impact to the consolidated financial statements as at December 31, 2017 was a net decrease in the deferred tax expense reported in profit or loss of $50 thousand and a net increase in the income tax credit to Other Comprehensive Income of $62 thousand.

As at December 31, 2017, a deferred tax asset of $215.8 million (2016: $99.34 million) in relation to tax losses and capital allowances available for reducing future tax payments was not recognised in the consolidated statement of financial position given a level of uncertainty regarding their utilisation within a reasonable time.

Trinidad Cement Limited has tax losses of $1.359 million (2016: $1.226 million) available for set off against future taxable profits. Caribbean Cement Company Limited and its subsidiaries have tax losses of $115.5 million (2016: $175.7 million) available for set off against future taxable profits.

Arawak Cement Company Limited has tax losses of $370 million (2016: $267 million) available for set off against future taxable profits. These tax losses expire over a 6 year period ending in 2024.

These losses are subject to agreement with the respective tax authorities.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

11. Taxation_continued_

	2017 $	2016 $
(c) Movement in deferred tax net balance:		
Net balance at January 1	49,116	38,364
Exchange rate and other adjustments	(805)	(161)
(Charge)/credit to profit or loss	(36,934)	8,405
(Charge)/credit to other comprehensive income	(6,678)	2,508
Net balance at December 31 (Note 11(d))	4,699	49,116
(d) Components of the deferred tax assets/(liabilities) are as follows:		
Deferred tax assets:		
Tax losses carry forward	288,001	356,276
Interest accrual	805	2,900
Other post-retirement benefits	29,993	27,248
*Others	13,856	7,651
Balance at December 31	332,655	394,075
* Comprises mainly accruals and provisions.		
Deferred tax liabilities:		
Property, plant and equipment	(325,737)	(343,107)
Pension plan assets	(1,192)	(1,035)
Others	(1,027)	(817)
Balance at December 31	(327,956)	(344,959)
Net deferred tax assets	4,699	49,116

12. Inventories

	2017 $	2016 $
Plant spares	50,978	105,523
Raw materials and work in progress	47,931	139,787
Consumables	65,971	75,342
Finished goods	40,494	41,869
	205,374	362,521

Inventories are shown as net of obsolescence provision of $13.0 million (2016: $18.8 million) in respect of plant spares and consumables.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

12. Inventories_continued_

In June 2016, the Group undertook a comprehensive review of its inventory of spares and consumables and has determined the optimal stockholding and reorder levels for the Group. As a result the Group has written down overstocked spares and consumables to their net realisable value in accordance with IAS 2: "Inventories" and recorded an expense of $72 million in 2016.

In 2017 the Group undertook to align its procedures and integrate its processes with the ultimate parent company. New inventory consumption plans were developed and optimal stockholding and reorder levels were further reduced. Overstocked spares and consumables were written down to their net realisable values and an expense of $81 million was recorded. These expenses have been accounted for as a change in accounting estimates consistent with IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors" resulting from new developments in relation to the implementation of a more robust preventative maintenance programme and closer proximity to wider operational and technical capabilities.

13. Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates.

14. Stated capital and reserves

	2017 $	**2016 $**
(a) Stated capital		
Authorised		
An unlimited number of ordinary and preference shares of no par value		
Issued and fully paid		
374,647,704 ordinary shares of no par value	827,732	827,732
(b) Reserves		
Balance at January 1	(254,305)	(243,485)
Other comprehensive income/(loss)		
Currency translation	10,954	(10,820)
Change in fair value of cash flow hedge	2,946	-
	13,900	(10,820)
Balance at December 31	(240,405)	(254,305)

Foreign currency translation account
This reserve records exchange differences arising from the translation of the financial statements of foreign subsidiaries.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

14. Stated capital and reserves_continued_

(b) Reserves_continued_

Hedging reserve
This account records the effective portion of the valuation and liquidation effects from derivative instruments under cash flow hedging relationships, which are recorded temporarily in stockholders' equity.

As of December 31,2017, the Group maintained a forward contract negotiated with CEMEX S.A.B. de C.V. to hedge the price of diesel fuel with the objective of changing the risk profile and fixing the price of fuel. The aggregate notional amount of the contract is US$2.91 million. The contract has been designated as a cash flow hedge of diesel fuel consumption, and as such, changes in fair value are recognised initially in OCI and are recycled to profit or loss as the related diesel volumes are consumed. Gains in fair value of this contract recognised in OCI amounted to $3.97 million.

(c) Other comprehensive income/(loss), net of tax
The disaggregation of changes of other comprehensive income/(loss) by type of reserve is shown below:

	Hedging Reserve $	Foreign Currency Translation Account $	Retained Earnings $	Total $
Year ended December 31, 2017				
Other comprehensive income				
Currency translation	-	14,834	-	14,834
Change in fair value of cashflow hedge	3,976	-	-	3,976
Re-measurement gains on pension plans and other post-retirement benefits, net of tax	-	-	14,480	14,480
	3,976	14,834	14,480	33,290

	Foreign Currency Translation Account $	Retained Earnings $	Total $
Year ended December 31, 2016			
Other comprehensive income/(loss)			
Currency translation	(10,820)	-	(10,820)
Re-measurement gains on pension plans and other post-retirement benefits, net of tax	-	39,751	39,751
	(10,820)	39,751	28,931

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

15. Employee share ownership plan (ESOP)

	Thousands of shares	
	2017	**2016**
Employee share ownership plan		
Number of shares held - unallocated	2,845	2,986
Number of shares held - allocated	3,447	3,306
	6,292	6,292
	2017 $	**2016 $**
Cost of unallocated ESOP shares		
Balance at January 1	20,849	25,299
Share-based allocations	(830)	(4,450)
Balance at December 31	20,019	20,849
Fair value of shares held - unallocated	10,669	13,138
Fair value of shares held - allocated	12,926	14,548
	23,595	27,686
Charge to profit or loss for provision of shares allocated to employees	433	1,425

The Parent Company operates an Employee Share Ownership Plan ("the Plan" or "ESOP") to give effect to a contractual obligation to pay profit sharing bonuses to employees via shares of the Parent Company based on a set formula. Employees may acquire additional company shares to be held in trust by the Trustees but the costs of such purchases are for the employee's account. All permanent employees of the Parent Company and certain subsidiaries are eligible to participate in the Plan that is directed, including the voting of shares, by a Management Committee comprising management of the Parent Company and the general employee membership. Independent Trustees are engaged to hold in trust all shares in the Plan as well as to carry out the necessary administrative functions.

Shares acquired by the ESOP are funded by the Parent Company's contributions. The cost of the shares so acquired and which remain unallocated to employees have been recognised in shareholders' equity under 'Unallocated ESOP Shares'. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at the reporting date.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

16. Material partly-owned subsidiaries - (non-controlling interests)

The financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity held by non-controlling interests:

Name	**Country of incorporation and operation**	**2017**	**2016**
Caribbean Cement Company Limited	Jamaica	26%	26%
Readymix (West Indies) Limited	Trinidad and Tobago	2.3%	29%
TCL Packaging Limited	Trinidad and Tobago	20%	20%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	35%	35%
TCL Guyana Inc.	Guyana	20%	20%

	2017 $	**2016 $**
Accumulated balances of material non-controlling interests:		
Caribbean Cement Company Limited	(26,487)	(47,157)
Readymix (West Indies) Limited	(2,674)	23,189
TCL Packaging Limited	7,444	11,575
TCL Ponsa Manufacturing Limited	4,368	3,566
TCL Guyana Inc.	8,984	8,606
	(8,365)	(221)
Profit/(loss) allocated to material non-controlling interests:		
Caribbean Cement Company Limited	15,769	17,527
Readymix (West Indies) Limited	(1,339)	(2,600)
TCL Packaging Limited	(4,544)	57
TCL Ponsa Manufacturing Limited	746	515
TCL Guyana Inc.	391	64
	11,023	15,563

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

16. Material partly-owned subsidiaries - (non-controlling interests) _continued_

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of income for 2017:

	Caribbean Cement Company Limited $	**Readymix (West Indies) Limited $**	**TCL Packaging Limited $**	**TCL Ponsa Manufacturing Limited $**	**TCL Guyana Inc. $**
Revenue	872,882	120,690	47,853	21,947	148,981
Operating expenses	(787,594)	(147,738)	(71,958)	(19,811)	(143,989)
Finance costs (net)	(2,699)	(276)	1,792	(4)	(2,360)
Profit/(loss) before tax	82,589	(27,324)	(22,313)	2,132	2,632
Income tax	(21,704)	7,260	(406)	-	(679)
Total comprehensive income	69,408	(16,580)	(20,653)	2,292	2,017
Attributable to non-controlling interests	19,639	(1,260)	(4,131)	802	404

Summarised statement of income for 2016:

	Caribbean Cement Company Limited $	**Readymix (West Indies) Limited $**	**TCL Packaging Limited $**	**TCL Ponsa Manufacturing Limited $**	**TCL Guyana Inc. $**
Revenue	838,432	139,936	57,077	24,059	150,265
Operating expenses	(765,522)	(149,440)	(59,416)	(22,949)	(148,783)
Finance costs (net)	(2,625)	(203)	2,782	362	(542)
Profit/(loss) before tax	70,285	(9,707)	443	1,472	940
Income tax	(2,612)	785	(157)	-	(621)
Total comprehensive income/(loss)	53,597	(13,035)	110	1,931	2,308
Attributable to non-controlling interests	15,096	(3,787)	22	676	462

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

16. Material partly-owned subsidiaries - (non-controlling interests) _continued_

Summarised statement of financial position as at December 31, 2017:

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Inventories, cash and bank balances and other current assets	213,670	76,712	57,545	16,201	41,729
Property, plant and equipment and other non-current assets	505,611	44,351	1,952	2,938	39,565
Trade and other payables and other current liabilities	(171,069)	(59,362)	(17,020)	(3,275)	(34,670)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(39,277)	8,235	(5,255)	(3,383)	(1,708)
Total equity	508,935	69,936	37,222	12,481	44,916
Attributable to:					
Equity holders of parent	535,422	72,610	29,777	8,113	35,933
Non-controlling interests	(26,487)	(2,674)	7,445	4,368	8,983
	508,935	69,936	37,222	12,481	44,916

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

16. Material partly-owned subsidiaries - (non-controlling interests) _continued_

Summarised statement of financial position as at December 31, 2016:

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Inventories, cash and bank balances and other current assets	194,924	94,767	84,230	17,222	36,644
Property, plant and equipment and other non-current assets	403,145	38,932	105	2,494	40,205
Trade and other payables and other current liabilities	(140,945)	(48,521)	(21,398)	(6,227)	(31,860)
Interest bearing loans, borrowings and deferred tax and other non-current liabilities	(27,007)	1,359	(5,062)	(3,300)	(1,961)
Total equity	430,117	86,537	57,875	10,189	43,028
Attributable to:					
Equity holders of parent	477,274	63,348	46,300	6,623	34,422
Non-controlling interests	(47,157)	23,189	11,575	3,566	8,606
	430,117	86,537	57,875	10,189	43,028

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

16. Material partly-owned subsidiaries - (non-controlling interests) _continued_

Summarised cash flow information for the year ended December 31, 2017:

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Operating	163,114	12,575	(3,377)	(476)	(4,499)
Investing	(118,091)	(17,279)	(2,787)	(702)	(1,770)
Financing	3,884	-	-	-	(129)
Net increase/(decrease) in cash and cash equivalents	48,907	(4,704)	(6,164)	(1,178)	(6,398)

Summarised cash flow information for the year ended December 31, 2016:

	Caribbean Cement Company Limited $	Readymix (West Indies) Limited $	TCL Packaging Limited $	TCL Ponsa Manufacturing Limited $	TCL Guyana Inc. $
Operating	91,502	7,739	9,161	(600)	16,720
Investing	(90,273)	(16,215)	(1,840)	(593)	(2,201)
Financing	(10,923)	-	-	-	(1,841)
Net (decrease)/increase in cash and cash equivalents	(9,694)	(8,476)	7,321	(1,193)	12,678

17. Borrowings

	2017 $	2016 $
Maturity of borrowings		
One year	243,971	128,850
Two to five years	669,137	839,646
Gross borrowings	913,108	968,496
Current portion of borrowings	(243,971)	(128,850)
Non-current portion of borrowings	669,137	839,646
Currency denomination of borrowings		
US dollar	669,137	728,690
Local currencies	243,971	239,806
	913,108	968,496
Interest rate profile		
Floating rates	913,108	968,496

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

17. Borrowings_continued_

	2017 %	2016 %
The weighted average effective interest rate for borrowings is:	6.34	9.10

On April 26, 2017 the Company repaid the Amended and Restated Credit Agreement loan ("5-year term loan") with the proceeds of a revolving loan from a related company and a short-term syndicated loan. Upon settlement of the 5-year term loan the Company recorded an expense of $44.9 million representing unamortised loan fees and expenses. This expense is included in other finance cost (Note 20).

Revolving Loan ($669.1 million)

On April 25, 2017 the Company negotiated a revolving loan with the following key terms:

(i) The facility allows a maximum principal balance of US$150 million.

(ii) The Principal bears interest at a rate of LIBOR + 4.99% (effective 6.83% per annum)

(iii) Interest payments commenced on June 30, 2017 and are payable semi-annually thereafter, with the last payment due on April 25, 2020.

(iv) Principal is repayable on April 24, 2020. Prepayments of principal are allowed without penalty.

Short-term Loan ($244.0 million)

On April 25, 2017 the Company negotiated a short-term loan. The key terms of the short-term syndicated loan and subsequent amendments are:

(i) The loan was for an original Principal amount of TT$245 million.

(ii) The Principal bears interest at a rate of 3 Month TT Treasury Bill + 375 basis points (effective 5.02% per annum).

(iii) Interest payments commenced on July 26, 2017 and are payable quarterly thereafter with the last payment due on April 26, 2018.

(iv) Principal is repayable on April 26, 2018. Prepayments of principal are allowed without penalty.

(v) The Group's borrowings cannot exceed US$145 million.

At December 31, 2017, the TCL Group was compliant with the terms and covenants of both loan agreements.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

18. Trade and other payables

	2017 $	2016 $
Sundry payables and accruals	296,127	278,188
Trade payables	178,051	178,909
Due to group companies (Note 25)	47,870	4,156
Interest and other finance charges	2,683	9,704
Taxation payable	940	673
Statutory obligations	20,251	5,127
	545,922	472,601
Presented in the consolidated statement of financial position as follows:		
Non-current	87	-
Current	545,835	472,601
	545,922	472,601

19. Operating profit

	2017 $	2016 $
Revenue	1,712,569	1,887,013
Less expenses:		
Personnel remuneration and benefits (see below)	389,692	428,642
Fuel and electricity	318,593	287,839
Operating expenses	236,072	208,750
Raw materials and consumables	160,334	196,107
Equipment hire and haulage	128,336	128,296
Repairs and maintenance	93,952	123,213
Changes in finished goods and work in progress	74,013	52,088
Other income (see below)	(1,423)	(2,148)
Earnings before interest, tax, depreciation, and loss on disposal of property, plant and equipment, and manpower and stockholding restructuring costs	294,449	464,226
Manpower restructuring costs (see below)	(59,023)	(44,464)
Stockholding and inventory restructuring costs (Note 12)	(81,352)	(72,026)
Depreciation (Note 8)	(127,969)	(123,148)
Impairment (Note 8)	(93,418)	-
Loss on disposal of property, plant and equipment (Note 23)	(325)	(163)
Operating (loss)/profit	(49,089)	224,425

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

19. Operating profit _continued_

Manpower restructuring costs mainly comprise severance costs incurred during implementation of restructuring programmes during the year. The objective of the restructuring programmes is to improve cost efficiency.

As described further in Note 12, the Group recorded an expense of $81 million in 2017 (2016: $72 million) in relation to a stockholding and inventory programme.

	2017 $	2016 $
Personnel remuneration and benefits include		
Salaries and wages	278,952	321,472
Other benefits	53,683	51,952
Statutory contributions	19,563	20,525
Pension costs – defined contribution plan	2,762	3,262
Termination benefits	-	673
Net pension expense – defined benefit plans (Note 9(a))	34,732	30,758
	389,692	428,642
Operating profit is stated after deducting Directors' fees		
Directors' fees	646	1,589
Other income includes		
Miscellaneous income	(1,423)	(2,148)

20. Finance costs - net

	2017 $	2016 $
Interest expense on borrowings	63,579	86,012
Other finance costs	50,270	22,974
Bank and related charges	1,811	2,404
Interest income	(454)	(537)
	115,206	110,853
Foreign currency exchange loss	7,931	23,945
	123,137	134,798

Debt Extinguishment

As described in Note 17, the Company prepaid the 5-year term loan on April 26, 2017 and recorded an expense of $44.9 million. This expense is included in other finance costs.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

21. Earnings per share

The following reflects the income and share data used in the earnings per share computation:

	2017 $	2016 $
(Loss)/profit for the year attributable to owners of the Company	(266,165)	36,859
Weighted average number of ordinary shares issued (net of treasury shares) (thousands of units)	371,698	371,030
Basic and diluted (loss)/earnings per share (expressed in $ per share)	(0.72)	0.10

The balance of the TCL Employee Share Ownership Plan (the Plan) relating to the cost of unallocated shares held by the Plan is presented as a separate component in equity. The weighted average number of unallocated shares of 2.950 million (2016: 3.618 million) shares held by the Plan during the year is deducted in computing the weighted average number of ordinary shares in issue. The Group has no dilutive potential ordinary shares in issue.

22. Dividends

	2017 $	2016 $
2017: 2¢ per share (2016: 4¢)	7,493	14,986

During the year, the Parent Company declared and paid a dividend of $7.5 million (2016: $15 million).

During the year a subsidiary paid dividends of $.026 million (2016: $0.368 million) to non-controlling interests.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

23. Cash generated from operations

	Notes	2017 $	2016 $
(Loss)/profit for the year		(172,226)	89,627
Adjustments for:			
- Depreciation	8	127,969	123,148
- Impairment – charge on property, plant and equipment	8	93,418	-
- Stockholding and restructuring costs	12	81,352	72,026
- Finance costs (net)	24	123,137	134,798
- ESOP share allocation and sale of shares net of dividends		630	3,030
- Pension plan expense	9 (a)	34,732	30,758
- Other post-retirement benefits expense	9 (b)	6,783	5,934
- Loss on disposal of property, plant and equipment		325	163
		296,120	459,484
Changes in:			
- Inventories		77,522	48,958
- Trade and other receivables		(24,043)	79,501
- Trade and other payables		72,966	(57,139)
Cash generated from operating activities		422,610	530,804

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

24. Subsidiary undertakings

The Group's subsidiaries are as follows:

Company	Country of incorporation	Ownership level 2017	Ownership level 2016
Readymix (West Indies) Limited	Trinidad and Tobago	97.7%	71%
TCL Packaging Limited	Trinidad and Tobago	80%	80%
TCL Ponsa Manufacturing Limited	Trinidad and Tobago	65%	65%
TCL Leasing Limited	Trinidad and Tobago	100%	100%
Caribbean Cement Company Limited	Jamaica	74%	74%
Jamaica Gypsum and Quarries Limited	Jamaica	74%	74%
Rockfort Mineral Bath Complex Limited	Jamaica	74%	74%
Caribbean Gypsum Company Limited	Jamaica	74%	74%
Arawak Cement Company Limited	Barbados	100%	100%
Premix & Precast Concrete Incorporated	Barbados	58.6%	42.6%
TCL Trading Limited	Anguilla	100%	100%
TCL (Nevis) Limited	Nevis	100%	100%
TCL Guyana Inc.	Guyana	80%	80%
Arawak Concrete Solutions Limited	Barbados	100%	100%
TTLI Trading Limited	Barbados	100%	100%
TGI Concrete Solutions Inc.	Guyana	100%	-

Effective September 2014, the Board of Directors discontinued the operations of Premix & Precast Concrete Incorporated. TGI Concrete Solutions Inc. was incorporated during the year.

25. Related party disclosures

A party is related to the Group if:

(a) The party is a subsidiary or an associate of the Group;

(b) The party is, directly or indirectly, either under common control or subject to significant influence with the Group or has significant or joint control of the Group;

(c) The party is a close family member of a person who is part of key management personnel or who controls the Group;

(d) The party is controlled or significantly influenced by a member of key management personnel or by a person who controls the Group;

(e) The party is a joint venture in which the Group is a venture partner;

(f) The party is a member of the Group's or its parent's key management personnel;

(g) The party is a post-employment benefit plan for the Group's employees;

(h) The party, or any member of a group of which it is a part, provides key management personnel services to TCL or its Parent.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

25. Related party disclosures _continued_

The Group has entered into related party transactions with respect to the purchase and sale of product with CEMEX S.A.B. de C.V. ("CEMEX"). In addition, during 2015, the Company has entered into a management agreement with a subsidiary of CEMEX to provide managerial and technical support to the TCL Group.

The following table provides the total amount of transactions and balances at year end that have been entered into with the CEMEX Group for the relevant financial year:

	2017 $	2016 $
Sales for the year	11,710	23,579
Purchases for the year	115,950	49,904
Management fee expenses	24,792	24,273
Trade receivables at year end (Note 10)	6,361	979
Trade payables at year end (Note 18)	47,870	4,156
Long-term debt (Note 17)	669,137	-
Interest and other finance charges	381	-
Interest charges	31,087	-

These related party transactions are made on terms equivalent to those that prevail in arm's length transactions. Outstanding trade receivables and trade payable balances are unsecured and interest free and no provision has been established at year end for these balances.

	2017 $	2016 $
Key management compensation of the Group		
Short-term employment benefits	27,383	28,513
Pension plan and post-retirement benefits	711	398

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

26. Capital commitments and contingent liabilities

Capital commitments

The Group has contractual capital commitments of $149.9 million as at December 31, 2017 (2016: $113.1 million).

Contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has an element of litigation risk inherent to its operations. As a result, it is involved in various litigation and regulatory investigations and proceedings both in Trinidad and Tobago and in other jurisdictions, arising in the ordinary course of the Group's business.

There are contingent liabilities amounting to $83.9 million (2016: $88 million) for various claims, assessments, bank guarantees, and bonds against the Group. Included therein, are several pending legal actions and other claims in which the Group is involved. Based on the information provided by the Group's attorneys at law, owing to the uncertainty of the outcome of these possible liabilities, no provision has been made in these consolidated financial statements in respect of these matters.

The Board of Inland Revenue (the "BIR") has disallowed expenditure claimed by the Parent Company in respect of the following fiscal years:

Fiscal years	Disallowed expenditure $	Additional tax assessed $
2007	102.1 million	-
2008	284.4 million	-
2009	260.6 million	-
2010	247.4 million	12.9 million
2011	129.3 million	31.2 million

This has been objected to as the Parent Company is of the view that its claim is well supported in law and will defend its position in the resolution process. The BIR has confirmed their assessment in respect of the tax years of 2007 and 2008. The Parent Company has filed notices of objections with the Tax Appeal Board and these matters are being heard. No provision has been made in these consolidated financial statements in respect of this matter as the possible liability is not considered probable. Subject to the future resolution of this matter, there may be a reduction in the accumulated tax losses of the Parent Company and future tax liabilities in respect of these years.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

26. Capital commitments and contingent liabilities_continued_

Contingent liabilities_continued_

The subsidiary in Guyana (the Subsidiary) was given a commitment by the Government of Guyana in 2006 to have the corporate tax rate for non-commercial companies of 30 percent made applicable to its operations. Subsequent action by the Guyana Revenue Authority (the GRA) held that the corporate tax rate for commercial companies of 40 percent was applicable. The Subsidiary computes its corporation tax liability on the basis of the original commitment received while it contests through court action the failure to honour the original commitment.

During the year the GRA raised assessments of $0.860 million for additional tax payments relative to the years 2012 to 2014. The Subsidiary has objected to the assessments and has been granted an Order Nisi in the application directed to the Commissioner General of the GRA to show cause why his decision to maintain the assessment of corporate tax at the commercial rate should not be quashed. No provision has been made in these consolidated financial statements for the higher tax rate as the possible liability is not considered probable.

27. Fair values

The fair values of cash at bank and on hand, receivables, payables and current portion of borrowings approximate their carrying amounts due to the short-term nature of these instruments. The fair values of these instruments and long term borrowings are presented below:

	2017		2016	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial assets				
Cash at bank	118,826	118,514	186,546	186,546
Trade receivables	112,975	112,975	97,406	97,406
Financial liabilities				
Borrowings	913,108	913,108	968,496	968,496
Trade payables	178,051	178,051	178,909	178,909
Interest and finance charges	2,683	2,683	9,704	9,704

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial risk management

Introduction

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt prices, interest rates, market liquidity conditions and foreign currency exchange rates which are accentuated by the Group's foreign operations, the earnings of which are denominated in foreign currencies. Accordingly, the Group's financial performance and position are subject to changes in the financial markets. Overall risk management measures are focused on minimising the potential adverse effects on the financial performance of the Group of changes in financial markets.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

a. Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Significant changes in the economy, or in the state of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided at year end. Management therefore carefully manages its exposure to credit risk.

The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one customer, or group of customers, and to geographical and industry segments. Such risks are monitored on an ongoing basis and limits on the levels of credit risk that the Group can engage in are approved by the Board of Directors.

Exposure to credit risk is further managed through regular analysis of the ability of debtors and financial institutions to settle outstanding balances, meet capital and interest repayment obligations and by changing these lending limits when appropriate. The Group does not generally hold collateral as security.

The following table shows the maximum exposure to credit risk for the components of the consolidated statement of financial position:

	Gross maximum exposure	
	2017	**2016**
	$	**$**
Due to Group companies	6,361	979
Trade receivables	112,975	97,406
Cash at bank	118,826	186,546
Credit risk exposure	231,162	284,931

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial risk management_continued_

Risk management structure_continued_

a. Credit risk_continued_

Credit risk related to receivables

Customer credit risk is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all credit customers based on internal rating criteria. Outstanding customer receivables are regularly monitored. At December 31, 2017, the Group had 10 customers (2016: thirteen customers) that owed the Group more than $2 million each and which accounted for 40% (2016: 76%) of all trade receivables.

Credit risk related to cash at bank

Credit risks from balances with banks and financial institutions are managed in accordance with Group policy. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

b. Liquidity risk

The Group monitors its risk to a shortage of funds by considering planned and probable expenditures against projected cash inflows from operations, from the settlement of financial assets such as accounts receivable and levels of cash sales.

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

2017	**On demand $**	**1 year $**	**2 to 5 years $**	**> 5 years $**	**Total $**
Borrowings	-	293,439	729,339	-	1,022,778
Interest and finance charges	-	2,683	-	-	2,683
Trade payables	-	178,051	-	-	178,051
Due to Group companies	-	47,783	87	-	47,870
	-	521,956	729,426	-	1,251,382
2016					
Borrowings	-	187,335	1,003,264	-	1,190,599
Interest and finance charges	-	9,704	-	-	9,704
Trade payables	-	174,753	-	-	174,753
Due to Group companies	-	4,156	-	-	4,156
	-	375,948	1,003,264	-	1,379,212

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial risk management_continued_

Risk management structure_continued_

c. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy financial position in order to support its business activities and maximise shareholder value. Management monitors operating cash flows, return on capital and working capital.

d. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses.

Risk management in this area is active to the extent that hedging strategies are available and cost effective.

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

	Increase/decrease in US/Euro rate	**Effect on profit before tax $**	**Effect on equity $**
2017			
US dollar	+1%	(6,081)	(4,257)
	–1%	6,081	4,257
Euro	+1%	(22)	(15)
	–1%	22	15
2016			
US dollar	+1%	(6,033)	(4,525)
	–1%	6,033	4,525
Euro	+1%	(73)	(55)
	–1%	73	55

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial risk management_continued_

Risk management structure_continued_

d. Foreign currency risk_continued_

The effect on profit is shown net of US dollar financial assets $126.0 million (2016: $146.1 million) and liabilities $739.3 million (2016: $749.3 million) and EURO financial assets $0.05 million (2016: $0.5 million) and net financial liabilities $2.3 million (2016: $7.9 million).

The aggregate value of financial assets and liabilities by reporting currency are as follows:

2017	TT $	US $	JM $	BB $	Other $	Total $
Assets						
Trade receivables	19,266	32,766	24,952	19,610	16,381	112,975
Due from related party	-	6,362	-	-	-	6,362
Cash and cash equivalents	11,382	86,895	10,154	1,217	9,181	118,526
	30,648	126,023	35,106	20,827	25,562	238,166
Liabilities						
Borrowings	243,971	669,137	-	-	-	913,108
Interest and finance charges	2,302	381	-	-	-	2,683
Trade payables	44,327	14,810	76,839	40,074	1,999	178,051
Due to related party	-	47,871	-	-	-	47,870
	290,600	732,199	76,839	40,074	1,999	1,141,712
Net (liabilities)/ assets	(259,952)	(606,176)	(41,733)	(19,247)	23,563	(903,545)

2016	TT $	US $	JM $	BB $	Other $	Total $
Assets						
Trade receivables	40,859	25,640	20,690	2,081	8,136	97,406
Cash and cash equivalents	16,161	120,443	33,886	13	16,043	186,546
	57,020	146,083	54,576	2,094	24,179	283,952
Liabilities						
Borrowings	239,805	728,691	-	-	-	968,496
Interest and finance charges	2,206	7,498	-	-	-	9,704
Trade payables	44,419	16,751	99,895	5,691	12,153	178,909
	286,430	752,940	99,895	5,691	12,153	1,157,109
Net (liabilities)/ assets	(229,410)	(606,857)	(45,319)	(3,597)	12,026	(873,157)

Other currencies include the Euro.

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

28. Financial risk management_continued_

Risk management structure_continued_

e. Interest rate risk

Interest rate risk for the Group centers on the risk that debt service cash outflow will increase due to changes in market interest rates. At the reporting date, the Group's exposure to changes in interest rates relates primarily to bank loans which have a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed, variable rate debt and financial derivatives.

The interest rate exposure of borrowings is as follows:

	2017 $	2016 $
At floating rates	913,108	968,496

Interest rate risk table

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

	Increase/decrease in basis points	Effect on profit before tax $
2017	+100	(6,691)
	–100	6,691
2016	+100	(9,684)
	–100	9,684

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial information by segment

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

Operating segment information

2017	Cement $	Concrete $	Packaging $	Consolidation adjustments $	Total $
Total revenue	1,870,226	120,541	69,232	-	2,059,999
Inter-segment revenue	(284,603)	-	(62,827)	-	(347,430)
Third party revenue	1,585,623	120,541	6,405	-	1,712,569
Depreciation	123,952	5,239	2,333	(3,555)	127,969
Loss before tax	(450,392)	(27,324)	(20,181)	325,671	(172,226)
Segment assets	3,082,702	134,642	80,971	(634,636)	2,663,679
Segment liabilities	2,684,067	60,414	31,268	(864,903)	1,910,846
Capital expenditure	203,724	8,181	3,009	-	214,914
Operating cash flows	227,206	12,575	(3,853)	59,557	295,485
Investing cash flows	(194,116)	(17,279)	(3,489)	856	(214,028)
Financing cash flows	(91,473)	-	-	(58,146)	(149,619)
Net (decrease)/increase in cash and cash equivalents	(58,383)	(4,704)	(7,342)	2,268	(68,161)
2016					
Total revenue	2,019,321	139,936	80,288	-	2,239,545
Inter-segment revenue	(279,428)	-	(73,104)	-	(352,532)
Third party revenue	1,739,893	139,936	7,184	-	1,887,013
Depreciation	117,982	6,859	2,032	(3,725)	123,148
Profit/(loss) before tax	25,623	(9,730)	1,915	71,819	89,627
Segment assets	3,556,747	140,617	104,051	(879,113)	2,922,302
Segment liabilities	2,602,229	49,788	35,987	(782,608)	1,905,396
Capital expenditure	177,804	20,282	2,434	-	200,520
Operating cash flows	266,514	7,739	8,561	83,427	366,241
Investing cash flows	(177,053)	(16,215)	(2,433)	(4,106)	(199,807)
Financing cash flows	(189,084)	-	-	(87,403)	(276,487)
Net (decrease)/increase in cash and cash equivalents	(99,623)	(8,476)	6,128	(8,082)	(110,053)

For the year ended 31 December 2017
(Expressed in Thousands of Trinidad and Tobago Dollars)

29. Financial information by segment_continued_

Geographical segment information

	Revenue 2017 $	Revenue 2016 $	Non-current assets 2017 $	Non-current assets 2016 $	Additions property plant and equipment 2017 $	Additions property plant and equipment 2016 $
Trinidad and Tobago	485,665	668,958	1,207,655	1,244,980	49,985	79,330
Jamaica	848,369	771,733	490,476	385,418	118,092	90,272
Barbados	45,039	39,523	74,197	135,574	44,091	28,716
Other countries	333,495	406,799	39,565	41,249	2,746	2,202
Group total	1,712,569	1,887,013	1,811,893	1,807,221	214,914	200,520

The revenue information above represents third party revenue based on the location of the customers' operations. Other countries include Guyana, Venezuela, the OECS islands and Brazil.

Non-current assets comprise property, plant and equipment and receivables.

30. Operating lease

Other operating leases represents the lease commitments of the Group. The accumulated future minimum lease payments are as below:

	2017 $	2016 $
Within one year	2,821	3,485
After one year, but less than five years	2,792	4,392
More than five years	3,369	5,304
	8,982	13,181

Operating lease expenses amounting to $3.39 million (2016: $5 million) are included within the other operating expenses.

31. Subsequent events

There are no events occurring after the consolidated statement of financial position date and before the date of approval of these consolidated financial statements by the Board of Directors that require adjustment to or disclosure in these consolidated financial statements.

TCL GROUP
Building a Brighter Future

REPUBLIC OF TRINIDAD AND TOBAGO
The Companies Act, 1995
Chapter 81:01 - Section 144
Form 10

Management Proxy Circular

1. **Name of Company:**

   TRINIDAD CEMENT LIMITED — Company No: T-51(C)

2. **Particulars of Meeting:**

   The Annual Meeting of the company for the year ended December 31, 2017 is to be held on May 25, 2018 at 5:00 p.m. at La Boucan, Hilton Trinidad & Conference Centre, Lady Young Road, Port of Spain, Trinidad.

3. **Solicitation:**

   It is intended to vote the Proxy solicited hereby, unless the Shareholder directs otherwise, in favour of all resolutions specified therein.

4. **Any Director's statement submitted pursuant to Section 76(2):**

   No statement has been received from any Director pursuant to Section 76(2) of the Companies Act, 1995.

5. **Any Auditor's statement submitted pursuant to Section 171(1):**

   No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act, 1995.

6. **Any Shareholder's proposal and/or statement submitted pursuant to Section 116(a) and 117(2):**

   No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act, 1995.

DATE	NAME AND TITLE	SIGNATURE
April 20, 2018	Kathryna Baptiste Assee Company Secretary	

Notes