



10 May 2022

MARKETS AND SECURITIES REGULATION DEPARTMENT
SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attention: Director Vicente Graciano P. Felizmenio, Jr.
Market Securities and Regulation Department

Re: *Response to Comments of the Securities and Exchange Commission (the "Commission") to the SEC Form 20-IS (Preliminary Information Statement) filed by CEMEX HOLDINGS PHILIPPINES, INC. ("CHP")*

Gentlemen:

We write further to our letter dated 4 May 2022 transmitting CHP's Definitive Information Statement in response to MSRDR's comments contained in its email of 2 May 2022 in relation to CHP's Preliminary Information Statement (SEC Form 20-IS) which was filed with the Commission via email on April 25, 2022.

We would like to re-submit CHP's Definitive Information Statement (DIS), this time including CHP's SEC Form 17-Q (for quarter ended 31 March 2022) as Annex F of the DIS

We submit herewith, for your consideration:


1. CHP's Response to the MSRDR's Comments in the Checklist of Requirements - revised to expressly refer to SEC Form 17-Q (for quarter ended 31 March 2022)
2. Definitive Information Statement (DIS) dated 10 May 2022 - which revises the preliminary information statement earlier submitted, as follows:
 - (a) a new Annex F is attached which contains CHP's Form 17-Q for the quarter ended 31 March 2022
 - (b) additional information or clarification to statements have been made, per CHP's Response
 - (c) an Updated Notice of Annual Meeting of Stockholders and Explanation to Agenda Items are attached in order to reflect "Adjournment" as the 10th agenda item

Thank you.

Very truly yours,

CEMEX HOLDINGS PHILIPPINES, INC.

By:


JANNETTE VIRATA SEVILLA
Corporate Secretary & Compliance Officer

SEC REMARKS	CHP Response
PART I. A GENERAL INFORMATION	
ITEM 4. VOTING SECURITIES & PRINCIPAL HOLDERS	
(2) Security of Ownership of Management – <i>Disclose nature of beneficial ownership</i>	The Table on <i>Security Ownership of Management as of March 31, 2022</i> has been revised to include reference to “direct/(D)” as describing the nature of beneficial ownership. (See page 6 of the attached Definitive Information Statement)
ITEM 5. DIRECTORS & EXECUTIVE OFFICERS	
(A)(1)Identify Directors, including Independent Directors and Executive Officers - <i>Disclose relationship of CASEC with the nominees for independent directors</i>	The 6 th paragraph under the section discussing individuals nominated to stand for election as members of the Board of Directors has been revised further to explicitly state that the nominees for independent directors are not related to CASEC (i.e., Cemex Asian South East Corporation - the principal stockholder of CHP who submitted its nominations). (See pages 14 to 15 of the attached Definitive Information Statement)
ITEM 6. COMPENSATION OF DIRECTORS & EXECUTIVE OFFICERS	
<i>Submit annual report of the total compensation of each directors as required under Sec 29 of the Revised Corporation Code</i>	The annual report was submitted as part of the main body of the preliminary information statement (and appears in the Annual Report for 2021). The narrative pertaining to the Table on Director’s Compensation has been revised further to include a heading (for ease of reference) and additional notes clarifying the information for “non-executive” and “executive” directors and the requirements under Section 29 of the Revised Corporation Code. (See page 18 of the attached Definitive Information Statement)
MANAGEMENT REPORT	
<i>Submit Interim Financial Statements for the quarter ended March 31, 2022</i>	Refer to the new Annex F attached to the Definitive Information Statement which contains CHP’s SEC Form 17-Q (for the quarter ended March 31, 2022)
PART I: Management’s Discussion and Analysis	
(a)(viii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%) - <i>Incomplete</i>	A discussion on causes for material changes (with vertical and horizontal analyses) was included in the Management Report and presented in the specific paragraphs pertaining to the affected concepts/accounts. (See pages 34 to 53 of the attached Definitive Information Statement)
(b)Interim Periods: Comparable discussion to assess Material changes (last fiscal year and comparable interim period in the preceding year). Disclose the required information required under subparagraph (2)(a)(i) to (viii) above – <i>Not complied with</i>	Refer to the new Annex F attached to the Definitive Information Statement which contains CHP’s SEC Form 17-Q (for the quarter ended March 31, 2022)
PART 4: Market Information and Related Stockholder Matters	
(1) (b) If the information called for by paragraph (A) of this Part is being presented, the document shall also include the price information as of the latest practicable trading date – <i>Not complied with</i>	Part 4 (1) of the Management Report has been revised to include the price information about CHP’s shares on May 2, 2022 (See page 64 of the attached Definitive Information Statement)
(2)(a) Holders – <i>Update Information</i>	Part 4 (2) of the Management Report has been revised to include updated information about the stockholders of CHP, as of March 31, 2022 (See pages 64 and 65 of the attached Definitive Information Statement)
AUDITED FINANCIAL STATEMENTS	
Statement of Management Responsibility (SMR) on the Financial Statements – <i>Not Submitted</i>	Annex E of the IS has been revised to include the SMRs of the consolidated and the separate financial statement (See Annex E attached to the Definitive Information Statement)
Supplemental Schedules required by SRC Rule 68 – <i>Not Submitted</i>	Please note that the Supplemental Schedules were attached as part of the 2021 audited <u>consolidated</u> financial statements which formed the first part of Annex E of the IS (See pages 91 to 99 of Annex E attached to the Definitive Information Statement) [NOTE: Annex E of the IS contained: first part, the 2021 audited <u>consolidated</u> financial statements for 2021; and second part, the 2021 audited <u>separate</u> financial statements]
Legal matter paragraph in the Auditor’s Report on each component – <i>Not Submitted</i>	Please note that this document was attached as part of the 2021 audited <u>consolidated</u> financial statements which formed the first part of Annex E of the IS (See pages 87 to 90 of Annex E attached to the Definitive Information Statement)
Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1,4 (c)) – <i>Not submitted</i>	Please note that this document was attached as part of the 2021 audited <u>consolidated</u> financial statements which formed the first part of Annex E of the IS (See page 100 of Annex E attached to the Definitive Information Statement)
A reconciliation of Retained Earnings available for dividend declaration which shall present the prescribed adjustments as indicated in Annex 68-C – <i>Not submitted</i>	Please note that this document was attached as part of the 2021 audited <u>consolidated</u> financial statements which formed the first part of Annex E of the IS (See page 100 of Annex E attached to the Definitive Information Statement)
A map of the conglomerate or group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates (Par 4(h)) – <i>Not submitted</i>	Please note that this document was attached as part of the 2021 audited <u>consolidated</u> financial statements which formed the first part of Annex E of the IS (See page 101 of Annex E attached to the Definitive Information Statement)
A schedule showing financial soundness indicates in two comparative period as follows: 1)current/liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4) interest rate coverage ratio; 5) profitability ratio and 6) other relevant ratio as the Commission may prescribe – <i>Not submitted</i>	Please note that this document was attached as part of the audited <u>consolidated</u> financial statements which formed the first part of Annex E of the IS (See page 91 of Annex E attached to the Definitive Information Statement)

COVER SHEET

CS201518815

S.E.C. Registration Number

C	E	M	E	X		H	O	L	D	I	N	G	S		P	H	I	L	I	P	P	I	N	E	S	,	I	N	C	.

3	4	t	h		F	l	o	o	r		P	e	t	r	o	n		M	e	g	a		P	l	a	z	a			
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A	v	e	n	u	e	,		M	a	k	a	t	i		C	i	t	y												

(Business Address : No. Street City / Town / Province)

JANNETTE VIRATA SEVILLA

Contact Person

8849-3600

Company Telephone Number

1	2
<i>Month</i>	

3	1
<i>Day</i>	

Fiscal Year

CHP's Definitive Information Statement (SEC Form 20-IS) for 2022

FORM TYPE

First Wednesday of June

0	6
<i>Month</i>	

0	1
<i>Day</i>	

Annual Meeting

Issuer of Securities under SEC MSRD Order No. 9 series of 2016

Secondary License Type, If Applicable

M S R

Dept. Requiring this Doc.

Amended Articles Number/Section

29 (as of 31 March 2022)

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter : **CEMEX Holdings Philippines, Inc.
(the "Corporation" or "CHP")**

3. Province, country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**

4. SEC Identification Number : **CS201518815**

5. BIR Tax Identification Code : **009-133-917-000**

6. Address of principal office : **34th Floor Petron Mega Plaza
Building, 358 Sen. Gil J. Puyat
Avenue, Makati City, 1200
Philippines**

7. Registrant's telephone number including area code : **+632-8849-3600**

8. Date, time and place of the meeting of security holders : **June 1, 2022
3:00PM
Meeting will be conducted online
and can be accessed by remote
communication**

9. Approximate date on which the Information Statement is first to be sent or given to security holders : **on or before May 11, 2022**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock (as of March 31, 2020)
Common Shares	13,489,226,623

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

All of the outstanding common shares of the Corporation are listed on the Philippine Stock Exchange.

CHP MANAGEMENT IS NOT SOLICITING PROXIES FOR THE ANNUAL MEETING OF STOCKHOLDERS. PLEASE DO NOT SEND CHP MANAGEMENT YOUR PROXY

The report attached to this SEC Form 20-IS is the management report to stockholders required under Securities Regulation Code (“SRC”) Rule 20 to accompany SEC Form 20-IS and is hereinafter referred to as the “Management Report.”

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

(a)	Date	:	June 1, 2022 (Wednesday)
	Time	:	3:00PM
	Place	:	Meeting will be conducted online and can be accessed by remote communication
	Principal Office	:	34 th Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue Makati City, Metro Manila, Philippines

To ensure the safety and welfare of its stockholders, directors, officers, and employees, the Board of Directors of the Corporation approved during its meeting held on February 9, 2022 to hold a virtual meeting of stockholders for 2022. The Annual Meeting of Stockholders will be conducted online by remote communication and voting will be in absentia. Pursuant to the Amended By-Laws of the Corporation, the President of the Corporation will act and preside as Chairman of the Meeting. The meeting will comply with applicable requirements under SEC Memorandum Circular No. 6, series of 2020.

PARTICIPATION ONLY VIA REMOTE COMMUNICATION. Stockholders can only participate in the meeting by remote communication. Stockholders as of the Record Date who intend to participate in the meeting should register for the meeting by notifying the Corporation by email at chp.corporatesec@cemex.com on or before by May 27, 2022 (at 5:00pm). For purposes of determination of the meeting quorum, only stockholders who have registered for the meeting on or before May 27, 2022 will be considered in the computation of stockholders’ attendance.

VOTES MAY BE CAST ONLY THROUGH VOTING BALLOTS/ PROXIES SUBMITTED ON OR BEFORE MAY 27, 2021. Stockholders as of the Record Date who desire to vote on any of the matters to be presented for stockholders’ approval during the meeting must submit their voting ballots/proxies on or before May 27, 2022 (at 5:00pm). For convenience, a sample of a Voting Ballot/Proxy is attached to this Information Statement. Stockholders whose shareholdings are lodged with the Philippine Central Depository are reminded to secure a certification of their shareholdings from their respective stockbrokers.

Where a representative will sign on behalf of a Stockholder, the Voting Ballot/Proxy must be submitted together with a duly executed Special/General Power of Attorney showing the authority of the signatory to sign on behalf of the Stockholder. For a corporate stockholder, the Voting Ballot/Proxy must be accompanied by its Corporate Secretary’s certification, certifying to the representative’s authority to represent the Stockholder and sign on behalf of the Stockholder.

The procedure for participating in the meeting through remote communication and for voting are set forth in Appendix 1 of the Notice to Stockholders attached to this Information Statement.

- (b) Approximate date on which copies of the Definitive Information Statement are first to be sent or given to Security Holders : On or before May 11, 2022

Item 2. Dissenters' Right of Appraisal

Under Sections 80 to 85 of the Revised Corporation Code of the Philippines grants a stockholder a right of appraisal in certain circumstances where he has dissented AND voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of changing the corporate term of the Corporation as provided under Section 11 of the Revised Corporation Code or adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence;
- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- a merger or consolidation; and
- investment by the corporation of funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

In any of these circumstances, the dissenting stockholder may demand in writing within 30 days after the date on which the vote was taken that the corporation purchase its shares at a fair value. If there is no agreement on what is the fair value, it shall be determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. Regional Trial Courts will, in the event of a dispute, determine any question about whether a dissenting stockholder is entitled to this right of appraisal. The appraisal rights will only be available if the corporation has unrestricted retained earnings sufficient for the purchase of the shares of the dissenting shareholders. From the time the stockholder makes a written demand for payment until the corporation purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the stockholder to receive the fair value of the share.

There are no matters or actions to be taken up at the Annual Meeting of Stockholders which may give rise to a possible exercise by stockholders of their appraisal rights under the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current director or officer of the Corporation, or nominee for election as directors of the Corporation, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the Annual Meeting of Stockholders, other than election to office and ratification of acts of the Board of Directors and Management.

No director has informed the Corporation in writing that he or she intends to oppose any of the actions to be taken by the Corporation at the said annual stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) As of March 31, 2022, there are thirteen billion four hundred eighty nine million two hundred twenty six thousand six hundred twenty three (13,489,226,623) issued and outstanding common shares of stock of the Corporation entitled to vote at the Annual

Meeting of Stockholders. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

Based on the report prepared by the Corporation's stock transfer agent, the stockholders of record of CHP, including the number and percentage of total common shares outstanding held by each as of March 31, 2022, are as follows:

Names of Stockholders of Record	Names of Beneficial Owners and Relationship with Record Owner	No. of Shares Held	% to Total Outstanding Shares
PCD Nominee Corporation (Non-Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients	8,632,296,125	63.994%
CEMEX ASIAN SOUTH EAST CORPORATION ^(a) 34 TH Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila		2,857,467,493	21.183%
PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients	1,996,241,051	14.799%
Sysmart Corporation ^(b)		1,000,000	nil
Cai Yu Xi		1,000,000	nil
Elvira M. Cruz or Bernardo A. Cruz ^(c)		362,000	nil
Sysmart Corporation		215,200	nil
Bob Dy Gothong		208,600	nil
Regina Capital Dev. Corp 000351		181,741	nil
Tristan Q. Perper		100,000	nil
Cherrubin Den Tee Chua		50,000	nil
Myra P. Villanueva		40,000	nil
Elvira M. Cruz or Bernardo A. Cruz		38,000	nil
Majograjo Development Corporation		10,000	nil
Noemi Marie Faith D. Ramirez		5,000	nil
Anita Uy Mustera or Nicolas R. Mustera		2,700	nil
Milagros P. Villanueva		2,500	nil
Myrna P. Villanueva		2,500	nil
Jesus San Luis Valencia		1,259	nil
Marietta V. Cabreza		1,000	nil
Christine F. Herrera		1,000	nil
Victor Co and/or Alian Co		200	nil
Shareholders Association of the Philippines, Inc.		100	nil
Bartholomew Dybuncio Young		100	nil
Owen Nathaniel S. Au ltf: Li Marcus Au		10	nil
Joselito Tanwangco Bautista		1	nil
Botschaft N. Cheng Or Sevilla Ngo		1	nil
Alfredo Panlilio ^(d)		1	nil
Pedro Roxas ^(e)		1	nil

^(a) In addition to the 2,857,467,493 shares indicated in the table above, Cemex Asian South East Corporation ("CASEC") owns in scripless form 7,643,157,169 shares recorded under *PCD Nominee Corporation (Non-Filipino)*, inclusive of 4 shares held as of March 31, 2022 by 4 individuals: Sergio Mauricio Menendez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos and Antonio Ivan Sanchez Ugarte. As of March 31, 2022, the total number of shares owned by CASEC is 10,500,624,662 corresponding to 77.84% of the total issued and outstanding shares of CHP.

^(b) The name of this stockholder appears twice in the report, each corresponding to separate share entries.

^(c) The name of this stockholder appears twice in the report, each corresponding to separate share entries.

^(d) In addition to the indicated one share, Mr. Panlilio owns 1,000 shares which are part of the shares recorded under the account *PCD Nominee Corporation (Filipino)*

^(e) In addition to the indicated one share, Mr. Roxas owns 51,000 shares which are part of the shares recorded under the account *PCD Nominee Corporation (Filipino)*

- (b) All stockholders of record as of April 27, 2022 (the “Record Date”) are entitled to notice and to vote at the Annual Meeting of Stockholders.
- (c) Section 2, Article III of the Amended By-laws of the Corporation provides that the members of the Board of Directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for Directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.
- (d) Based on the report prepared by the Corporation’s stock transfer agent, as of March 31, 2022, the number of shares of stock of the Corporation held by non-Filipinos (foreigners) is 11,490,763,659, corresponding to approximately 85.6289% of the total outstanding shares of stock of the Corporation.
- (e) An estimated 22.02% of the total outstanding shares of stock of the Corporation was held by the public as of March 31, 2022.

Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation’s voting securities as of March 31, 2022

Title of Class	Names and Addresses of Record Owners and Relationship with Issuer	Names of Beneficial Owners and Relationship with Record Owner	Nationality	No. of Shares Owned/Held	% to Total Shares
Common	PCD Nominee Corporation (Non-Filipino) ⁽¹⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PDTC Participants and clients	Non-Filipino	8,632,296,167	63.994%
Common	CEMEX ASIAN SOUTH EAST CORPORATION (“CASEC”) ⁽²⁾ 34 TH Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila	CASEC	Non-Filipino	2,857,467,493 ⁽³⁾	21.183%
Common	PCD Nominee Corporation (Filipino) ⁽⁴⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PDTC Participants and clients	Filipino	1,996,241,051	14.799%

Notes:

⁽¹⁾ PCD Nominee Corporation is not related to CHP. The beneficial owners of the shares held through a PDTC participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PDTC participant. CHP has no record relating to the power to decide how the shares by PCD Nominee Corporation (Filipino and Non-Filipino) are to be voted.

⁽²⁾ CASEC, the principal shareholder of CHP, is a corporation incorporated in the Philippines, but wholly owned by a Netherlands company. The Board of Directors of CASEC has the power to decide how CASEC shares in CHP are to be voted.

⁽³⁾ Based on several SEC Forms 23-B filed by CASEC, in addition to the 2,857,467,493 shares indicated in the table above, CASEC owns in scripless form 7,643,157,169 shares recorded under PCD Nominee Corporation (Non-Filipino), inclusive of 4 shares held as of end of March 31, 2022 by 4 individuals: Sergio Mauricio Menendez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos and Antonio Ivan Sanchez Ugarte, respectively. As of March 31, 2022, the total number of shares owned by CASEC is 10,500,624,662 corresponding to 77.84% of the total issued and outstanding shares of the CHP.

⁽⁴⁾ See note ⁽¹⁾

Security Ownership of Management as of March 31, 2022

As of March 31, 2022, the number of shares owned of record and/or beneficially owned by the (i) *incumbent* members of the Board of Directors, (ii) the President/Chief Executive Officer (“CEO”) and the four most highly compensated Executive Officers (the “NEOs”) of the Company and (iii) all incumbent members of the Board of Directors and Executive Officers of the Company (See pages 7 to 13), unnamed as a group, are:

Title of Class	Name of Beneficial Owner	Nationality	Amount and Nature of Beneficial Ownership/ Direct (D)	% to Total Shares
Common	Alfredo Panlilio	Filipino	1,001 (D)	nil
Common	Pedro Roxas	Filipino	51,001 (D)	nil
Common	Eleanor M. Hilado	Filipino	776,700 (D)	nil
Common	Sergio Mauricio Menendez Medina	Mexican	1* (D)	nil
Common	Ignacio Alejandro Mijares Elizondo	Mexican	6,397,818* (D)	nil
Common	Alejandro Garcia Cogollos	Spaniard	1,521,456* (D)	nil
Common	Antonio Ivan Sanchez Ugarte	Spaniard	1* (D)	nil
Common	Edwin P. Hufemia	Filipino	2,379,144(D)	nil
Common	Roberto Martin Z. Javier	Filipino	1,490,760 (D)	nil
Common	Juan Carlos Soto Carbajal	Spaniard	1,257,599 (D)	
Common	Irma del Mundo Aure	Filipino	965,029(D)	nil
Common	Members of the Board of Directors and Executive Officers of the Corporation as a group		17,255,790 (D)	nil

*As of 31 March 2022, each of the following individuals held one (1) share which is beneficially owned by CEMEX ASIAN SOUTH EAST CORPORATION: Sergio Mauricio Menéndez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos and Antonio Ivan Sanchez Ugarte.

As of March 31, 2022, members of the Board of Directors and principal executive officers of the Corporation, as a group, beneficially owned a total of only 17,255,790 which corresponds to an insignificant percentage of the Corporation’s issued and outstanding shares of stock. No one of the members of the Board of Directors and Executive Officers of the Company directly owns 5% or more of the outstanding capital stock of the Company.

Voting Trust Holders of 5% or More

The Corporation is not aware of any voting trust or similar arrangement among persons holding more than 5% of the shares.

Changes in Control

There was no change in control in 2021. The major shareholder of the Corporation, Cemex Asian South East Corporation, beneficially owned 77.84% of the outstanding capital stock of the Corporation in 2021.

Item 5. Directors and Executive Officers

(1) Directors and Executive Officers

Term of Office

The directors of the Corporation are elected at the Annual Meeting of Stockholders to hold office until the next succeeding Annual Meeting of Stockholders and until their respective successors have been elected and qualified except in case of death, resignation, disqualification or removal from office. Any vacancy in the Board of Directors other than by removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. The director so chosen shall serve for the unexpired term of his predecessor in office.

Officers are appointed or elected annually by the Board of Directors. Appointed or elected officers are to hold office until a successor shall have been elected, appointed or shall have qualified, or unless such officers are sooner removed for cause.

An independent director of the Corporation may be re-elected as an independent director but up to a maximum cumulative term of nine (9) years, after which the independent director shall be perpetually barred from re-election as such, but may continue to qualify as a non-independent director of the Corporation.

Incumbent Directors

The following are the respective names, ages, citizenship, current positions, periods of service and brief description of the work experience of the Directors of the Corporation (including Independent Directors) as of the date of this Information Statement:

A. Incumbent Independent Directors

Pedro Roxas. 65 years old, Filipino citizen. Pedro Roxas holds a B.S. Degree in Business Administration from the University of Notre Dame in Indiana, USA. Mr. Roxas is the Chairman of the Board of Directors of Roxas Holdings Inc. and its operating subsidiaries, namely: Central Azucarera Don Pedro, Inc., San Carlos Bioenergy, Inc., and RHI Agri-Business Development Corporation. He is likewise the Executive Chairman of Roxas & Co., Inc. and was the company's President and CEO until 2016; the Chairman of the Philippine Sugar Millers Association (PSMA); the Vice Chairman of the ASEAN Sugar Alliance; and the President of Club Punta Fuego Inc. and Fundación Santiago. Mr. Roxas has extensive experience serving as an independent director for companies such as Manila Electric Co. ("Meralco"), Mapfre Insular Insurance Corporation and Metro Pacific Investments Corporation. He is a board member of Brightnote Assets Corporation; and a Trustee of Philippine Business for Social Progress (PBSP) and Roxas Foundation, Inc. Mr. Roxas serves as an independent member of the Board of Directors of the Corporation. He was initially elected to the Board of Directors on June 3, 2016 and assumed office effective from July 14, 2016. He was re-elected as independent member of the Board of Directors during the Corporation's annual stockholders' meetings held on June 7, 2017, June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021, respectively. Mr. Roxas is the Chairman of the Corporation's Audit Committee and is a Member of the Nomination Committee.

Alfredo S. Panlilio. 58 years old, Filipino citizen. Alfredo S. Panlilio holds a Bachelor of Science Degree in Business Administration (Computer Information Systems) from San Francisco State University. He obtained his Master in Business Administration at J. L. Kellogg School of Management of Northwestern University and the Hongkong University of Science and Technology. He served as Senior Vice President of PLDT from May 2001 to December 2010, and he was the President of PLDT Global Corporation from June 2004 to December 2010. From September 2010 to June 2019, Mr. Panlilio was the Senior Vice President and Head of Customer Retail Services and Corporate Communications at Meralco and held designations in Meralco's subsidiaries including those involved in renewable energy, multi-channel payments processing. On July 1, 2019, Mr. Panlilio returned to PLDT as its Chief Revenue Officer of PLDT. He has been a member of the Board of Directors, President and Chief Executive Officer of PLDT

since June 8, 2021 and Smart Communications, Inc. (a subsidiary of PLDT) since August 8, 2019. He is also an Advisor of the Data Privacy and Information Security Committee, Advisor of the Governance, Nomination and Sustainability Committee, and Member of the Technology Strategy Committee of the PLDT Board of Directors. Within the PLDT Group, Panlilio holds leadership positions in subsidiaries involved in ICT, data center operations, digital banking, and more. A sports advocate, Mr. Panlilio sits as President of the MVP Sports Foundation, Second Vice President of FIBA Asia Central Board, First Vice President of the Philippine Olympic Committee and Chairman of the FIBA Basketball World Cup 2023 local organizing committee. He is also the Governor of the Meralco Bolts Team under the Philippine Basketball Association (PBA) and President of Samahang Basketbol ng Pilipinas (SBP). Mr. Panlilio is the Treasurer of the National Golf Association of the Philippines (NGAP) and Manila Golf Country Club, Inc., and a member of the Management Association of the Philippines (MAP). Mr. Panlilio is an independent director on the Board of Directors of the Corporation. He was initially elected to the Board of Directors on June 3, 2016 and assumed office effective from July 14, 2016. He was re-elected as independent member of the Board of Directors during the Corporation's annual stockholders' meetings held on June 7, 2017, June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021, respectively. Mr. Panlilio is a Member of the Corporation's Nomination Committee and the Audit Committee.

Eleanor M. Hilado. 58 years old, Filipino citizen. Eleanor M. Hilado earned her Bachelor of Arts degree in Economics, Cum Laude, from the University of the Philippines. A former banker by profession, Ms. Hilado's 32-year banking career had its beginnings at the Far East Bank and Trust Company. Thereafter, Ms. Hilado joined the Development Bank of the Philippines as Sector Head of its Institutional Banking Group and was primarily responsible for professionalizing and revitalizing the corporate lending business of the institution immediately following its financial rehabilitation. In 1991, she joined the Corporate Banking Group of PCIBank and served as Assistant Vice President and Division Head until March 1997. In October 1997, Ms. Hilado's banking career was further broadened when she assumed senior management positions at PCI Capital Corporation, then the country's preeminent investment bank. In June 2007, she became First Vice President of BDO Capital & Investment Corporation, and was subsequently promoted to Senior Vice President in February 2009, a position she held until February 2018. At BDO Capital & Investment Corporation, Ms. Hilado led industry advocacy efforts to deepen the domestic bond markets by actively working with the SEC and the Philippine Dealing and Exchange Corporation to simplify registration requirements for issuers of public securities, on the one hand, and promoting investor education for publicly-issued debt and equity securities, on the other. Throughout her investment banking career, Ms. Hilado was instrumental in expanding the breadth and depth of issuer names and types of capital markets securities available in the domestic bond and equity markets. As Senior Vice President of BDO Capital & Investment Corporation, Ms. Hilado spearheaded the implementation of various award-winning capital markets transactions. Concurrent with her position and responsibilities at BDO Capital & Investment Corporation, Ms. Hilado also served as President of Armstrong Securities, Inc. and a member of its Board of Directors, a member broker of the Philippine Stock Exchange and one of three stock brokerage firms of the BDO Unibank Group from 2008-2018. Ms. Hilado is affiliated with the Canadian American School Manila, being a member of its Board of Advisors since 2016. She is also a member of the Board of Governors of the Home for Alternative Learning and Motivational Strategies (a division of the Birthright Educators Foundation). Ms. Hilado was initially elected as an independent member of the Board of Directors during the Corporation's annual stockholders' meeting on June 6, 2019 and as member of the Corporation's Audit Committee and Nomination Committee during the organizational meeting of the Board of Directors held on the same day. She was re-elected as an independent member of the Board of Directors during the Corporation's annual stockholders' meetings on June 24, 2020 and June 2, 2021, respectively. She is a Member of the Corporation's Audit Committee and the Chairman of the Nomination Committee.

B. Other Incumbent Directors¹

Sergio Mauricio Menéndez Medina. 51 years old, Mexican citizen. Sergio Mauricio Menéndez Medina holds a Master of Business Administration degree from Stanford University and a degree in Bachelor of Science in Industrial Engineering from Instituto Tecnológico y de Estudios Superiores de Monterrey. He joined CEMEX in 1993 and has held various key management positions. Mr. Menéndez was the President of CEMEX's operations in the Philippines from 2008 to 2009, the Vice President for Strategic Planning for CEMEX's operations in Europe, Middle East, Africa & Asia region (EMEAA) from 2009 to 2011 and, thereafter, the President for CEMEX's operations in Egypt until 2014. He subsequently assumed senior Vice President positions in the commercial department for CEMEX Mexico until 2019, when he was appointed as the President for CEMEX's operations in EMEAA and became a member of the Executive Committee of CEMEX. Mr. Menéndez is currently the President of CEMEX's operations in EMEAA. Mr. Menéndez serves as the Corporation's Chairman of the Board of Directors, a position he has held since April 2, 2020. He was re-elected as a Board member during the Corporation's annual stockholders' meetings held on June 24, 2020 and June 2, 2021, respectively, and was elected as Chairman of the Board of Directors during the organizational meetings of the Board of Directors that followed the annual stockholders' meetings.

Ignacio Alejandro Mijares Elizondo. 47 years old, Mexican citizen. Ignacio Alejandro Mijares Elizondo holds a Bachelor's degree in Industrial Engineering from Instituto Tecnológico y de Estudios Superiores de Monterrey, and obtained a Master of Business Administration degree from Stanford Graduate School of Business in 2000. Mr. Mijares joined CEMEX in 2001 and has held several management positions, including President of CEMEX Puerto Rico (2010-2011) and Vice President for Planning and Administration for CEMEX Mexico (2011-2017). He also served as a member of the Executive Committee and Board member of ABC Capital (2011-2017) and was a member of the Executive Committee and Board member of GCC, S.A.B. de C.V. (previously Grupo Cementos de Chihuahua, S.A.B. de C.V.) (2013-2017). Mr. Mijares was appointed as country head for CEMEX in the Philippines effective from July 1, 2017. On July 4, 2017, he was initially elected to the Board and appointed as the Company's President and Chief Executive Officer, a position that he continues to occupy. He was re-elected as a Board member during the Corporation's annual stockholders' meetings held on June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021, respectively. Mr. Mijares is also the Chairman of the Board of Directors of the following subsidiaries of the Corporation: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., Ecocrete, Inc., Enerhiya Central Inc., Ecocast Builders, Inc., Ecopavements, Inc., and Newcrete Management Inc. Mr. Mijares is the Chairman of the Board of Directors and President of Cemex Asian South East Corporation (the majority shareholder of the Corporation) and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up. He is also a member of the board of directors of Impact Assets Corporation and Albatross Holdings, Inc.

Alejandro García Cogollos. 47 years old, Spanish citizen. Alejandro García Cogollos holds a Bachelor's degree in Management and Business Administration from the Universidad Carlos III de Madrid, and obtained an MBA from Escuela de Administración de Empresas (EAE) (Barcelona). Mr. García joined CEMEX Spain in 1999. He became the Controllership Manager of various subsidiaries of CEMEX based in the Netherlands in 2001, a position he held until 2006 when he was assigned to assume the position of Controllership Manager of the CEMEX operations in the United Arab Emirates. Since 2011, he was the Planning & Administration Director for CEMEX UAE. Mr. García was initially elected as a member of the Corporation's Board of Directors and as Vice President for Planning and Administration on April 25, 2018. He was re-elected as a Board member during the Corporation's annual stockholders' meetings held on June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021, respectively.

Antonio Iván Sánchez Ugarte. 51 years old, Spanish citizen. Antonio Iván Sánchez Ugarte holds a law degree from Deusto University (Bilbao, Spain) and obtained a Master of Laws (Executive

¹ María García Villán was a member of the Board of Directors and the Audit Committee at the beginning of 2021 but resigned effective on 1 March 2022.

LLM) degree with honors from the Northwestern University Pritzker School of Law (Chicago, USA). After several years of private law practice, Mr. Sánchez joined CEMEX as International Legal Counsel in 2001 based in Madrid, Spain. He is the Vice President of Legal in operations in EMEAA. Mr. Sánchez was initially elected as a member of the Board of Directors on December 6, 2017, which election was effective on January 1, 2018. He was re-elected as a Board member during the Corporation's annual stockholders' meetings held on June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021, respectively. Mr. Sánchez is a member of the Corporation's Nomination Committee.

Francisco Javier García Ruiz de Morales. 53 years old, Spanish citizen. Mr. Francisco Javier García Ruiz de Morales is currently the Director of Business Relationship (Global Enterprise Services) for CEMEX's operations in EMEAA. He holds Degrees in Law from Universidad Complutense de Madrid and in Business Administration from Universidad Antonio de Nebrija (Madrid). He has participated in training programs in Stanford, Wharton and Carnegie Mellon, among others. Mr. Garcia joined the operations of CEMEX in Spain in 2000 and has held several management positions in the finance and administration functional areas, including Financial Planning Director for CEMEX España from 2001 to 2004, International Financing Director from 2004 to 2012 and CEMEX EMEAA Regional Treasury Director from 2012 to May 2014. In 2014, Mr. García moved to Monterrey, Mexico to head the Corporate Funding group and reported directly to CEMEX's Chief Financial Officer. By the end of 2018, Mr. Garcia returned to Madrid, Spain and assumed the position of Director for Business Services Organization (BSO) for EMEAA and became a member of the Regional Management Team. As CEMEX BSO Director for EMEAA, Mr. Garcia was responsible for BSO services pertaining to accounting, tax administration, financial information, payments to suppliers, treasury, risk, commercial administrative support, HR administration, payroll, IT support, and Internal Control that are performed in various business units of CEMEX in the region. Following the transformation of the BSO to Global Enterprise Services (GES) in June 2021, his position was changed to Director of Business Relationship-GES for EMEAA. In view of the resignation of María García Villán as member of the Board of Directors and Audit Committee of the Corporation, the Board of Directors elected Mr. Garcia as a member of the Board of Directors and member of the Audit Committee on April 7, 2022 at a meeting where all remaining board members were present.

All members of the Board of Directors hold office for a term of one (1) year until their successors are elected and qualified.

Other Principal Executive Officers²

The following are the respective names, ages, citizenship, current positions, periods of service and brief description of the work experience of the *incumbent Principal Executive Officers* of the Corporation as of the date of this Information Statement (excluding those who are also incumbent members of the Board of Directors of the Corporation), in alphabetical order:

Irma D. Aure. 46 years old, Filipino citizen. Irma D. Aure holds a Bachelor of Arts degree in Behavioral Science and a Master in Business Administration degree. She was the Asia Region Head—HR Services and Solutions of Procter & Gamble (P&G) from June 2017 until June 30, 2019, responsible for the organization's HR technology and operations for the Asia region. Prior to assuming the regional position, Ms. Aure was the Country HR Head, Associate Director of P&G Philippines from August 2013 to May 2017. On July 24, 2019, the Board of Directors appointed Ms. Aure as Vice President for Human Capital and Organization effective July 15, 2019.

Adrian V. Bancoro. 44 years old, Filipino citizen. Adrian V. Bancoro is a licensed attorney and a certified public accountant. He holds a Bachelor of Laws degree and Bachelor of Science degree in Accounting. Prior to joining CEMEX, Mr. Bancoro worked as Tax Manager with PricewaterhouseCoopers—Manila from 2003 to 2008. In 2008, he became the Tax and Corporate Counsel of Filinvest Land, Inc., a position he held until 2012. He has participated in CEMEX's Achieve Leadership Program and the Management Development Program of the Asian Institute of Management. He is a member of the Integrated Bar of the Philippines, Philippine Institute of

² In its Form 17-C dated March 15, 2022, CHP informed that Mr Rolando S. Valentino, tendered his resignation as Internal Auditor effective on April 15, 2022. Mr. Valentino held the position of Internal Auditor of CHP since August 24, 2016.

Certified Public Accountants and Tax Management Association of the Philippines. In 2012, Mr. Bancoro became the Tax Director of the CEMEX Philippines group of companies. Mr. Bancoro serves as the Tax Director of the Corporation, a position he has held since February 29, 2016.

Romeo Guilder Bringas. 45 years old, Filipino citizen. Mr. Bringas has a Bachelor of Science in Commerce Major in Computer Applications and Information Science from San Beda College (Mendiola, Manila). He started his career in CEMEX Philippines in 2002 and was an Area Sales Manager handling various areas and regions from Bicol, NCR, South Luzon, as well as Offshore VisMin markets. In 2018, he assumed the role of Commercial Manager for Bicol, Eastern Visayas, & South Luzon Offshore. He has attended various internal training programs including CEMEX - CONNECT Leadership Development Program, and he is also a certified Sandler Ambassador. On October 27, 2021 the Board of Directors appointed Mr. Bringas as the Corporation's Director for Commercial (Institutional Segment), with retroactive effect from October 15, 2021.

Pierre Ignatius C. Co, 32 years old, Filipino citizen. Pierre Ignatius C. Co holds a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He completed the CEMEX Management Development Program at the Asian Institute of Management in 2017. He joined CEMEX Philippines in 2011 as Executive Assistant to the Regional President for Asia, and, in 2014, assumed the role of Financial Planning Manager under the Strategic Planning Department. In 2016, he became Investor Relations Manager of the Corporation. On June 6, 2019, he was appointed by the Board of Directors as Investor Relations Director of the Corporation effective on June 7, 2019.

Christer James Ray A. Gaudiano. 38 years old, Filipino citizen. Mr. Gaudiano has a Bachelor of Arts degree major in Legal Management and a Juris Doctor degree from the University of Santo Tomas (UST). He likewise holds an international certification from Harvard University-edX Program and from the International Air Transport Association. Mr. Gaudiano is currently taking up his International Master of Laws degree with International Business and Commercial Law track at the Ateneo de Manila University. He started his career in Divina Law, and thereafter, in the Office of the Solicitor General. After that, he held various positions in the Department of Tourism from 2011 to 2016 where he last served as Regional Director for the National Capital Region and concurrently, as Deputy Chief of Staff of the Tourism Secretary. Before joining CEMEX Philippines, he was the Legal & Aero-political Affairs Director of a seaplane and general aviation company in the Philippines. He joined CEMEX Philippines in July 2018 as Legal Manager and handled transactions and projects in labor, procurement, supply chain, contracts, litigation and account receivables, and government affairs. On June 2, 2021, Mr. Gaudiano was appointed by the Board of Directors as the Corporation's Director of Public Affairs. Following the resignation of Mr. José Mauro Gallardo Valdés as Director for Enterprise Risk Management, the Board of Directors appointed Mr. Gaudiano as the Corporation's Director for Enterprise Risk Management, Corporate Communications and Public Affairs on October 27, 2021, effective from November 1, 2021.

Ma. Virginia Lacson-Del Rosario. 53 years old, Filipino citizen. Ma. Virginia Lacson-Del Rosario obtained a Bachelor of Science degree in Commerce, Major in Business Management and a Master of Business Administration degree. She completed the Management Development Programs of the Asian Institute of Management and Training Institute for Managerial Excellence, Inc. She joined CEMEX Philippines in 2001 as Commercial Administration Manager, and her major responsibilities since then included among others, the design and implementation of credit processes and procedure and managing the team of credit analysts responsible for the evaluation transactional risks. On October 24, 2017, Ms. Del Rosario was appointed by the Board of Directors as the Corporation's Customer Experience Director.

Edwin P. Hufemia. 50 years old, Filipino citizen. Edwin P. Hufemia holds a degree in Bachelor of Science (Chemical Engineering) and a Master of Engineering (Industrial Systems Engineering) degree. He joined CEMEX Philippines in 2001 when he was appointed as Logistics Planning Manager and has since held several management positions, including Vice President for Commercial and Logistics for CEMEX Philippines from 2004 to 2010, and Managing Director for CEMEX Bangladesh. On October 24, 2017, he was appointed as the Corporation's Vice President for Supply Chain. He is also a member of the Board of Directors of the following subsidiaries of

the Corporation: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., and a member of the Board and President of the other subsidiaries—Ecocast Builders, Inc., Ecocrete, Inc., Enerhiya Central Inc., Ecopavements, Inc., and Newcrete Management Inc.. Mr. Hufemia is a member of the Board of Directors of Cemex Asian South East Corporation and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up. He is also a member of the Board of Directors of Impact Assets Corporation, Albatross Holdings, Inc., and Calabar Aggregates Corporation.

Roberto Martin Z. Javier, 47 years old, Filipino citizen. Roberto Martin Z. Javier holds a degree in Bachelor of Science and Commerce, Major in Marketing Management. Throughout his career of over 15 years with CEMEX, Mr. Javier has accumulated extensive experience in sales, marketing, commercial administration and commercial strategy. Mr. Javier has participated in the CEMEX Global Leadership programs and other executive programs from the Asian Institute of Management. In 2014, Mr. Javier became the Vice President for Commercial (Cement) for the CEMEX Philippines group of companies. On February 29, 2016, Mr. Javier was appointed as the Corporation's Vice President for Commercial and, on October 24, 2017, he assumed the new position of Vice President for Commercial—Institutional Segment. On October 27, 2021, the Board of Directors transferred Mr. Javier to the position of Vice President for Commercial-Distribution Segment, with retroactive effect on October 15, 2021. He is also a member of the Board of Directors of the following subsidiaries of the Corporation: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., Ecocast Builders, Inc., Ecocrete, Inc., Enerhiya Central Inc., Ecopavements, Inc., and Newcrete Management Inc. Mr. Javier is also a member of the Board of Directors of Cemex Asian South East Corporation, Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up, and Calabar Aggregates Corporation.

Erlinda Cari Lizardo. 55 years old, Filipino citizen. Erlinda Cari Lizardo holds a Bachelor of Arts in Communication Arts from the University of Santo Tomas and took Masteral Units in Broadcast Journalism from the University of the Philippines. She joined CEMEX Philippines in 2003 as Corporate Communications Manager supporting the communication and reputation management requirements of CEMEX Philippines. She is also directly involved in the implementation of social responsibility initiatives of the company. She completed CEMEX's Management Development Program at the Asian Institute of Management. Prior to joining the Company, she worked at the Office of the Press Secretary in Malacañang handling presidential coverages and media relations. She also served as Legislative Officer at the House of Representatives handling legislative research and government affairs. She was also part of the public relations team at USAID which handled communications requirements for energy and environmental projects. On June 24, 2020, she was appointed by the Board of Directors of the Corporation as Corporate Communications Director.

Santiago Ortiz García. 45 years old, Mexican citizen. Santiago Ortiz García holds a Bachelors degree in Industrial Engineering and Manufacturing Administration. He obtained his Masters degree in Occupational Risk Prevention at the Universidad a Distancia de Madrid, Spain and also a Master of Science in Production and Cement & Concrete Technology at Universidad Regiomontana, Mexico. Joining CEMEX in 1997, Mr. Ortiz' assignments exposed him to several cement production processes and he has worked in numerous cement plants within the organization. His extensive operational experience made him Production Manager holding the position for 8 years. He joined CEMEX Philippines last 2017 as Operations and Technical Manager and was promoted to Process and Quality Director for CEMEX's Asia, Middle East and Africa region in July 2019. Since January 2020, he has been the plant director of the cement plant of SOLID Cement Corporation located in Antipolo, Rizal and is responsible for the overall plant operations. On June 2, 2021, Mr. Ortiz was appointed by the Board of Directors as Director of the Solid Cement plant, Operations & Technical, reporting directly to the President & CEO.

Gery L. Rota. 47 years old, Filipino citizen. Gery L. Rota is a licensed Mechanical Engineer. He obtained his Bachelor of Science in Mechanical Engineering from the University of San Jose Recoletos. Mr. Rota completed the Cement Master Class in Monterrey, Mexico in year 2008 and the Management Development Program for Executives at the Asian Institute of Management in

year 2017. Mr. Rota joined CEMEX Philippines in 1997 as a field engineer at the cement plant of APO Cement in Naga, Cebu and later assumed leadership roles of various teams in the cement operations. He became the Manager of the clinker group in year 2010 and later appointed as Production Manager. Since November 2013 to date, he is the plant director of the APO Cement plant, and is responsible for the overall plant operations. Mr. Rota has also represented CEMEX Philippines in various global networks for cement operations in CEMEX. On June 2, 2021, Mr. Rota was appointed by the Board of Directors as Director of the APO Cement plant, Operations & Technical, reporting directly to the President & CEO.

Dino Martin W. Segundo. 50 years old, Filipino citizen. Dino Martin Wilson Segundo obtained his Bachelor of Arts Degree in Economics in 1993 and, thereafter, his Bachelor of Laws Degree in 1998. After passing the 1999 Philippine bar exams, he immediately joined the Soo, Gutierrez, Leogardo & Lee Law Offices as Associate Attorney, focusing on Labor Law, Civil Law, and Criminal Law. Between 2001 and 2007, he was a Senior Associate Attorney at the Carag, Caballes, Jamora & Somera Law Offices, adding Intellectual Property Law and Maritime Law to his fields of specialization. Mr. Segundo joined Cemex Philippines in 2007 as Senior Legal Manager and currently serves as the Corporation's Legal Director, a position to which he was appointed on June 6, 2018. He participated in CEMEX's Management Development Program at the Asian Institute of Management in 2017. Mr. Segundo is a member of the Board of Directors of the following subsidiaries of the Corporation: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., Enerhiya Central Inc., Ecocast Builders, Inc., and Ecopavements, Inc. He is also a member of the Board of Directors of Cemex Asian South East Corporation and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up.

Jannette Virata Sevilla. 59 years old, Filipino citizen. Jannette Virata Sevilla obtained her Bachelor of Laws and Bachelor of Arts (cum laude) degrees in 1987 and 1983, respectively. She was admitted to the Philippine Bar in 1988 and the New York State Bar in 1996. She is currently engaged in the private practice of law, and is also an external legal consultant of CEMEX Asia Pte. Ltd.—Philippine Headquarters. She was previously employed as Regional Legal Counsel for Asia and Vice President for Legal for the CEMEX Philippines group of companies until November 2008. She was formerly a Senior Associate Attorney at Carpio Villaraza & Cruz Law Offices; a Director in the Office of the Chief Presidential Legal Counsel, Office of the President of the Republic of the Philippines; an associate attorney at Bautista Picazo Buyco Tan & Fider Law Offices; and a Law Clerk/Confidential Attorney, Office of Associate Justice Irene R. Cortes, Supreme Court of the Philippines. Ms. Sevilla is the Corporation's Corporate Secretary and Compliance Officer, positions she has held since September 17, 2015 and August 24, 2016, respectively. She also serves as Corporate Secretary of the various subsidiaries of the Corporation. She is a member of the Board of Directors of Solid Cement Corporation. Ms. Sevilla is also a member of the Board of Directors and the Corporate Secretary of Cemex Asian South East Corporation and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up.

Juan Carlos Soto Carbajal. 46 years old, Spanish citizen. Juan Carlos Soto Carbajal, holds a Bachelor's degree in Engineering. He joined CEMEX in the United Arab Emirates in 2007. From the operations area, Mr. Soto moved to the procurement area and eventually assumed the position of Procurement Manager in 2010. After a few years, he was promoted to Supply Chain Director heading the logistics and supply chain area. In January 2019, he was designated as the Procurement Director of CEMEX for the Asia, Middle East and Africa (AMEA) region. On January 30, 2019, the Board of Directors appointed Mr. Soto as the Corporation's Procurement Director effective on January 30, 2019.

Steve Kuansheng Wu. 55 years old, Taiwanese citizen. Steve Kuansheng Wu holds an MBA (Finance), an MBA (Accounting), and a Bachelor's degree in Business Mathematics. He has participated in CEMEX's Achieve Leadership Program and its International Management Program, and, since 2001, he has held positions in the accounting areas for several business units of CEMEX in Asia. In 2011 he became Asia Management Financial Service Manager based in CEMEX Philippines. On December 6, 2017, he was appointed as the Corporation's Treasurer, Chief Financial Officer and Business Services Organization Director. He is a member of the

Board of Directors of Solid Cement Corporation and Ecocrete, Inc. He is also Treasurer, Chief Financial Officer and Business Services Organization Director of various subsidiaries of the Corporation, Cemex Asian South East Corporation, and Cemex Strategic Philippines, Inc. an affiliate of the Corporation which is in the process of winding-up.

Nominations for Directors and Procedure for Nomination

Further to CHP's Revised Manual of Corporate Governance, all nominations for directors to be elected by the stockholders of the Corporation shall be submitted in writing to the Corporate Secretary of the Corporation not earlier than fifty (50) business days nor later than thirty-two (32) business days prior to the date of the meeting of stockholders for the election of Directors. For the Annual Meeting of Stockholders scheduled on June 1, 2022, the relevant Nomination Period was from March 18, 2022 to April 13, 2022. This period was notified in the Corporation's Form 17-C dated February 9, 2022 and the Notice of Annual Stockholders' Meeting which were posted at the PSE Edge on February 10, 2022. Details of the Corporation's Form 17-C and Notice were also uploaded to the Corporation's website.

The following individuals were nominated as Directors of the Corporation for 2022-2023:

1. Pedro Roxas (<i>independent director</i>)
2. Alfredo S. Panlilio (<i>independent director</i>)
3. Eleanor M. Hilado (<i>independent director</i>)
4. Sergio Mauricio Menéndez Medina
5. Luis Guillermo Franco Carrillo
6. Alejandro García Cogollos
7. Antonio Iván Sánchez Ugarte
8. Francisco Javier García Ruiz De Morales

The nominees were formally nominated to the Corporation by the principal stockholder of the Corporation, i.e., CEMEX ASIAN SOUTH EAST CORPORATION ("CASEC"), in a letter dated April 12, 2022 signed by CASEC's President Mr. Ignacio Mijares.

The foregoing nominations comprise the only nominations received by the Corporate Secretary of the Corporation during the Nomination Period.

The nominees are incumbent members of the Board of Directors, except for Mr. Luis Guillermo Franco Carrillo. A background of the nominees who are incumbent directors are found in the previous section (Refer to pages 7 to 10 of this Information Statement), while the background of Mr. Luis Guillermo Franco Carrillo is below:

Luis Guillermo Franco Carrillo, 46 years old and Mexican citizen. Mr. Franco holds a Bachelor's degree in Chemical Engineering from Instituto Tecnológico y de Estudios Superiores de Monterrey and obtained a Master of Business Administration degree from Stanford Graduate School of Business in 2004. He joined CEMEX in 1999 through its management training program. He was assigned to the CEMEX's operations in the United Kingdom, assuming the positions of Manager for Strategic Planning from 2006 to 2007, Director for Strategic Planning from 2007 to 2009 and Director for Business Performance from 2009 to 2010. He has held other key management positions, including head of CEMEX's operations in Hungary from 2010 to 2011, Aggregates Vice President for CEMEX Mexico from 2011 to 2014, Industrial Channel Sale Vice President for CEMEX Mexico from 2014 to 2016, and Builders Segment Vice President for CEMEX Mexico from 2016 until present.

Ms. Eleanor M. Hilado, Mr. Alfredo S. Panlilio and Mr. Pedro Roxas are the nominees for Independent Directors. They are neither officers nor employees of CASEC (i.e., the nominating stockholder who is also the principal stockholder of the Corporation), the Corporation, or any of their respective subsidiaries or affiliates, are not related to CASEC or any of the other foregoing entities, and do not have any relationship with CASEC or any of the foregoing entities which would

interfere with the exercise of independent judgment in carrying out the responsibilities of an Independent Director of the Corporation.

The Nomination Committee reviewed and evaluated the qualifications of the nominees. The Final List of Candidates is composed of the eight named-nominees. The members of the Nomination Committee are: Eleanor M. Hilado (Chairman), Pedro Roxas, Alfredo S. Panlilio and Antonio Ivan Sanchez. The Board of Directors, during its meeting held on April 25, 2022 and based upon the favorable endorsement of the Nomination Committee, confirmed and approved this Final List of Candidates.

The procedure for the nomination and election of the Independent Directors is in accordance with SRC Rule 38, CHP's Amended By-laws, and CHP's Revised Manual of Corporate Governance. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of Candidates has been prepared.

The certifications of the nominees for Independent Directors, i.e. Ms. Eleanor M. Hilado, Mr. Alfredo S. Panlilio and Mr. Pedro Roxas, are attached as Annexes B-1, B-2 and B-3 of this Information Statement, respectively. The Certification of the Corporate Secretary pertaining to non-affiliation with government offices is attached as Annex B-4 of this Information Statement.

The Corporation is not aware of any pending case that may materially affect the ability of the nominees to adequately and ably perform their duties as directors of the Corporation, once elected.

(2) Significant Employees

The Corporation considers the contribution of every employee important to the fulfillment of its goals.

(3) Family Relationships.

There are no family relationships among the members of the Board of Directors and Executive Officers up to the fourth civil degree of consanguinity or affinity.

(4) Involvement of Directors (including nominees for election) and Executive Officers in Certain Legal Proceedings which Occurred During the Past Five Years.

To the best of the Corporation's knowledge and belief, during the past five (5) years, none of the incumbent members of the Board of Directors, nominees for election as Director, nor any of the Executive Officers of the Corporation, (i) has filed any bankruptcy petitions or have had bankruptcy petitions filed against them; (ii) has been convicted by final judgment of any offense punishable by the laws of the Republic of the Philippines or of any other nation or country (excluding traffic violations and other minor offences); (iii) has been or is subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; or (iv) has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

(5) Certain Relationships and Related Transactions

There are no transactions during the last two years to which the Corporation was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

- (a) Any incumbent Director or Executive Officer of the Corporation;
- (b) Any nominee for election as a Director;
- (c) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the persons in subparagraph (a) or (b) of this paragraph.

Transactions with affiliated companies including subsidiaries of CEMEX S.A.B de C.V. (CEMEX), as well as other related parties of the Corporation, are mentioned or referenced in the Corporation's Annual Report (SEC Form 17-A) for year ending December 31, 2021 filed as part of this Information Statement as Annex D and in the Consolidated Financial Statements as at and for the years ended December 31, 2021 and 2020 (with the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended December 31, 2021, 2020 and 2019) in the accompanying 2021 Audited Financial Statements filed as part of this Information Statement as Annex E.

For further information on related party transactions, including the various criteria used for determining the existence of a "related party" relationship and outstanding advance balances, see Note 13 (Balances and Transactions with Related Parties) of the Notes to the Corporation's Consolidated Financial Statements as at and for the years ended December 31, 2021 and 2020 (with the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended December 31, 2021, 2020 and 2019) in the accompanying Audited Financial Statements, and ITEM 12 of PART III (Certain Relationships and Related Party Transactions) of the Corporation's Annual Report (SEC Form 17-A) for year ending December 31, 2021.

(6) Parent Company

As of March 31, 2022, CEMEX ASIAN SOUTH EAST CORPORATION owns 77.84 % of the outstanding voting shares of the Corporation.

(7) Resignation of Directors

Ms. María García Villán (who was re-elected as member of the Board of Directors of the Corporation during the Annual Meeting of Stockholders held on June 2, 2021) resigned effective on 1 March 2022.

No director has resigned or declined to stand for re-election to the Board since the date of the Corporation's last Annual Meeting of Stockholders because of a disagreement with the Corporation on matters relating to its operations, policies, and practices.

(8) Attendance of Members of the Board of Directors and Board Committees and Corporate Governance Training in 2021

Members of the Board of Directors	Date of Election [initial date / re-election date(s)]	No. of Board Meetings Held during the Director's effective tenure in 2021	No. of Board Meetings Attended
Sergio Mauricio Menéndez Medina (Chairman)	2 April 2020/24 June 2020/2 June 2021	7	7

Pedro Roxas (Lead Independent Director)	3 June 2016 /7 June 2017/ 6 June 2018/ 9 June 2019/24 June 2020/2 June 2021	7	7
Alfredo S. Panlilio (Independent Director)	3 June 2016 /7 June 2017/ 6 June 2018/ 6 June 2019/24 June 2020/2 June 2021	7	5
Eleanor M. Hilado (Independent Director)	6 June 2019/24 June 2020/ 2 June 2021	7	7
Ignacio Alejandro Mijares Elizondo	4 July 2017/6 June 2018 / 6 June 2019/ 24 June 2020/ 2 June 2021	7	7
Alejandro García Cogollos	25 April 2018/ 6 June 2019/ 24 June 2020/ 2 June 2021	7	7
Antonio Iván Sánchez Ugarte	6 December 2017 (effective on 1 January 2018)/ 6 June 2018/6 June 2019/ 24 June 2020/ 2 June 2021	7	7
María García Villán (who resigned effective March 1, 2022)	2 December 2020/ 2 June 2021	7	6

Members of the Audit Committee	No. of Audit Committee Meetings Held during the Member's tenure in 2021	No. of Committee Meetings Attended
Pedro Roxas (Chairman)	6	6
Alfredo S. Panlilio	6	4
Eleanor M. Hilado	6	6
María García Villán	6	6
Members of the Nomination Committee	No. of Nomination Committee Meetings Held during the Member's tenure in 2021	No. of Committee Meetings Attended
Eleanor M. Hilado (Chairman)	1	1
Pedro Roxas	1	1
Alfredo S. Panlilio	1	1
Antonio Iván Sánchez Ugarte	1	1

Members of the Board of Directors along with principal executive officers of the Corporation attended a 4-hour corporate governance training seminar entitled “Advanced Corporate Governance Training” on November 16, 2021 that was conducted on-line by the Institute of Corporate Directors, a third-party accredited service-provider. Mr. Alfredo S. Panlilio, who is also a member of the Board of Directors and principal executive officer of another publicly-listed company (PLC), attended the 2021 in-house corporate governance training of the PLC held on November 12, 2021.

Item 6. Compensation of Directors and Executive Officers

(1) Directors' Compensation

Standard Arrangements

Under the Corporation's Amended By-Laws, the members of the Board of Directors shall receive compensation for the discharge of the duties of supervision and collegiate decision-making proper to said management body. The Board of Directors approved in a special meeting held on June 3, 2016 the following honorarium fee/per diem for independent directors of the Corporation: (i) an honorarium fee/ per diem equivalent to ₱ 450,000.00 (computed on an annual basis) for acting as director and (ii) an honorarium fee/per diem equivalent to ₱ 90,000.00 (computed on an annual basis) per Committee membership. The other members of the Board of Directors do not receive any compensation, directly or indirectly, for the discharge of their duties as director of the Corporation or as member of any of the Committees of the Board.

Annual Report of the Total Compensation of Each Director for 2021

Only the independent directors are entitled to compensation for the discharge of their duties as members of the Board of Directors of the Corporation. For 2021, the total director's compensation received by each of the members of the Board of Directors is as follows:

Name of Board Member	Total Director's Compensation (honorarium/per diem)
1. Pedro Roxas (<i>independent director</i>)	₱ 630,000.00
2. Alfredo S. Panlilio (<i>independent director</i>)	₱ 630,000.00
3. Eleanor M. Hilado (<i>independent director</i>)	₱ 630,000.00
4. Sergio Mauricio Menéndez Medina ^(a)	0
5. Ignacio Alejandro Mijares Elizondo ^(b)	0
6. Alejandro García Cogollos ^(c)	0
7. Antonio Iván Sánchez Ugarte ^(a)	0
8. Maria García Villan ^(a)	0
GRAND TOTAL	₱ 1,890,000.00

^(a) These individuals are "non-executive" directors and are not employees or executive officers of the Corporation. They do not receive any compensation from the Corporation for the discharge of their duties as members of the Board of Directors of the Corporation.

^(b) Ignacio Alejandro Mijares Elizondo is the President & CEO of the Corporation. He receives compensation for the discharge of his functions as an executive officer of the Corporation, and his compensation package is reported under the table on Executive Compensation in the succeeding section.

^(c) Alejandro Garcia Cogollos is Vice President of the Corporation. He receives compensation for the discharge of his functions as an executive officer of the Corporation, and his compensation package is reported under the table on Executive Compensation in the succeeding section.

The total director's compensation for 2021 did not exceed ten (10%) percent of the net income before income tax of the Corporation during the preceding year. In compliance with Section 29 of the Revised Corporation Code of the Philippines which took effect on February 23, 2019, the incumbent members of the Board of Directors of the Corporation have not participated in the determination of their own per diem or compensation.

Other Arrangements

There are no other arrangements pursuant to which any of the members of the Board of Directors is compensated by the Corporation, directly or indirectly, for any service provided as director or as member of any of the Committees of the Board.

(2) Executive Compensation

The Corporation's compensation package to its executives has a fixed and variable component. The fixed component includes the basic salary, and annual salary increases are determined on the basis of the executive's individual performance and position on the defined salary range. The variable component pertains to a variable compensation program that is paid based on the organization's performance and executive's individual performance.

The following table summarizes the aggregate compensation of the President/Chief Executive Officer ("CEO") and the four most highly compensated Executive Officers (the "NEOs") of the Corporation, as well as the other Executive Officers of the Corporation during the last three completed fiscal years and the ensuing fiscal year are as follows:

Name and Principal Position	Year	Salary (in millions of Philippine Pesos)	Bonus ³ (in millions of Philippine Pesos)	Other Compensation (in millions of Philippine Pesos)
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo President and CEO 2. Arturo Manrique Ramos Vice President for Cement Operations & Technical 3. Alejandro Garcia Cogollos Vice President for Planning & Admin. 4. Edwin P. Hufemia Vice President for Supply Chain 5. Everardo Sanchez Banuet Vice President for Commercial - Distribution Segment	Actual 2019	₱57.2	₱26.3	₱42
CEO and NEOs 1. Ignacio Alejandro Mijares - Elizondo President and CEO 2. Carlos Alberto Palero Castro - Vice President for Cement Operations & Technical 3. Alejandro Garcia Cogollos - Vice President for Planning & Admin. 4. Edwin P. Hufemia - Vice President for Supply Chain 5. Everardo Sanchez Banuet - Vice President for Commercial - Distribution Segment	Actual 2020	₱ 70.7	₱ 32.4	₱ 19.5
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo President and CEO 2. . Edwin P. Hufemia - Vice President for Supply Chain 3. Everardo Sanchez Banuet Vice President for Commercial - Distribution Segment 4. Alejandro Garcia Cogollos Vice President for Planning & Administration 5. Irma del Mundo Aure - Vice President for Human Resources & Capital Organization	Actual 2021	₱60	₱35.6	₱21.3
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo President and CEO 2. . Edwin P. Hufemia - Vice President for Supply Chain 3. Roberto Martin Z. Javier - Vice	Projected 2022	₱56.7 estimated	₱45 estimated	₱14.6 estimated

³ Bonus includes the value of benefits received in connection with variable compensation or long-term incentive plans applicable to eligible executives.

President for Commercial-Distribution Segment 4. Irma del Mundo Aure - Vice President for Human Resources & Capital Organization 5. Juan Carlos Soto Carbajal - Procurement Director				
All other executive officers as a group unnamed.	Actual 2019	₱65.9	₱18.9	₱24.38
	Actual 2020	₱65.9	₱18.1	₱17
	Actual 2021	₱65.4	₱201	₱26.6
	Projected 2022	₱60.1 estimated	₱25.8 estimated	₱23.3 estimated

Certain executive officers of the Corporation or its subsidiaries have received compensation in the form of CEMEX's CPOs⁴ pursuant to the terms of variable compensation plan applicable to these executives under which the eligible executives are allocated annually with a specific number of CPOs as a long-term incentive compensation to be vested over a specific period of time.

Certain executive officers of the Corporation or its subsidiaries received in 2020 compensation in the form of cash pursuant to the terms of a variable long-term incentive plan approved by the Corporation's Board of Directors on April 25, 2018 under which the eligible executives are allocated cash amounts (to be released in four annual installments) which shall be used by these executives to purchase a specific number of shares of the Corporation from the market.

During the meeting of the Board of Directors of the Corporation held on April 7, 2022, the Board of Directors approved the Corporation's Annual Report (SEC Form 17-A) which, among several matters, included the projected or estimated compensation for 2022 of the Corporation's CEO and NEOs.

(3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The Principal Executive Officers of the Corporation are covered by letters of appointment or employment contracts stating their respective job functionalities, among others. The Corporation does not have any compensatory plan or arrangement resulting from the resignation, retirement or any other termination of an executive officers' employment with the Corporation or its subsidiaries or from a change of control of the Corporation, except for such rights as may have already vested under the Corporation's retirement plan or as may be provided for under its standard employment benefits.

(4) Warrants and Options Outstanding

The Corporation has not issued any warrants or options which are held by the CEO, the NEOs, and all officers and directors as a group.

Item 7. Independent Public Accountants

The independent external auditor of the Corporation (and its Philippine subsidiaries) is R.G. Manabat & Co. (the "Audit Firm") with Mr. Enrico E. Baluyut as the current signing audit partner. Mr. Baluyut succeeded Ms. Emerald Anne Bagnes, the previous signing partner of the Audit Firm, and Mr. Baluyut's term began for the audit of fiscal year 2021. The change in signing partner was consistent with Article 6 (A)(v) of the Corporation's Manual of Corporate Governance which provides that either (i) the external auditor shall be rotated or changed every five (5) years or

⁴ CEMEX's Ordinary Participation Certificates (Certificados de Participación Ordinarios) ("CPOs"), each of which currently represents two "Series A" shares and one "Series B" share, are listed on the Mexican Stock Exchange and trade under the symbol "CEMEX.CPO." CEMEX's American Depositary Shares, each of which currently represents ten CPOs, are listed on the New York Stock Exchange ("NYSE") and trade under the symbol "CX".

earlier or (ii) the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency and SRC Rule 68(3)(b)(ix).

The Audit Firm and Mr. Baluyut both have existing and valid Certificates of Accreditations issued by the Professional Regulatory Board of Accountancy (“PRBOA”) and the Philippine SEC under the Group A category. These continuing accreditations have been granted to them based on their compliance with professional and operational requirements set by the PRBOA and the SEC pursuant to the Accountancy Act 2004 and the Securities Regulation Code and their implementing rules and regulations, respectively.

Since the Audit Firm’s appointment, there has been no disagreement with Corporation with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

Among the agenda items for the Annual Meeting of Stockholders to be held on June 1, 2022 is the appointment by the stockholders of the Corporation’s independent external auditor for fiscal year 2022. During their separate meetings held on April 7, 2022, the Audit Committee favorably endorsed, and the Board of Directors approved, the nomination of the Audit Firm as independent external auditor of the Corporation for the audit of fiscal year 2022. The representatives of the Audit Firm are expected to be present at the Annual Meeting of Stockholders, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions with respect to matters for which their services were engaged.

The fees billed for professional services rendered to the Corporation by the Audit Firm (exclusive of out-of-pocket expenses) during the previous years 2018 to 2021 were:

Nature of Work	2021	2020	2019	2018
(a)(1) Audit of annual financial statements or services that are normally engaged by external auditor in connection with statutory and regulatory filings or engagements	₱6,058,500	₱6,058,500	₱6,058,500	₱6,058,500
(a)(2) Other audit-related services	₱2,941,000	₱6,748,000	₱4,095,000	₱2,469,000
(b) Other non-audit related services (e.g., for tax accounting, compliance, advice, planning and other form of tax services)	₱ -	₱ -	₱ -	₱ -

In accordance with the Corporation’s Revised Manual of Corporate Governance, the Audit Committee is mandated, among others, to perform oversight function over the Corporation’s external auditors. Prior to the commencement of the audit, the Audit Committee is tasked to discuss with the external auditor the nature, scope and expenses of the audit. Furthermore, the Audit Committee shall evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation’s overall consultancy expenses. The Audit Committee has the authority to disallow any non-audit work that will conflict with the external auditor’s duties as an external auditor or may pose a threat to their independence. During the 3rd or 4th quarter of every fiscal year, the external auditor presents to the Audit Committee, for its consideration and approval, the audit plans and programs for the succeeding fiscal year. The Audit Committee likewise determines the reasonableness of the fees proposed by the external auditors for audit and other related matters. The Audit Committee approves the unaudited interim quarterly financial statements as well as the yearly audited financial statements of the Corporation before these are presented to the Board of Directors for approval.

Regarding the audit for fiscal year 2021, the Audit Committee approved the external auditor’s audit plan and strategy for fiscal year 2021 during the committee’s meeting held on October 27, 2021. During the meetings of the Audit Committee held on April 7, 2021, October 27, 2021 and February 9, 2022, the Audit Committee reviewed and approved the fees of the external auditor for statutory

audit and other audit-related work in 2021. The Board of Directors approved and confirmed these fees during its meetings held on the same dates.

In 2021, the members of the Audit Committee of the Corporation were: Pedro Roxas (Chairman), Alfredo S. Panlilio, Eleanor M. Hilado and Maria Garcia Villan. Ms. García resigned as Member of the Board of Directors and the Audit Committee effective on March 1, 2022. During a meeting on April 7, 2022, the Board of Directors elected Mr. Francisco Javier García Ruiz de Morales as a member of the Board of Directors and member of the Audit Committee at a meeting during which all remaining board members were present.

Item 8. Compensation Plans

No action is to be taken during the Annual Meeting of Stockholders in respect of any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

No action is to be taken during the Annual Meeting of Stockholders with respect to an authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

No action is to be taken during the Annual Meeting of Stockholders with respect to the modification of any class of securities of the Corporation, or the issuance or authorization for issuance of one class of securities of the Corporation in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The Corporation's 2021 Annual Report (SEC Form 17-A) is attached as Annex D hereof and the Audited Financial Statements for 2021 consisting of the following financial statements are attached as Annex E hereof:

- (i) Audited 2021 Consolidated Financial Statements of the Corporation (with consolidated statements of financial position as at December 31, 2021 and 2020, and consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019) and Schedules
- (ii) Audited 2021 Separate Financial Statements of the Corporation (with separate statements of financial position as at December 31, 2021 and 2020, and separate statements of comprehensive income (loss), separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2021, 2020 and 2019).

Further to the favorable endorsement of the Audit Committee, the Board of Directors approved on April 7, 2022 the Audited Financial Statements for 2021 of the Corporation (consolidated and separate).

The Corporation's SEC Form 17-Q (Quarter Report for the 1st Quarter 2022) including its interim unaudited consolidated financial statements for the 1st Quarter 2022 is attached as Annex F hereof.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken during the Annual Meeting of Stockholders with respect to any transaction involving the: (i) merger or consolidation of the Corporation into or with any other person or of any other person into or with the Corporation, (ii) acquisition by the Corporation or any of its security holders of securities of another person, (iii) acquisition by the Corporation of any other going business or of the assets thereof, (iv) sale or other transfer of all or any substantial part of the assets of the Corporation, or (v) liquidation or dissolution of the Corporation.

Item 13. Acquisition or Disposition of Property

No action is to be taken during the Annual Meeting of Stockholders with respect to the acquisition or disposition of any property of the Corporation.

Item 14. Restatement of Accounts

No action is to be taken during the Annual Meeting of Stockholders with respect to the restatement of any asset, capital, or surplus account of the Corporation.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

During the Annual Meeting of Stockholders, the following matters will be presented for approval by the stockholders:

- (a) Minutes of the Annual Meeting of Stockholders held on June 2, 2021 (“2021 AMS”) which was conducted online and accessed by remote communication-

This annual meeting of stockholders was conducted online through a video conference facility at <https://cemex.zoom.us/j/86136696730>. The draft Minutes of this annual meeting of stockholders were uploaded to the Company’s website within five days from the annual meeting and may be viewed at this link: <https://www.cemexholdingsphilippines.com/documents/46587437/46588174/chp-minutes-of-annual-stockholders-meeting-with-annex-a-dated-2-june-2021.pdf/0927ce5a-5f0d-aab9-7340-40683cf4caeb>. A copy of the draft Minutes of the Stockholders’ Meeting held on June 2, 2021 is attached as Annex C hereof.

The draft Minutes of the 2021 AMS contain the following information:

1. A description of the voting and vote tabulation procedures used in the meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions, if any, asked and answered given;
3. The matters discussed and resolutions reached;
4. A record of the voting results for each agenda item; and
5. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting.

Through the Notice of the 2021 AMS, stockholders were informed that the meeting would be conducted online by remote communication in lieu of a physical meeting. This Notice also included the *Procedure for Participating in the Meeting and for Voting Through Remote Communication or In Absentia*. For purposes of determination of the meeting quorum, stockholders as of the meeting’s Record Date (i.e., April 30, 2021) who registered for this meeting on or before May 26, 2021 (at 5:00pm) were considered in the computation

of stockholders' attendance. Stockholders who timely registered for this annual meeting held a total of 10,873,643,548 common shares of the Corporation, representing approximately 80.61% of the total issued and outstanding shares of stock of the Corporation, and were therefore considered as present or represented in the 2021 AMS.

Stockholders could only cast their votes on any of the matters to be presented during this meeting by way of submitting their respective voting ballots/proxy forms (by physical delivery or email to the Office of the Corporate Secretary) on or before the prescribed Voting Deadline - May 26, 2021. A sample voting ballot/proxy form was included in the Definitive Information Statement for the 2021 AMS. The Corporation engaged the services of R.G. Manabat & Co to review and validate the tabulation of votes performed by the Corporate Secretary, based on votes cast for the various agenda items for today's meeting.

All members of the Board of Directors were present during the 2021 AMS:

1. Sergio Mauricio Menéndez Medina - Chairman of the Board of Directors
2. Pedro Roxas - Lead Independent Director
3. Alfredo S. Panlilio - Independent Director
4. Eleanor M. Hilado - Independent Director
5. Ignacio Alejandro Mijares Elizondo - Director (President & CEO)
6. Alejandro García Cogollos - Director (Vice President for Planning and Administration)
7. Antonio Iván Sánchez Ugarte - Director
8. María García Villán - Director

In addition to the President & CEO and the Vice President for Planning and Administration, the following were the other principal officers of the Corporation who were present during the 2021 AMS:

1. Steve Wu - Treasurer & Chief Financial Officer and BSO Director
2. Irma D. Aure - Vice President for Human Capital and Organization
3. Roberto Martin Z. Javier - Vice President for Commercial (Institutional Segment)
4. Edwin P. Hufemia - Vice President for Supply Chain
5. Everardo Sanchez Banuet - Vice President for Commercial (Distribution Segment)
6. Maria Virginia Lacson-del Rosario - Customer Experience Director
7. Rolando Valentino - Internal Auditor
8. Juan Carlos Soto Carbajal - Procurement Director
9. Jose Mauro Gallardo - Enterprise Risk Management (ERM) Manager
10. Dino Martin W. Segundo - Legal Director and Assistant Corporate Secretary
11. Pierre Ignatius C. Co., Investor Relations Director
12. Erlinda C. Lizardo - Director, Communications
13. Jannette Virata Sevilla - Corporate Secretary and Compliance Officer

The matters presented for approval during the 2021 AMS are summarized as follows:

(i) approval of the minutes of the Annual Meeting of Stockholders held on June 24, 2020 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,870,626,742	80.59%
2. No/Against	0	nil
3. Abstain	1,100	
Total Votes Cast	10,870,627,842	80.59%

(ii) approval of the Annual Report (SEC Form 17-A) for 2020 and audited financial statements as of 31 December 2020 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,866,094,122	80.55%
2. No/Against	0	0
3. Abstain	4,532,620	nil
Total Votes Cast	10,870,626,742	80.89%

(iii) ratification of actions of the Board of Directors and Management since June 24, 2020 until June 2, 2021 -the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,866,095,222	80.55%
2. No/Against	0	0
3. Abstain	4,532,620	nil
Total Votes Cast	10,870,627,842	80.59%

(iv) election of the members of the Board of Directors - the details of the final tally of votes were:

NAME OF NOMINEES	No. of Votes Yes/For	No. of Votes No/Against	No. of Votes Abstain
Pedro Roxas	10,861,249,786	9,378,056	0
Alfredo S. Panlilio	10,870,627,842	0	0
Eleanor M. Hilado	10,870,627,842	0	0
Sergio Mauricio Menéndez Medina	10,861,248,686	9,378,056	0
Ignacio Alejandro Mijares Elizondo	10,861,248,686	9,378,056	1,100
Alejandro García Cogollos	10,861,248,686	9,378,056	1,100
Antonio Iván Sánchez Ugarte	10,861,248,686	9,378,056	1,100
María García Villán	10,861,248,686	9,378,056	1,100

(v) appointment of the accounting firm of R.G. Manabat & Co. as external auditor of the Corporation for the fiscal year 2021 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,870,627,842	80.59%
2. No/Against	0	0
3. Abstain	0	0
Total Votes Cast	10,870,627,842	80.59%

Stockholders were given the opportunity to submit their questions or comments either prior to the meeting or during the meeting through the Q&A chatbox (located at the bottom of the screen labelled "Q&A"). Stockholders were informed that questions or comments which could not be taken up during the 2021 AMS would be answered or responded to directly by the Corporation's Investor Relations group. No other matter, questions or comments were raised or made by stockholders for consideration during the 2021 AMS.

(b) Annual Report (SEC Form 17-A) for 2021

Attached as Annex D hereof is the Corporation's Annual Report (SEC Form 17-A) for 2021.

(c) **Audited Financial Statements for 2021**

Attached as Annex E hereof are the Audited Financial Statements for 2021 consisting of the following financial statements:

- (i) Audited 2021 Consolidated Financial Statements of the Company (with consolidated statements of financial position as at December 31, 2021 and 2020, and consolidated statements of comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019) and Schedules
- (ii) Audited 2021 Separate Financial Statements of the Corporation (with separate statements of financial position as at December 31, 2021 and 2020, and separate statements of comprehensive income (loss), separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2021, 2020 and 2019).

Attached as Annex F hereof is the Corporation's SEC Form 17-Q (Quarter Report for the 1st Quarter 2022) including its interim unaudited consolidated financial statements for the 1st Quarter 2022.

Item 16. Matters Not Required to be Submitted

All matters or actions to be taken up in the Annual Meeting of Stockholders require the vote of the stockholders.

Item 17. Amendment of Charter, Bylaws or Other Documents

No action is to be taken during the Annual Meeting of Stockholders with respect to an amendment of Charter, Bylaws and other documents.

Item 18. Other Proposed Actions

During the Annual Meeting of Stockholders, the following matters will also be presented for approval by the stockholders (in addition to the matters listed in Item 15):

- (a) Ratification and Approval of the Acts of the Board of Directors and Management since the last Annual Meeting of Stockholders held on June 2, 2021

The matters for stockholders' ratification are all acts of the Board of Directors and Management since the last meeting of stockholders on June 2, 2021 which were entered into or made in the ordinary course of business, as well as acts and resolutions of the Board of Directors and Management as set forth in the minutes of meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange.

These include, without limitation, the following material transactions which were approved, confirmed or ratified by the Board of Directors:

Date of Meeting of the Board of Directors	Approved Transactions
	Election of Chairman of the Board of Directors
	Designation of Lead Independent Director
	Election of members of the Audit Committee and the Nomination Committee

2 June 2021	Election/appointment of principal executive officers and their secondment to act as officers of CHP's various subsidiaries in the Philippines (such as but not limited to APO Cement Corporation and Solid Cement Corporation), serving as such in an equivalent position
28 July 2021	Approval of the condensed interim unaudited financial statements of CHP for the period ended 30 June 2021 and Authority to finalize SEC Form 17-Q (2 nd Quarterly 2021 Report) for the period ended 30 June 2021
	Establishment of the CHP Retirement Benefits Plan and the corresponding rules and regulations thereof, definition of the membership of the Retirement Committee that will administer the Retirement Benefits Plan, and engagement of BPI Asset Management and Trust Corporation to act as Trustee of the Retirement Trust Fund that will be established pursuant to CHP's Retirement Benefits Plan
	Approval of the preliminary plan for the declaration of dividends by the Corporation's foreign subsidiaries (Falcon Re Ltd and Cemex Asia Research AG) and use of dividend proceeds
27 October 2021	Approval of the following organizational changes: (a)transfer of Mr. Roberto Martin Z. Javier to the position of "Vice President for Commercial (Distribution Segment)", with retroactive effect from 15 October 2021 (b)promotion of Mr. Romeo Guilder Bringas to "Director for Commercial (Institutional Segment)", with retroactive effect from 15 October 2021 (c)promotion of Mr. Christer James Ray A. Gaudiano to "Director for Enterprise Risk Management, Corporate Communications and Public Affairs", which shall take effect on 1 November 2021 (e) secondment of the foregoing officers to act as officers of the Corporation's various subsidiaries in the Philippines (such as but not limited to APO Cement Corporation and Solid Cement Corporation), serving in equivalent positions, respectively
	Approval of the condensed interim unaudited financial statements for the period ended 30 September 2021 and Authority to finalize SEC Form 17-Q (3 rd Quarterly 2021 Report) for the period ended 30 September 2021
	Confirmation of its approval regarding to the plan for Falcon Re Ltd to declare dividends in favor of CHP which is estimated at US\$24million and for Cemex Asia Research AG to declare dividends in 2022
	Approval of lists of signatories and authorized representatives in connection with transactions for or with (i) AMLA-related documents required by AON Insurance Broker and (ii) work permits from Department of Labor and Employment and visas from the Bureau of Immigration
	Confirmation and Ratification of CHP's Official and Alternate Email Addresses and Mobile Numbers which were approved by the Board of Directors for transactions with SEC during its previous meeting on December 2, 2020 in accordance with SEC Memorandum Circular No. 28, series of 2020
	Confirmation of the termination by Solid Cement Corporation of the construction contract with CBMI Construction Co., Ltd for the 1.5 million metric tons per year new integrated cement production line at SOLID's cement plant located in Antipolo City, Rizal, and the engagement of replacement contractors

13 December 2021	<p>Confirmation of 2022 EBITDA Budget</p> <p>Confirmation of Management’s diesel fuel hedge strategy for APO Cement Corporation and Solid Cement Corporation for 2023</p> <p>Approval of list of signatories and authorized representatives for the submission with Bureau of Internal Revenue of Computerized Books of Account for 2021</p> <p>Issuance of Power of Attorney for Stockholders’ Meetings of Cemex Asia Research AG and Falcon Re Ltd in 2022 and the issuance of Proxies for Stockholders’ Meetings of CHP’s Philippine subsidiaries in 2022</p> <p>Approval of updated list of signatories and authorized representatives in connection with transactions with PLDT Group of Companies and Globe Telecom Group</p> <p>Confirmation of calendar of meetings of the Board of Directors and Board Committees in 2022</p>
9 February 2022	<p>Approval for transactions related to the following related-party agreements:</p> <p>(1)Capitalization of accrued interest of the Facility Agreement between CHP and Solid Cement Corporation (estimated as at March 5 at approximately ₱1,005 Million)</p> <p>(2) Amendment of the interest rates for the deposit lines of CHP with its subsidiaries, APO Cement Corporation, Solid Cement Corporation and Edgewater Ventures Corporation</p> <p>(3) Amendment of the annual rental fees under the lease agreements between APO Cement Corporation and Solid Cement Corporation with ALQC and IQAC, respectively, resulting in an aggregate annual rental fee of ₱103.5 million or an increase corresponding to 19% (calculated on a consolidated basis), effective from January 1, 2022</p> <p>Confirmation of the engagement of new contractors for the new line project of Solid Cement Corporation, the estimation of the completion deadline estimated in March 2024 and start of operations in April 2024, and the estimated revised total project cost of US\$323 million and adjustment of total interest capitalization for the project to US\$33 million.</p> <p>Approval of the Internal Audit Plan for 2022</p> <p>Approval of details for the Annual Meeting of Stockholders of the Corporation for 2022 (“2022 AMS”) scheduled on 1 June 2022 (being the first Wednesday of June based on the Corporation’s Amended By-laws):</p> <p>(i) 2022 AMS to be conducted online via remote communication using Zoom or similar applications beginning at 3:00pm (with voting in absentia)</p> <p>(ii) the <i>Record Date</i> for the 2022 AMS is April 27, 2022</p> <p>(iii) the <i>nomination period</i> for individuals who shall stand for election as members of the Board of Directors during the 2022 AMS will be from March 18, 2022 to April 13, 2022 (by 5:00pm)</p> <p>(iv) Meeting Agenda:</p> <ol style="list-style-type: none"> 1.Call to Order 2.Certification of Notice and Determination of the Existence of Quorum 3.Approval of the Minutes of the Annual Meeting of Stockholders held on June 2, 2021 4.Presentation of the Report of the President & Chief Executive Officer 5.Approval of the Annual Report (SEC Form 17-A) for 2021 and the Audited Financial Statements as of December 31, 2021 6.Ratification and Approval of the Acts of the Board of Directors and Management since the Annual

	<p>Meeting of Stockholders held on June 2, 2021</p> <p>7.Election of the Members of the Board of Directors (including the independent directors)</p> <p>8.Appointment of External Auditor of the Corporation for the year 2022</p> <p>9.Consideration of other matters that may be properly brought before the AMS</p> <p>10.Adjournment</p> <p>(v) Participation by stockholders in the 2022 AMS through remote communication and exercise of their right to vote in absentia</p> <p>(v) Delegation to any two of the President, Investor Relations Director and Corporate Secretary, acting jointly, the power to determine the other details and information related to the holding of the 2022 AMS, such as but not limited to the process and procedure for conducting the annual meeting of stockholders by remote communication, the submission of proxies, the participation of stockholders and voting thereat, and (ii) implement such other actions as may be necessary or appropriate for the conduct the 2022 AMS, in a manner consistent with applicable law and rules and regulations of the SEC</p>
	Approval for application by CHP of income tax-exemption benefits applicable to the dividends declared by and/or received from Falcon Re Ltd
	Ratification of donation of vaccines to the City of Antipolo, Rizal
7 April 2022	<p>Election of Mr. Francisco Javier Garcia Ruiz de Morales as a member of the Board of Directors and Audit Committee, effective immediately and for the unexpired term of Ms. Maria Garcia Villan's directorship</p> <p>Approval of the consolidated and separate audited financial statements of CHP for 2021</p> <p>Approval of the CHP's SEC Form 17-A (Annual Report) with the Sustainability Report for 2021, subject to such amendments as may be determined jointly by the President, Treasurer and Corporate Secretary to be appropriate or necessary in accordance with applicable law or rules & regulations of the SEC</p> <p>Nomination of R.G. Manabat & Co. as External Auditor for 2022 and approval of the proposed fees for services to be rendered by the external auditor in connection with statutory audit work and other audit-related work in 2022</p> <p>Confirmation of the change in the timing of disbursements of the proceeds from Stock Rights Offering which was concluded in 2020</p> <p>Authorization for refinancing of CHP's long-term facility loan with BDO Unibank, Inc.</p> <p>Ratification of donation of vaccines to the Municipality of Binangonan, Rizal</p>
25 April 2022	<p>Approval of the List of Nominees or Candidates who shall stand for election as members of the Board of Directors during the Annual Meeting of Stockholders on 1 June 2022</p> <p>Approval of the condensed interim unaudited financial statements for the period ended 31 March 2022 and Authority to finalize SEC Form 17-Q (1st Quarterly Report) for the period ended 31 March 2022</p> <p>Process for Finalization of I-ACGR for 2020</p>

Copies of the minutes of Board meetings are available for inspection by stockholders of the Corporation at the office of the Corporate Secretary.

- (b) Election of the Members of the Board of Directors, including independent directors
- (c) Appointment of External Auditor of the Corporation for the fiscal year 2022

Item 19. Voting Procedures

- (a) Vote required for approval or election

For purposes of the determination of quorum at the Annual Meeting of Stockholders, Section 5, Article II of the Amended By-laws of the Corporation provide that shareholders representing a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

The affirmative vote of stockholders representing at least a majority of the issued and outstanding capital stock of the Corporation present or represented at the Annual Meeting of Stockholders is required for the approval of minutes of the meetings of stockholders, approval of the Annual Report (Form 17-A) for 2021 and the audited financial statements for 2021 (consolidated and separate), ratification and approval of the acts of the Board of Directors and Management since the Annual Meeting of Stockholders held on June 2, 2021, and the appointment of the external auditor of the Corporation for the fiscal year 2022.

For the election of members of the Board of Directors, Section 2, Article III of the Amended By-laws of the Corporation provides that the members of the Board of Directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for Directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates. The 8 nominees who get the highest votes shall be deemed duly elected as directors.

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

The Corporate Secretary will be primarily responsible for counting votes based on the number of shares entitled to vote owned by the stockholders as of the Record Date who have registered for the meeting and cast their votes in accordance with the Procedure enunciated in Appendix 1 of the Notice to Stockholders and Annex A of this Information Statement - *PROCEDURE FOR PARTICIPATING IN THE MEETING THROUGH REMOTE COMMUNICAITON AND FOR VOTING IN ABSENTIA*.

- (b) Participation by Remote Communication

Sections 23 and 57 of the Revised Corporation Code provides that the Corporation may allow a stockholder to cast his vote *in absentia* via modes which the Corporation shall establish, taking into account the company's scale, number of shareholders or members, structure and other factors consistent with the basic right of corporate suffrage.

To ensure the safety and welfare of its stockholders, directors, officers, and employees, the Corporation will conduct the Annual Meeting of Stockholders online/by remote communication, dispensing with the physical attendance of stockholders at the meeting, and will allow attendance only by remote communication.

The detailed instructions for participation and voting are set forth in the attachment of this Information Statement as Annex A - *PROCEDURE FOR PARTICIPATING IN THE MEETING THROUGH REMOTE COMMUNICATION AND FOR VOTING IN ABSENTIA*

ONLY VOTING BALLOTS/PROXIES SIGNED BY THE STOCKHOLDERS AS OF THE RECORD DATE OR THE AUTHORIZED REPRESENTATIVE, AS THE CASE MAY BE, WHICH HAVE BEEN RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY ON OR BEFORE THE VOTING DEADLINE OF MAY 27, 2022 EITHER (i) BY HAND DELIVERY OR MAIL AT THE 34TH FLOOR, PETRON MEGA PLAZA BUILDING, 358 SEN. GIL J. PUYAT AVENUE, MAKATI CITY OR (ii) BY EMAIL SENT TO chp.corporatesec@cemex.com SHALL BE COUNTED.

Item 20. Other Matters

I. Performance Assessments

The Corporation's Manual of Corporate Governance recognizes the authority of the Board of Directors to create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Manual. The Board of Directors adopted on January 30, 2019 a *Framework for a Self-Rating Performance System* which requires, among others, that every January of each year, separate performance assessments of the Board of Directors and the board committees shall be conducted using the criteria and rating system formalized in the questionnaires to be prepared and circulated for the performance assessments. The members of the Board of Directors and board committees completed their internal assessments for years 2018, 2019, 2020 and 2021, respectively. For the Board of Directors, the criteria focused on the following key areas: composition and competencies of board members, decision-making effectiveness, relevance & timeliness of information and management of shareholders. For the board committees, the criteria focused on the following areas: composition & competencies of committee members, decision-making effectiveness, appropriateness of committee recommendations and availability of information & resources.

For the assessment of 2020's performance of the Board of Directors and the board committees, the Corporation engaged the services of an external facilitator, i.e., the Institute of Corporate Directors ("ICD"), to perform the evaluation exercise which was conducted in January through February 2021. The results of the assessment of 2020's performance, as well as the recommendations from ICD, were presented and discussed at the meeting of the Board of Directors held on April 7, 2021. The Third-Party Board Evaluation intervention by ICD involves a methodology including Board Performance Self-Assessment and Individual Director Interviews. The Directors' Self-Assessment employed survey questionnaires designed by ICD and accomplished by the Board of Directors. The questionnaires are for the Board, the Committees, the Chairperson, and the Individual Directors. Meanwhile, the Individual Director Interviews allowed the directors to share their insights, comments, and ideas on how the Board of Directors governs the company. In formulating the parameters and question guides for these interviews, ICD used the Tricker++ Model for Board Functions (Strategy, Policy, Accountability and Oversight) enhanced with three other functions of the Board (Ethics, Social Responsibility and Sustainability): (a) Strategy - This includes the review of the strategic plan, setting the company direction, discussing future trends, and determining the strategy in the short term, medium term and long term; (b) Policies - This covers budget approval, executive compensation, corporate policies, and corporate culture; (c) Oversight - This discusses the effectiveness of the Board in reviewing results, assessing and managing risks, and measuring Board performance and the impact of Board decisions to the shareholder value and key stakeholders; (d) Accountability - This is about transparent reporting to the shareholders, reviewing Audit reports, and legal & regulatory compliance; (e) Ethics - This is practicing ethical business behavior and the company core values; (f) Sustainability - This includes protecting the environment, integrating the 17 UN Sustainable Development Goals and ensuring the long-term success of the company; (g) Social Responsibility - This is about the desire to integrate environmental and social impact to the Board; (h) Other Areas - This is to supplement the questionnaire responses related to Board Dynamics and Processes, Board and Committee Composition. The next externally-facilitated evaluation exercise should be conducted for the assessment of the 2023's performance of the Board of Directors and the board committees.

II. Dividends and Dividend Policy

The Corporation's Board of Directors is authorized to declare dividends only from its unrestricted retained earnings, and the Board of Directors may not declare dividends which will impair its capital. Dividends may be payable in either cash, shares or property, or a combination thereof, as determined by the Board of Directors. The approval of stockholders representing at least 2/3 of the total issued and outstanding shares of stock of the Corporation is required for the payment of stock dividends. As a holding company, the Corporation's ability to declare and pay dividends to its shareholders will depend on whether it has received sufficient dividends from its subsidiaries that can be distributed to the shareholders by way of dividend. As such, the Corporation's Board of Directors, may, at any time, evaluate whether it has sufficient cash available for distribution of cash dividends.

Dividends may be declared whenever there are unrestricted retained earnings available subject to a number of factors including restrictions that may be imposed by current and prospective financial covenants, overall level of indebtedness, projected levels of operating results of the Corporation, working capital needs and long-term capital expenditures of the Corporation, and regulatory requirements on dividend payments, among others.

In view of the organization's substantial long-term capital expenditure needs, which include the cost for pursuing the construction and installation of a 1.5 million metric tons per year new integrated cement production line at the plant of Solid Cement Corporation (one of the operating subsidiaries of the Corporation) located in Antipolo City, Rizal, and level of indebtedness of the Corporation (on a consolidated basis), the Corporation's Board of Directors has not declared any dividends on the Corporation's common equity during previous years and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68, and dividends are not expected to be declared in the near future.

III. Director Disclosures on Self-Dealing and Related Party Transactions

Members of the Board of Directors, principal executive officers and controlling stockholders are required to report their respective dealings in the Corporation's shares to the Corporate Secretary no later than two (2) days after the transaction. In turn, the Corporation is subject to relevant disclosure requirements of the Philippine Stock Exchange and the Securities and Exchange Commission. Furthermore, the Corporation adheres to company policies against insider trading including the prohibition on members of the Board of Directors, officers and employees with knowledge of material non-public information from acquiring or selling any of the Corporation's shares/securities until after at least two trading days following public disclosure of such information.

There are no members of the Board of Directors in self-dealing and related party transactions.

[SIGNATURE PAGE FOLLOWS]

THE CORPORATION WILL POST THE FULL VERSION OF THIS SEC FORM 20-IS (DEFINITIVE INFORMATION STATEMENT), TOGETHER WITH ALL ITS ANNEXES INCLUDING THE 2021 CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE CORPORATION AND SEC FORM 17-Q (QUARTER REPORT FOR THE 1ST QUARTER 2022) WITH INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2022, ON THE CORPORATION'S WEBSITE, <http://www.cemexholdingsphilippines.com>.

UPON WRITTEN REQUEST OF A STOCKHOLDER, AND WHEN CIRCUMSTANCES PERMIT, THE CORPORATION UNDERTAKES TO FURNISH THE STOCKHOLDER WITH A COPY OF THE CORPORATION'S 20-IS (DEFINITIVE INFORMATION STATEMENT), THE 2021 ANNUAL REPORT (SEC FORM 17-A) WITH SUSTAINABILITY REPORT AND SEC FORM 17-Q FOR 1ST QUARTER 2022 FREE OF CHARGE, EXCEPT FOR ANNEXES AND EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR COPIES SHALL BE ADDRESSED TO THE OFFICE OF THE CORPORATE SECRETARY:

CEMEX HOLDINGS PHILIPPINES, INC.
34th Floor Petron Mega Plaza Building
358 Sen. Gil J. Puyat Avenue
Makati City, Metro Manila

chp.corporatesec@cemex.com

Attention: The Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Information Statement is true, complete and correct. This report is signed in the City of Makati, Metro Manila on May 10, 2022.

CEMEX HOLDINGS PHILIPPINES, INC.

By:


JANNETTE VIRATA SEVILLA
Corporate Secretary

MANAGEMENT REPORT

PART 1: MANAGEMENT’S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of CHP’s consolidated financial condition and results of operations as at and for the years ended December 31, 2021, 2020, 2019 and 2018, and certain trends, risks and uncertainties that may affect the Corporation’s business.

When used in this Management Report, the term “CHP” refers to CEMEX Holdings Philippines, Inc. without its consolidated subsidiaries, while the term “Company” refers to CEMEX Holdings Philippines, Inc. together with its consolidated subsidiaries. “APO Cement” refers to APO Cement Corporation and “Solid Cement” refers to Solid Cement Corporation.

CHP is an indirect subsidiary of CEMEX, S.A.B. de C.V. (“CEMEX”), a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, Mexico. CEMEX is one of the largest cement companies in the world based on annual installed cement production capacity. CEMEX’s Ordinary Participation Certificates (Certificados de Participación Ordinarios) (“CPOs”), each of which currently represents two “Series A” shares and one “Series B” share, are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) and trade under the symbol “CEMEX.CPO.” CEMEX’s American Depositary Shares, each of which currently represents ten CPOs, are listed on the New York Stock Exchange (“NYSE”) and trade under the symbol “CX”.

The audited consolidated financial Statements of the Company and the audited separate financial statements of CHP for fiscal year 2021 are annexed as part of Annex E of this Information Statement.

The Company’s SEC Form 17-Q (Quarter Report for the 1st Quarter 2022) including its interim unaudited consolidated financial statements for the 1st Quarter 2022 is annexed as Annex F of this Information Statement.

2021 VERSUS 2020

Results of Operations

Revenue

The consolidated revenue for the years ended December 31, 2021 and 2020 amounted to ₱20.9 billion and ₱19.7 billion, respectively. Revenue was generated mainly from sale of cement products as a result of the Company’s ordinary activities.

Increase of 6.0% in 2021 was due to higher volume of product sold, as the Company was recovering from the adverse impact of the COVID-19 Pandemic in 2020 and supported by the easing of quarantine restrictions relevant to the Company’s business and the markets that it served.

The breakdown of revenue after elimination of transactions between consolidated entities for the years ended December 31, 2021 and 2020 were as follows:

<i>Segment</i>	For the year ended December 31, 2021		For the year ended December 31, 2020	
	<i>Amount*</i>	<i>%Revenue</i>	<i>Amount*</i>	<i>%Revenue</i>
Cement	₱20,820	100%	₱19,669	100%
Other business	67	0%	38	0%
Total	₱20,887	100%	₱19,707	100%

**Amounts in millions*

Cost of Sales

Consolidated cost of sales for the years ended December 31, 2021 and 2020, amounted to ₱13.0 billion and ₱11.6 billion, respectively. Costs arose mainly from power and fuel consumption, raw materials and supplies used during production, depreciation, and other expenses directly attributable to the manufacturing of finished goods.

Increase of 11.8% in 2021 was due to a 6.0% increase in volume sold and higher unitary cost of sales mainly from the purchase of additional clinker on an expected one-off basis to support production requirements and higher electricity rates.

Cost of sales as a percentage of revenue for the years ended December 31, 2021, and 2020, represented 62.2% and 58.9%, respectively.

Power and fuel represented approximately (i) 20.3% and 20.2%, respectively, of cost of sales in 2021, and (ii) 19.2% and 22.8%, respectively, of cost of sales in 2020.

Gross Profit

As a result of the above conditions, gross profit for the years ended December 31, 2021 and 2020, reached ₱7.9 billion and ₱8.1 billion, respectively. Gross profit as a percentage of revenue for the years ended December 31, 2021 and 2020, represented 37.8% and 41.1%, respectively.

Operating Expense

Operating expenses amounted to ₱6.0 billion and ₱6.3 billion, or 28.6% and 31.9% of revenue for the years ended December 31, 2021 and 2020, respectively. Operating expenses decreased by 4.9% in 2021 compared to 2020 due to lower distribution expenses. Operating expenses were mainly composed of administrative, selling, and distribution expenses.

Administrative and selling expenses amounted to ₱2.9 billion and ₱2.8 billion, or 13.7% and 14.1% of revenue in 2021 and 2020, respectively. These include: a) license fees amounting to ₱851.4 million and ₱747.0 million, respectively; b) insurance amounting to ₱186.7 million and ₱209.2 million, respectively; c) salaries and wages amounting to ₱796.3 million and ₱727.5 million, respectively; and d) administrative fees amounting to ₱544.3 million and ₱620.9 million, respectively. Total administrative and selling expenses increased by 3.2% year-over-year for 2021 mainly due to increase in central service and management fees from the increase in net sales and higher salaries and wages.

Distribution expenses amounted to ₱3.1 billion and ₱3.5 billion, which accounted for 14.9% and 17.8% of revenue, in 2021 and 2020, respectively. Total distribution expenses decreased by 11.2% year-over-year for 2021, mainly driven by lower delivered product volume as compared to pick-up product volume as well as initiatives to increase operational and cost efficiency.

Other expenses included in operating expenses cover utilities and supplies, taxes and license, depreciation, advertising and travel expenses, rental, and others.

Operating Income before Other Expenses, Net

For the reasons discussed above, operating income before other expenses - net amounted to ₱1.9 billion and ₱1.8 billion in 2021 and 2020, respectively. These comprised 9.2% of revenue in both 2021 and 2020. *Operating Income before Other Expenses, Net* increased by 6.5% in 2021 compared to 2020.

Other Income (Expenses), Net

Other income (expenses), net for the years ended December 31, 2021 and 2020 were ₱1.9 million and (₱30.3) million, respectively. Significant movement in other expenses, net in 2021 are as follows: (a) increase of ₱33.9 million from the recovery of receivables previously written off, (b) incremental cost recognized in other income (expenses), net was lower by ₱27.3 million due to a change in recognition for recurring and non-recurring charges incurred by the Company related to the COVID-19 Pandemic and (c) (₱22.3 million) losses due to the impact of Typhoon Odette (International Name: Rai) which struck in mid-December 2021.

Financial and Other Financial Expenses, Net

Net financial expenses in 2021 and 2020 amounted to ₱274.7 million and ₱626.4 million, respectively. These expenses corresponded to 1.3% and 3.2% of revenue in 2021 and 2020,

respectively. Decrease of 56.2% in 2021 compared to 2020 were attributable to lower outstanding loan balances and declining interest rates.

Foreign Exchange Gain (Loss), Net

Gain (loss) of (₱437.5) million and ₱170.2 million were reported in 2021 and 2020, respectively. Unfavorable movement in foreign exchange gain (loss), net amounting to ₱607.7 million is mainly due to declining Philippine Peso to U.S. dollar exchange rate from ₱48.02 in 2020 to ₱51.00 in 2021. Net foreign exchange gain (loss) was 2.1% and 0.9% of revenue in 2021 and 2020, respectively.

The Company entered into the following agreements which affected the movement in foreign exchange gains (losses):

- On August 1, 2016, CHP signed deposit agreements with Falcon and CAR, respectively, pursuant to which Falcon and CAR could deposit and withdraw the amount placed at any time and date, according to the conditions established in the deposit agreement. The agreements which were initially valid and binding until August 1, 2021 were subsequently amended to provide that these agreements would remain valid and binding until terminated by either of the respective parties thereto. The principal under the Falcon deposit agreement shall bear interest calculated daily at a rate equal to Western Asset Institutional Liquid Reserve Fund (WAILRF) minus 10 basis points. The principal under the CAR deposit agreement is subject to applicable safe-harbour interest rate published by the Swiss Federal Tax Administration (“SFTA”). The rate is revised by the SFTA annually. Historically for this deposit, the rates have been: 2.25% from August 2016 to June 2017; 2.5% per annum from July 2017 to February 2018; 3% per annum from March 2018 to February 2020; 2.25% per annum from March 2020 to December 2020; 1.25% per annum from January 2021 to date.
- On November 21, 2018, Solid Cement signed the Solid Expansion Facility Agreement⁵ with CABV allowing Solid to withdraw in one or several installments a sum of up to U.S.\$75 million. The Solid Expansion Facility Agreement was amended on February 2019 to increase the facility to U.S.\$100 million, and on November 28, 2019, further amendments were made to increase the facility to U.S.\$160 million. The Solid Expansion Facility Agreement, which was subject to an initial interest rate of 8.2%, bore interest based on the Company’s leverage ratio. On January 3, 2020, the loan was redenominated from U.S.\$ to Philippine Peso using an exchange rate of ₱51.09 to U.S.\$1.00. For additional details, refer to ITEM 12 of PART III of the Annual Report (SEC Form 17-A) (Certain Relationships and Related Party Transactions). The loan amount was paid in full in March 2020.

Income Tax

As a result of operations, the Company’s income tax expense in 2021 and 2020 amounted to ₱489.5 million and ₱336.0 million, respectively.

Increase of 45.7% in 2021 compared to 2020 was mainly due to impact of the CREATE Act which includes a one-time reduction in current income tax by ₱46.5 million and net increase of ₱163.1 million of deferred income tax due to reduction of the valuation of deferred tax assets from 30% to 25% in the first quarter of 2021.

Income tax was 40.3% and 25.4% of profit (loss) before income tax in 2021 and 2020, respectively.

Net Profit

As a result of the abovementioned concepts, net profit for the years ended December 31, 2021 and 2020 amounted to ₱725.5 million and ₱985.1 million, respectively. Net profit in 2021 was 26.4% lower than the net profit in 2020. Net profit was 3.5% and 5.0% of revenue in 2021 and 2020, respectively.

⁵ “Solid Expansion Facility” refers to the revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid Cement, as the borrower, and Cemex Asia B.V., as the lender, which facility agreement had been used primarily but not exclusively to fund the Solid New Line Project

Financial Position

Cash and Cash Equivalents

Cash and cash equivalents amounted to ₱5.8 billion and ₱6.1 billion as at December 31, 2021 and December 31, 2020, respectively. As at December 31, 2021, cash and cash equivalents of ₱5.8 billion included ₱2.2 billion cash in banks and ₱3.6 billion short-term investments which were readily convertible to cash. As at December 31, 2020, cash and cash equivalents of ₱6.1 billion included ₱1.9 billion cash in banks and ₱4.3 billion short-term investments which were readily convertible to cash. Net decrease in cash and cash equivalents was mainly due to payment of bank loans and investing activities (such as the Solid New Line Project).

Cash and cash equivalents accounted for 9.0% and 9.6% of the total assets as at December 31, 2021 and 2020, respectively.

Trade Receivables - Net

Trade receivables amounted to ₱696.9 million and ₱700.2 million as at December 31, 2021 and December 31, 2020, net of allowance for impairment losses amounting to ₱17.3 million and ₱26.7 million, respectively, which mainly pertain to receivables from customers.

Due from Related Parties

Related party balances amounted to ₱17.2 million and ₱3.8 million as at December 31, 2021 and December 31, 2020, respectively. The increase in the balances of receivables from related parties was mainly due to hedged diesel fuel for years 2022 to 2023.

Insurance Claims and Premiums Receivable

Insurance premiums receivable is related to non-damage business interruption insurance receivable from third party insurance company and represents premiums on written policies which are collectible within the Company's credit term. Insurance premiums receivable amounted to ₱91.8 million and ₱86.4 million as at December 31, 2021 and December 31, 2020, respectively. Claims from insurance amounted to nil and ₱1.1 million as at December 31, 2021 and December 31, 2020. *Insurance Claims and Premium Receivables* accounted for 0.1% and 0.1% of the total assets as at December 31, 2021 and 2020, respectively.

Other Current Accounts Receivable

Other accounts receivables amounted to ₱49.4 million and ₱43.7 million as at December 31, 2021 and December 31, 2020, respectively. These figures accounted for 0.1% of the total assets in 2021 and 2020. Movements primarily refer to receivables from contractors, short-term deposits, loan receivables, receivables from employees and others. Increase was mainly due to sublease transaction of APO Cement with a third party.

Inventories

Inventories amounted to ₱3.1 billion and ₱2.3 billion as at December 31, 2021 and December 31, 2020, respectively. Higher inventories in 2021 was mainly due to price increase and sourcing challenges. There was also a build-up of spare parts for the shutdown activities that have been scheduled for January 2022. Inventories accounted for 4.8% and 3.7% of the total assets as at December 31, 2021 and 2020, respectively.

Derivative assets

Derivative assets amounted to ₱12.5 million and ₱24.0 million as at December 31, 2021 and December 31, 2020, respectively. This account pertains to the market value of derivative transactions entered into by the Company to hedge against the volatility of diesel fuel prices and under which the Company bears all the benefits and the risks arising from the hedge arrangement. Movement refers to mark-to-market valuation of the hedge instrument.

Prepayments and Other Current Assets

Other current assets which amounted to ₱2.2 billion and ₱1.8 billion as at December 31, 2021 and December 31, 2020, respectively, pertained mainly to (i) prepayment of insurance of ₱646.5 million and ₱628.6 million, respectively, and (ii) prepayment of taxes of ₱1,471.0 million and ₱1,041.4 million, respectively. Movement in this account was primarily due to prepaid taxes and

unamortized balance of prepaid NDBI and general liability insurance accounts. The aggregate of prepayments and other current assets accounted for 3.4% and 2.9% of the total assets as at December 31, 2021 and 2020, respectively.

Other Assets and Noncurrent Accounts Receivable

Other assets amounting to ₱436.2 million and ₱782.4 million as at December 31, 2021 and December 31, 2020, respectively, primarily consisted of long-term prepayments amounting to ₱27.9 million, long-term performance deposits of ₱301.6 million and ₱266.4 million, respectively, and debt reserve account and guarantee bonds used in operations amounting to ₱32.3 million and ₱407.8 million, respectively. The rest mainly referred to the noncurrent portion of the unamortized transportation allowances of employees and other long-term prepayments. In 2021, the debt service reserve accounts created under the BDO Facility Agreement⁶ (“DSRA”) with BDO Unibank, Inc. (“BDO”) were released which is the mainly movement of this account. The aggregate of other assets and noncurrent accounts receivable accounted for 0.7% and 1.2% of the total assets as at December 31, 2021 and 2020, respectively.

Property, Machinery, Equipment and Assets for the Right-of-Use

Property, machinery and equipment had a balance of ₱21.2 billion and ₱19.9 billion as at December 31, 2021 and December 31, 2020, respectively. For the years ended December 31, 2021 and 2020, ₱464.6 million and ₱274.5 million, respectively, were incurred for maintenance capital expenditures and ₱2.3 billion and ₱3.3 billion, respectively, for strategic capital expenditures.

Assets for the right-of-use amounted to ₱1.6 billion and ₱1.8 billion as at December 31, 2021 and December 31, 2020, respectively. For the years ended December 31, 2021 and 2020, additions to assets for the right-of-use amounted to ₱359.5 million and ₱558.2 million, respectively.

Property, machinery, equipment and assets for the right-of-use accounted for 35.4% and 34.0% of the total assets as at December 31, 2021 and 2020, respectively.

Advances to Contractors

In November 2018, the Company made a down payment amounting to ₱2.1 billion to a third party for the construction and installation of the new production line of the Solid New Line Project, which is presented under noncurrent assets in the consolidated statements of financial position. As at December 31, 2021, and December 31, 2020, the balance of this account amounted to ₱0.5 billion and ₱1.1 billion, respectively. Aside from the application of advances against progress billings for the Solid New Line Project, there was also a recovery of advances to the contractor amounting to ₱379.4 million following the termination of the construction contract for the Solid New Line Project in December 2021. The amounts corresponding to *Advances to Contractors* accounted for 0.7% and 1.8% of the total assets as at December 31, 2021 and 2020, respectively.

Deferred Income Tax Assets - Net

The Company’s deferred income tax assets amounted to ₱0.8 billion and ₱1.1 billion as at December 31, 2021 and December 31, 2020, respectively, which mainly represented pension, unrealized foreign exchange losses and future tax benefits from operating losses. Movement mainly refers to recognition of additional deferred tax assets from operating losses and Minimum Corporate Income Tax. Deferred tax liability amounted to ₱1.4 million and ₱0.9 million as at December 31, 2021 and December 31, 2020, respectively. Deferred income tax assets net of deferred tax liability accounted for 1.3% and 1.7% of the total assets as at December 31, 2021 and 2020, respectively.

Goodwill

The Company’s goodwill arose from the business combinations when CHP acquired its subsidiaries in 2016. As of December 31, 2021, no impairment to goodwill is recognized. *Goodwill* accounted for 43.3% and 43.7% of the total assets as at December 31, 2021 and 2020, respectively.

⁶ “BDO Facility Agreement” refers to the senior unsecured peso long-term loan facility that CHP signed with BDO Unibank, Inc. on February 1, 2017, for an amount of up to the Philippine Peso equivalent of US\$ 280 million, to refinance a majority of CHP’s outstanding long-term loan with New Sunward Holding B.V. (“NSH”), a subsidiary of CEMEX. During the 1st quarter of 2017, this long-term loan with NSH was fully repaid.

Trade Payables

Trade payables as at December 31, 2021 and December 31, 2020 amounted to ₱5.0 billion and ₱4.3 billion, respectively. Higher trade payables of ₱774.7 million or 18.1% in 2021 as compared from 2020 was mainly due to increase on payables on fuels, contractors, raw materials and spares inventory. *Trade Payables* accounted for 7.9% and 6.7% of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

Due to Related Parties

Short-term payables to related parties had a balance of ₱2.2 billion and ₱1.5 billion as at December 31, 2021 and December 31, 2020, respectively. Increase of ₱684.5 million or 45.3% primarily refers to purchases of coal, raw materials, royalties, and administrative fees with related parties. The balances of *Due to Related Parties* accounted for 3.4% and 2.4% of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

Contract Liabilities, Unearned Income, Other Accounts Payable, Accrued Expenses, and Income Tax Payable

Contract liabilities, unearned income, other payables and accruals which amounted to ₱1.7 billion and ₱1.6 billion as at December 31, 2021 and December 31, 2020, respectively, pertained mainly to accruals, contract liabilities (which include advances from customers and unredeemed customer loyalty points), unearned income from insurance premium, provisions, and income tax payable. The increase was mainly due to significant movement in contract liabilities. These figures accounted for 2.6% and 2.5% of the total liabilities and equity in 2021 and 2020, respectively.

Lease Liabilities

Current portion of finance lease liabilities amounted to ₱404.7 million and ₱628.3 million as at December 31, 2021 and December 31, 2020, respectively. Noncurrent portion of finance lease liabilities amounted to ₱1.4 billion as at December 31, 2021 and December 31, 2020. Decrease of ₱258.2 million or 12.5% was due to payments of leases in the fourth quarter of the year. *Lease Liabilities* accounted for 2.8% and 3.2% of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

Retirement Benefit Liability

Retirement benefit liability amounting to ₱544.4 million and ₱653.9 million as at December 31, 2021 and December 31, 2020, respectively, pertains to the provision recognized by the Company associated with employees' defined benefit pension plans. Decrease of ₱109.5 million or 16.7% as compared 2021 from 2020 was due to contribution in the retirement fund. *Retirement Benefit Liability* accounted for 0.8% and 1.0% of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

Long-term Bank Loan

The total outstanding balance of the BDO Facility Agreement amounted to ₱8.9 billion and ₱10.8 billion as at December 31, 2021 and December 31, 2020, respectively. The unamortized debt issuance cost of this long-term bank loan, amounting to ₱54.1 million and ₱80.1 million, was deducted from the total loan liability as at December 31, 2021 and December 31, 2020, respectively. Short-term portion of the bank loan amounted to ₱3.4 billion and ₱0.1 billion as at December 31, 2021 and December 31, 2020, respectively. Decrease of ₱1.8 billion or 16.9% was due to payments in 2021. The balance of the bank loan *net of* debt issuance cost accounted for 13.8% and 16.8% of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

Other Equity Reserves

The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to stockholders' equity which included share-based compensation, remeasurement of retirement benefits liability (net of tax) and cumulative currency translation of foreign subsidiaries. *Other Equity Reserves* accounted for 0.8% and (0.1%) of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

The movement of ₱570.8 million or more than 100% for 2021 compared from 2020 was mainly attributable to the currency translations of the foreign subsidiaries of CHP.

Retained Earnings

Retained earnings of ₱4.0 billion and ₱3.2 billion as at December 31, 2021 and December 31, 2020 respectively, included the Company's cumulative net results of operations. The increase of ₱725.5 million or 22.4% pertains to the consolidated profit for the year ended December 31, 2021. These figures accounted for 6.2% and 5.1% of the total liabilities and equity as at December 31, 2021 and 2020, respectively.

2020 VERSUS 2019

Results of Operations

Revenue

The consolidated revenue for the years ended December 31, 2020 and 2019 amounted to ₱19.7 billion and ₱23.6 billion, respectively. Revenue was generated mainly from sale of cement products as a result of the Company's ordinary activities.

The decrease in revenue of 16.5% in 2020 compared to 2019 was attributed to a 11% decline in domestic gray cement volumes mainly due to the impact of the COVID-19 Pandemic and 6% decline in our domestic cement prices driven by a higher proportion of pick-up sales, lower demand and competitive market dynamics.

The breakdown of revenue after elimination of transactions between consolidated entities for the year ended December 31, 2020 and 2019 were as follows:

<i>Segment</i>	For the year ended December 31, 2020		For the year ended December 31, 2019	
	<i>Amount*</i>	<i>%Revenue</i>	<i>Amount*</i>	<i>%Revenue</i>
Cement	₱19,669	100%	₱23,588	100%
Other business	38	0%	8	0%
Total	₱19,707	100%	₱23,596	100%

**Amounts in millions*

Cost of Sales

Consolidated cost of sales for the years ended December 31, 2020 and 2019, amounted to ₱11.6 billion and ₱13.9 billion, respectively. Costs arose mainly from power and fuel consumption, raw materials and supplies used during production, depreciation and other expenses directly attributable to the manufacturing of finished goods.

Decrease of 16.5% in 2020 compared to 2019 was mainly attributable to lower sales volume, lower production cost per ton as well as an extraordinary benefit in shutdown costs in 2020 due to reduced scope and postponement of APO Cement plant major kiln shutdown.

Cost of sales as a percentage of revenue for the years ended December 31, 2020 and 2019, represented 58.9% and 59.0%, respectively.

Power and fuel represented approximately (i) 19.2% and 22.8%, respectively, of cost of sales in 2020, and (ii) 19.1% and 20.6%, respectively, of cost of sales in 2019.

Gross Profit

As a result of the above conditions, gross profit for the years ended December 31, 2020 and 2019, reached ₱8.1 billion and ₱9.7 billion, respectively. Gross profit as a percentage of revenue for the year ended December 31, 2020 and 2019, represented 41.1% and 41.0%, respectively.

Operating Expense

Operating expenses amounted to ₱6.3 billion and ₱7.3 billion, or 31.9% and 31.1% of revenue, for the years ended December 31, 2020 and 2019, respectively. Operating expenses decreased by 14.4% in 2020 compared to 2019. Operating expenses were composed of administrative, selling, and

distribution expenses. Operating expenses amounted to ₱6.3 billion and ₱7.3 billion, or 31.9% and 31.1% of revenue, for the years ended December 31, 2020 and 2019, respectively. Operating expenses decreased by 14.4% in 2020 compared to 2019. Operating expenses were composed of administrative, selling, and distribution expenses.

Administrative and selling expenses amounted to ₱2.8 billion and ₱3.1 billion, or 14.1% and 13.2% of revenue, in 2020 and 2019, respectively. These include: a) license fees amounting to ₱747.0 million and ₱865.4 million, respectively; b) insurance amounting to ₱209.2 million and ₱195.8 million, respectively; c) salaries and wages amounting to ₱727.5 million and ₱766.8 million, respectively; and d) administrative fees amounting to ₱620.9 million and ₱744.2 million, respectively. Total administrative and selling expenses decreased by 10.6% year-over-year for 2020 mainly due to lower license fees and strict measures to control costs by reducing discretionary expenses.

Distribution expenses amounted to ₱3.5 billion and ₱4.2 billion, which accounted for 17.8% and 17.9% of revenue, in 2020 and 2019, respectively. Total distribution expenses decreased by 17.2% year-over-year for 2020, mainly driven by initiatives to increase operational and cost efficiency.

Other expenses included in operating expenses cover utilities and supplies, taxes and license, depreciation, advertising and travel expenses, rental, and others.

Operating Income before Other Expenses, Net

For the reasons discussed above, operating income before other expenses - net amounted to ₱1.8 billion and ₱2.3 billion in 2020 and 2019, respectively. These comprised 9.2% and 9.9% of revenue in 2020 and 2019, respectively. *Operating Income before Other Expenses - Net* decreased by 22.8% in 2020 compared to 2019.

Other Income (Expenses), Net

Other income (expenses), net for the years ended December 31, 2020 and 2019 were (₱30.3) million and ₱8.5 million, respectively. Change in *Other Income, net* in 2020 compared to *Other Expenses, net* in 2019 was primarily due to incremental costs incurred by the Company due to the COVID-19 Pandemic.

Financial and Other Financial Expenses, Net

Net financial expenses in 2020 and 2019 amounted to ₱626.4 million and ₱1,304.5 million, respectively. These expenses corresponded to 3.2% and 5.5% of revenue in 2020 and 2019, respectively. Decrease of 52.0% in 2020 compared to 2019 was mainly attributable to lower outstanding loan balances and declining interest rates. The Company disbursed around ₱7.9 billion for the repayment of debt owed to CABV during the first quarter of 2020.

Foreign Exchange Gain (Loss), Net

Foreign exchange gain of ₱170.2 million and ₱453.1 million were reported in 2020 and 2019, respectively.

Movement in *net foreign exchange gain* in 2020 compared to *net foreign exchange gain* in 2019 was mainly due to: (a) lower balances of deposit agreements between CHP and its foreign subsidiaries; (b) realized foreign exchange loss from redenomination of the Solid Expansion Facility Agreement in the first quarter of 2020 compared to unrealized foreign exchange gain in 2019; and (c) appreciation of Philippine peso against U.S. dollar in 2020 from ₱50.64 exchange rate as at December 31, 2019 to ₱48.02 exchange rate as at December 31, 2020.

Net foreign exchange gain in 2020 was 62.4% lower than the net foreign exchange gain in 2019. Net foreign exchange gain was 0.9% and 1.9% of revenue in 2020 and 2019, respectively.

The Company entered into the following agreements which affected the movement in foreign exchange gains (losses):

- On August 1, 2016, CHP signed deposit agreements with Falcon and CAR, respectively, pursuant to which Falcon and CAR could deposit and withdraw the amount placed at any time and date, according to the conditions established in the deposit agreement. The

agreements which were initially valid and binding until August 1, 2021 were subsequently amended to provide that these agreements would remain valid and binding until terminated by either of the respective parties thereto. The principal under the Falcon deposit agreement shall bear interest calculated daily at a rate equal to Western Asset Institutional Liquid Reserve Fund (WAILRF) minus 10 basis points. The principal under the CAR deposit agreement is subject to applicable safe-harbour interest rate published by the Swiss Federal Tax Administration (“SFTA”). The rate is revised by the SFTA annually. Historically for this deposit, the rates have been: 2.25% from August 2016 to June 2017; 2.5% per annum from July 2017 to February 2018; 3% per annum from March 2018 to February 2020; 2.25% per annum from March 2020 to December 2020.

- On November 21, 2018, Solid Cement signed the Solid Expansion Facility Agreement with CABV allowing Solid Cement to withdraw in one or several installments a sum of up to U.S.\$75 million. The Solid Expansion Facility Agreement was amended on February 2019, increasing the facility to U.S.\$100 million, and on November 28, 2019, further amendments were made to increase the facility to U.S.\$160 million. The Solid Expansion Facility Agreement, which was subject to initial interest rate of 8.2%, bore an interest based on the Company’s leverage ratio. On January 3, 2020, the loan was redenominated from U.S.\$ to Philippine Peso using an exchange rate of ₱51.09 to U.S.\$1.00. The loan amount was paid in full in March 2020. For additional details, refer to ITEM 12 of PART III of the Annual Report (SEC Form 17-A) (Certain Relationships and Related Party Transactions).

Income Tax

As a result of operations, the Company’s income tax expense in 2020 and 2019 amounted to ₱336.0 million and ₱219.2 million, respectively.

Increase of 53.3% in 2020 compared to 2019 was mainly due to the utilization of deferred tax assets during the second half of 2020 which reduced cash tax payments.

Income tax was 25.4% and 14.6% of profit before income tax in 2020 and 2019, respectively.

Net Profit

As a result of the abovementioned concepts, net profit for the years ended December 31, 2020 and 2019 amounted to ₱985.1 million and ₱1,279.6 million, respectively. Net profit in 2020 was 23.0% lower than the net profit in 2019. Net profit was 5.0% and 5.4% of revenue in 2020 and 2019, respectively.

Financial Position

Cash and Cash Equivalents

Cash and cash equivalents amounted to ₱6.1 billion and ₱1.4 billion as at December 31, 2020 and December 31, 2019, respectively. As at December 31, 2020, cash and cash equivalents of ₱6.1 billion include ₱1.9 billion cash in banks and ₱4.2 billion short-term investments which were readily convertible to cash. As at December 31, 2019, cash and cash equivalents of ₱1.4 billion include ₱1.2 billion cash in banks and ₱0.2 billion short-term investments which were readily convertible to cash. Net increase in cash and cash equivalents was mainly from the proceeds from CHP’s Stock Rights Offering concluded in 2020, net of payments of loans from related parties.

Cash and cash equivalents accounted for 9.6% and 2.4% of the total assets as at December 31, 2020 and 2019, respectively.

Trade Receivables - Net

Trade receivables amounted to ₱700.2 million and ₱893.0 million as at December 31, 2020 and December 31, 2019, net of allowance for impairment losses amounting to ₱26.7 million and ₱23.8 million, respectively, which mainly pertain to receivables from customers. Decrease was mainly driven by lower credit sales and increase in cash sales in 2020. *Trade Receivables - Net* accounted for 1.1% and 1.5% of the total assets as at December 31, 2020 and 2019, respectively.

Due from Related Parties

Related party balances amounted to ₱3.8 million and ₱27.7 million as at December 31, 2020 and December 31, 2019, respectively. The decrease in the balances of receivables from related parties

is attributable to the collection of receivables arising from the sale of goods, provision of back-office and other support services, advances, and foreign currency conversion.

Insurance Claims and Premium Receivable

Insurance premiums receivable is related to non-damage business interruption insurance receivable from third party insurance company and represents premiums on written policies which are collectible within the Company's credit term. Insurance premiums receivables amounted to ₱86.4 million and ₱437.0 million as at December 31, 2020 and December 31, 2019, respectively, reflecting a decrease which was mainly due to Falcon's higher collection rate of insurance premiums earned in 2020 as compared to 2019. Claims from insurance amounted to ₱1.1 million and ₱8.5 million as at December 31, 2020 and December 31, 2019, respectively. *Insurance Claims and Premium Receivables* accounted for 0.1% and 0.8% of the total assets as at December 31, 2020 and 2019, respectively.

Other Current Accounts Receivable

Other accounts receivables amounted to ₱43.7 million and ₱65.2 million as at December 31, 2020 and December 31, 2019, respectively. These figures accounted for 0.1% of the total assets in 2020 and in 2019. Movements primarily refer to receivables from contractors, short-term deposits, loan receivables, receivable from employees and others. Decrease mainly refers to assignment of a third party loan from other accounts receivable to receivable from a related party.

Inventories

Inventories amounted to ₱2.3 billion and ₱3.0 billion as at December 31, 2020 and December 31, 2019, respectively. Inventories consisting of raw materials, cement and work in process amounted to ₱1.4 billion and ₱1.9 billion as at December 31, 2020 and December 31, 2019, respectively, and the remaining balance pertains to spare parts. Decline in inventories in 2020 primarily refers to decrease in work-in-process and finished goods inventories due to production optimization initiatives. *Inventories* accounted for 3.7% and 5.1% of the total assets as at December 31, 2020 and 2019, respectively.

Derivative assets

Derivative assets amounted to ₱24.0 million and nil as at December 31, 2020 and December 31, 2019, respectively. This account pertains to the market value of derivative transactions entered into by the Company to hedge against the volatility of diesel fuel prices and under which the Company bears all the benefits and the risks arising from the hedge arrangement. Movement refers to mark-to-market valuation of the hedge instrument.

Prepayments and Other Current Assets

Other current assets which amounted to ₱1.8 billion and ₱1.7 billion as at December 31, 2020 and December 31, 2019, respectively, pertained primarily to (i) prepayment of insurance of ₱628.6 million and ₱508.8 million, respectively, and (ii) prepayment of taxes of ₱1,041.4 million and ₱645.0 million, respectively. Movement in this account was primarily due to unamortized balance of prepaid NDBI and general liability insurance accounts. The aggregate of prepayments and other current assets accounted for 2.9% and 2.8% of the total assets as at December 31, 2020 and 2019, respectively.

Investment in an Associate and Other Investments

Investments in associates cover minority equity investments in Greencrete, Inc. and Calabar Aggregates Corporation. This account remained at ₱14 million.

Other Assets and Noncurrent Accounts Receivable

Other assets amounting to ₱782.4 million and ₱837.2 million as at December 31, 2020 and December 31, 2019, respectively, primarily consisted of long-term prepayments amounting to ₱27.9 million, long-term performance deposits of ₱266.4 million and ₱259.9 million, respectively, and debt reserve account and guarantee bonds used in operations amounting to ₱407.8 million and ₱480.8 million, respectively. The rest mainly referred to noncurrent portion of the unamortized transportation allowances of employees and other long-term prepayments. Movement mainly refers to a lower balance in the DSRA. The aggregate of other assets and noncurrent accounts receivable accounted for 1.2% and 1.4% of the total assets as at December 31, 2020 and 2019, respectively.

Property, Machinery, Equipment and Assets for the Right-of-Use

Property, machinery and equipment had a balance of ₱19.9 billion and ₱18.0 billion as at December 31, 2020 and December 31, 2019, respectively. For the years ended December 31, 2020 and 2019, ₱274.5 million and ₱659.4 million, respectively, were incurred for maintenance capital expenditures and ₱3.3 billion and ₱3.2 billion, respectively, for strategic capital expenditures.

Assets for the right-of-use amounted to ₱1.8 billion and ₱2.0 billion as at December 31, 2020 and December 31, 2019, respectively. For the years ended December 31, 2020 and 2019, additions to assets for the right-of-use amounted to ₱558.2 million and ₱362.4 million, respectively.

Property, machinery, equipment and assets for the right-of-use accounted for 34.0% and 33.9% of the total assets as at December 31, 2020 and December 31, 2019, respectively.

Advances to Contractors

In November 2018, the Company made a down payment amounting to ₱2.1 billion to a third party for the construction and installation of the new production line of the Solid New Line Project and is presented under noncurrent assets in the consolidated statements of financial position. As at December 31, 2020, and December 31, 2019, the balance of this account amounted to ₱1.1 billion and ₱1.6 billion, respectively. Movement was due to the application of advances against progress billings for the Solid New Line Project. These advances accounted for 1.8% and 2.7% of the total assets as at December 31, 2020 and 2019, respectively.

Deferred Income Tax Assets - Net

The Company's deferred income tax assets amounted to ₱1.1 billion and ₱1.0 billion as at December 31, 2020 and December 31, 2019, respectively, which mainly represented pension, unrealized foreign exchange losses and future tax benefits from operating losses. Movement mainly refers to recognition of additional deferred tax assets from operating losses and Minimum Corporate Income Tax. Deferred tax liability amounted to ₱0.9 million and ₱1.6 million as at December 31, 2020 and December 31, 2019, respectively. Deferred income tax assets *net of* deferred tax liability accounted for 1.7% and 1.8% of the total assets as at December 31, 2020 and 2019, respectively.

Goodwill

The Company's goodwill arose from the business combinations when CHP acquired its subsidiaries in 2016. As of December 31, 2020, no impairment to goodwill is recognized. *Goodwill* accounted for 43.7% and 47.4% of the total assets as at December 31, 2020 and 2019, respectively.

Trade Payables

Trade payables as at December 31, 2020 and December 31, 2019 amounted to ₱4.3 billion and ₱4.8 billion, respectively. The decrease in trade payables is mainly due to the payment to various suppliers and settlement of various insurance with Pioneer. *Trade Payables* accounted for 6.7% and 8.2% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Due to Related Parties

Short-term payable to related parties had a balance of ₱1.5 billion and ₱2.7 billion as at December 31, 2020 and December 31, 2019, respectively. Long-term payable to related parties amounted to nil and ₱5.4 billion as at December 31, 2020 and December 31, 2019, respectively. Movement primarily refers to repayment of loans with CABV. The balances of payables *Due to Related Parties* accounted for 2.4% and 4.6% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Contract Liabilities, Unearned Income, Other Accounts Payable, Accrued Expenses, and Income Tax Payable

Contract liabilities, unearned income, other payables and accruals which amounted to ₱1.6 billion and ₱1.9 billion as at December 31, 2020 and December 31, 2019, respectively, pertained mainly to accruals, contract liabilities (which include advances from customers and unredeemed customer loyalty points), unearned income from insurance premium, provisions, and income tax payable. These figures accounted for 2.5% and 3.3% of the total liabilities and equity in 2020 and 2019, respectively. Movement is mainly due to lower accruals for freight cost, utilities and maintenance costs in 2020.

Lease Liabilities

Current portion of finance lease liabilities amounted to ₱628.3 million and ₱525.4 million as at December 31, 2020 and December 31, 2019, respectively. Noncurrent portion of finance lease liabilities amounted to ₱1.4 billion and ₱1.6 billion as at December 31, 2020 and December 31, 2019, respectively. *Lease Liabilities* accounted for 3.2% and 3.7% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Retirement Benefit Liability

Retirement benefit liability amounting to ₱653.9 million and ₱794.2 million as at December 31, 2020 and December 31, 2019, respectively, pertains to the provision recognized by the Company associated with employees' defined benefit pension plans. *Retirement Benefit Liability* accounted for 1.0% and 1.4% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Long-term Bank Loan

The total outstanding balance of the BDO Facility Agreement amounted to ₱10.8 billion and ₱11.4 billion as at December 31, 2020 and December 31, 2019, respectively. The unamortized debt issuance cost of this long-term bank loan, amounting to ₱80.1 million and ₱106.0 million, was deducted from the total loan liability as at December 31, 2020 and December 31, 2019, respectively. Short-term portion of the bank loan amounted to ₱140.1 million as at December 31, 2020 and December 31, 2019. The balance of the bank loan *net of* debt issuance cost accounted for 16.8% and 19.3% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Other Noncurrent Liabilities

Other noncurrent liabilities of ₱20.6 million as at December 31, 2020 and December 31, 2019, pertain to provision for asset retirement obligation.

Common Stock

As at December 31, 2020 and December 31, 2019, the total ACS of CHP consisted of 18,810,395,454 and 5,195,395,454 common shares at a par value of ₱1 per share, respectively, and the total issued and outstanding capital stock was 13,489,226,623 and 5,195,395,454 common shares at a par value of ₱1 per share, respectively. Increase in common stock was due to the Stock Rights Offering. These figures accounted for 21.2% and 8.8% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Additional paid-in capital

As at December 31, 2020 and December 31, 2019, the additional paid-in capital amounted to ₱26.2 billion and ₱22.0 billion, respectively. The considerations received in excess of the par value of shares issued are recognized in this account. These figures accounted for 41.1% and 37.3% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Other Equity Reserves

The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to stockholders' equity which included share-based compensation, remeasurement of retirement benefits liability (net of tax) and cumulative currency translation of foreign subsidiaries of CHP. *Other Equity Reserves* accounted for (0.1%) and 0.4% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

Retained Earnings

Retained earnings of ₱3.2 billion and ₱2.3 billion as at December 31, 2020 and December 31, 2019 respectively, included the Company's cumulative net results of operations. These figures accounted for 5.1% and 3.8% of the total liabilities and equity as at December 31, 2020 and 2019, respectively.

2019 VERSUS 2018 VERSUS 2017

Results of Operations

Revenue

The consolidated revenue for the years ended December 31, 2019, 2018 and 2017 amounted to ₱23.6 billion, ₱23.4 billion and ₱21.8 billion, respectively. Revenue was generated mainly from sale of cement products as a result of the Company's ordinary activities.

Increase of 7.5% in 2018 compared to 2017 was primarily due to a 6.8% increase in the volume of cement sold resulting from debottlenecking initiatives to increase production and supply chain throughput by approximately 500,000 tonnes, in addition to increased construction activity in both the public and private sectors, and a 0.9% increase in our average selling price for cement.

The breakdown of revenue after elimination of transactions between consolidated entities for the year ended December 31, 2019, 2018 and 2017 were as follows:

<i>Segment</i>	For the year ended December 31, 2019		For the year ended December 31, 2018		For the year ended December 31, 2017	
	<i>Amount*</i>	<i>%Revenue</i>	<i>Amount*</i>	<i>%Revenue</i>	<i>Amount*</i>	<i>%Revenue</i>
Cement	₱23,588	100%	₱23,400	100%	₱21,571	99%
Other business	8	0%	18	0%	213	1%
Total	₱23,596	100%	₱23,418	100%	₱21,784	100%

**Amounts in millions*

Cost of Sales

Consolidated cost of sales for the years ended December 31, 2019, 2018 and 2017, amounted to ₱13.9 billion, ₱14.2 billion and ₱12.3 billion, respectively. Costs arose mainly from power and fuel consumption, raw materials and supplies used during production, depreciation and other expenses directly attributable to the manufacturing of finished goods.

Increase of 15.4% in 2018 compared to 2017 was mainly attributable to higher sales volume, increased raw materials costs resulting from the Naga Landslide and higher fuel and power costs.

Cost of sales as a percentage of revenue for the years ended December 31, 2019, 2018, and 2017, represented 59.0%, 60.8%, and 56.6%, respectively.

Power and fuel represented approximately (i) 19.1% and 20.6%, respectively, of cost of sales in 2019 (ii) 21.4% each, of cost of sales in 2018, and (iii) 21.5% and 22.1%, respectively, of cost of sales and services in 2017.

Gross Profit

As a result of the above conditions, gross profit for the years ended December 31, 2019, 2018 and 2017, reached ₱9.7 billion, ₱9.2 billion and ₱9.5 billion, respectively. Gross profit as a percentage of revenue for the years ended December 31, 2019, 2018 and 2017, represented 41.0%, 39.3% and 43.4%, respectively.

Operating Expense

Operating expenses amounted to ₱7.3 billion, ₱7.7 billion and ₱7.3 billion for the years ended December 31, 2019, 2018 and 2017, respectively. Operating expenses were composed of administrative, selling, and distribution expenses. Administrative and selling expenses amounted to ₱3.1 billion, ₱3.0 billion and ₱3.1 billion, or 13.2%, 12.8% and 14.1% of revenue, in 2019, 2018 and 2017, respectively. These include: a) license fees amounting to ₱865.4 million, ₱883.5 million and ₱827.8 million, respectively; b) insurance amounting to ₱195.8 million, ₱226.8 million and ₱154.1 million, respectively; c) salaries and wages amounting to ₱766.8 million, ₱653.0 million and ₱590.9 million, respectively; and d) administrative fees amounting to ₱744.2 million, ₱656.9 million and ₱878.6 million, respectively. Distribution expenses amounted to ₱4.2 billion, ₱4.7 billion and ₱4.3

billion, which accounted for 17.9%, 19.9% and 19.6% of revenue, in 2019, 2018 and 2017, respectively.

Other expenses included in operating expenses cover utilities and supplies, taxes and license, depreciation, advertising and travel expenses, rental, and others.

Operating Income before Other Expenses, Net

For the reasons discussed above, operating income before other expenses - net amounted to ₱2.3 billion, ₱1.5 billion and ₱2.1 billion in 2019, 2018 and 2017, respectively. These comprised of 9.9%, 6.5% and 9.7% of revenue, respectively.

Other Income (Expenses), Net

Other income (expenses), net for the years ended December 31, 2019, 2018 and 2017 were ₱8.5 million, (₱42.7) million and (₱226.2) million, respectively. Movement in *other income*, net in 2019 compared to other expenses, net in 2018 was primarily due to losses from the Naga Landslide in 2018 amounting to ₱71.7 million. Lower *other expenses*, net in 2018 compared to 2017 was primarily attributable to asset impairment losses amounting to ₱175.2 million in 2017.

Financial and Other Financial Expenses, Net

Net financial expenses in 2019, 2018 and 2017 amounted to ₱1,304.5 million, ₱1,113.5 million and ₱1,048.2 million, respectively. These figures corresponded to 5.5%, 4.8% and 4.8% of revenue, respectively. Increase of 17.2% in 2019 compared to 2018 and increase of 6.2% in 2018 compared to 2017 were mainly attributable to higher debt level to fund the Solid New Line Project and higher benchmark rates.

Foreign Exchange Gain (Loss), Net

Gain (loss) of ₱453.1 million, (₱381.4) million and (₱70.9) million were reported in 2019, 2018 and 2017, respectively.

Movement in *net foreign exchange gain* in 2019 compared to *net foreign exchange loss* in 2018 was mainly due to: (a) deposit agreements between CHP and its foreign subsidiaries; (b) the Solid Expansion Facility Agreement; and (c) appreciation of Philippine peso against U.S. dollar in 2019 from ₱52.58 to U.S.\$1.00 exchange rate as at December 31, 2018 to ₱50.64 to U.S.\$1.00 exchange rate as at December 31, 2019.

Increase in *foreign exchange loss* of 438.4% in 2018 from 2017 was primarily due to depreciation of the Philippine peso against the U.S. dollar.

Net foreign exchange gain was 1.9% of revenue in 2019. Net foreign exchange loss was 1.6% and 0.3% of revenue, in 2018 and 2017, respectively.

The Company entered into the following agreements which affected the movement in foreign exchange gains (losses):

- On August 1, 2016, CHP signed deposit agreements with Falcon and CAR, respectively, pursuant to which Falcon and CAR could deposit and withdraw the amount placed at any time and date, according to the conditions established in the deposit agreement. The agreements which were initially valid and binding until August 1, 2021 were subsequently amended to provide that these agreements would remain valid and binding until terminated by either of the respective parties thereto. The principal under the Falcon deposit agreement shall bear interest calculated daily at a rate equal to Western Asset Institutional Liquid Reserve Fund (WAILRF) minus 10 basis points. The principal under the CAR deposit agreement is subject to applicable safe-harbour interest rate published by the Swiss Federal Tax Administration (“SFTA”). The rate is revised by the SFTA annually. Historically for this deposit, the rates have been: 2.25% from August 2016 to June 2017; 2.5% per annum from July 2017 to February 2018; 3% per annum from March 2018 to date.
- On February 1, 2017, CHP signed the BDO Facility Agreement with BDO for an amount of up to the Philippine Peso equivalent of U.S.\$280 million, to refinance a majority of CHP’s

outstanding long-term loan facility with NSH. During the first quarter of 2017, the foregoing long-term loan with NSH was fully repaid.

- On November 21, 2018, Solid Cement signed the Solid Expansion Facility Agreement with CABV allowing Solid Cement to withdraw in one or several installments a sum of up to U.S.\$75 million. The Solid Expansion Facility Agreement was amended on February 2019, increasing the facility to U.S.\$100 million, and on November 28, 2019, further amendments were made to increase the facility to U.S.\$160 million. The Solid Expansion Facility Agreement, which was subject to initial interest rate of 8.2%, bore an interest based on the Company's leverage ratio. For additional details, refer to ITEM 12 of PART III of the Annual Report (SEC Form 17-A) (Certain Relationships and Related Party Transactions).

Income Tax

As a result of operations, the Company's income tax expense in 2019, 2018 and 2017 amounted to ₱219.2 million, ₱953.7 million and ₱130.8 million, respectively.

Decrease of 77.0% in 2019 compared to 2018 was mainly due to the recognition of previously unrecognized deferred income tax assets. Increase of 629.3% in 2018 compared to 2017 was attributable primarily to intra-group dividends received from foreign subsidiaries and write-downs of previously recognized deferred income tax assets.

Income tax was 14.6% and 17.0% of profit before income tax in 2019 and 2017, respectively. For 2018, income tax of ₱953.7 million was significantly higher than the ₱17.0 million loss before income tax of the same period.

Net Profit (Loss)

As a result of the abovementioned concepts, net profit (loss) for the years ended December 31, 2019, 2018 and 2017 amounted to ₱1,279.6 million, (₱970.7 million) and ₱638.3 million, respectively.

Net profit was 5.4% and 2.9% of revenue in 2019 and 2017, respectively. For 2018, net loss was 4.1% of revenue.

Financial Position

Cash and Cash Equivalents

Cash and cash equivalents amounted to ₱1.4 billion, ₱1.8 billion and ₱1.1 billion as at December 31, 2019, 2018 and 2017, respectively. As at December 31, 2019, cash and cash equivalents of ₱1.4 billion, include ₱1.2 billion cash on hand and in banks and ₱0.2 billion short-term investments which are readily convertible to cash. As at December 31, 2018, cash and cash equivalents of ₱1.8 billion include ₱1.7 billion cash on hand and in banks and ₱0.1 billion short-term investments which are readily convertible to cash. As at December 31, 2017, cash and cash equivalents of ₱1.1 billion include ₱0.6 billion cash on hand and in banks and ₱0.5 billion short-term investments which are readily convertible to cash. *Cash and Cash Equivalents* accounted for 2.4%, 3.1% and 1.8% of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Decrease of 22.9% in 2019 cash and cash equivalents from 2018 was primarily due to ₱3.0 billion cash provided by operating activities, ₱3.1 billion used in investing activities and ₱0.3 billion used in financing activities. Increase of 71.4% in 2018 cash and cash equivalents from 2017 was mainly due to ₱2.3 billion cash provided by operating activities, ₱3.3 billion used in investing activities and ₱1.7 billion provided by financing activities.

Trade Receivables - Net

Accounts receivables amounted to ₱893.0 million, ₱708.9 million and ₱818.8 million as at December 31, 2019, 2018 and 2017, respectively, net of allowance for impairment losses amounting to ₱23.8 million, ₱24.1 million and ₱36.1 million, respectively, which mainly pertained to receivables from customers. The amounts corresponding to *Trade Receivables - Net* accounted for 1.5%, 1.2% and 1.5% of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Increase of 26.0% in 2019 compared to 2018 was primarily attributable to a lower proportion of cash sales to overall sales while the decline of 13.4% in 2018 compared to 2017 was primarily due shorter collection period in 2018.

Due from Related Parties

Related party balances amounted to ₱27.7 million, ₱30.3 million and ₱26.4 million as at December 31, 2019, 2018 and 2017, respectively. Movements in *due from related parties* were primarily from the sale of goods, invoicing of administrative fees, and advances between related parties.

Insurance Claims and Premium Receivable

Insurance premiums receivable is related to non-damage business interruption insurance receivable from third party insurance company and represents premiums on written policies which are collectible within the Company's credit term. Insurance premiums receivable amounted to ₱437.0 million, ₱604.9 million and nil as at December 31, 2019, 2018 and 2017, respectively. Insurance claims amounted to ₱8.5 million, ₱345.1 million and nil as at December 31, 2019, 2018 and 2017, respectively. As at December 31, 2018, outstanding insurance claims refer to the loss incurred during the Naga Landslide.

Insurance Claims and Premiums Receivable accounted for 0.8%, 1.6% and nil of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Decline in 2019 insurance claims and premium receivables was attributable to the receipt of 2018 outstanding insurance claims during 2019. The increase in 2018 from 2017, in addition to the insurance claims from the Naga Landslide, was due to premiums receivables outstanding as at December 31, 2018, which the Company did not have as at December 31, 2017.

Other Current Accounts Receivable

Other current accounts receivable amounted to ₱65.2 million, ₱73.1 million and ₱74.6 million as at December 31, 2019, 2018 and 2017, respectively, which mainly pertained to short term deposits, receivables from contractors and employees and loan receivables. *Other Current Accounts Receivable* accounted for 0.1% of the total assets as at December 31, 2019, 2018 and 2017, respectively. Decline in 2019 was primarily due to the decrease in short-term deposits and receivable from employees.

Inventories

Inventories amounted to ₱3.0 billion, ₱3.5 billion and ₱3.3 billion as at December 31, 2019, 2018 and 2017, respectively. Inventories consisting of raw materials, cement and work in process amounted to ₱1.9 billion, ₱1.8 billion and ₱1.7 billion as at December 31 2019, 2018 and 2017, respectively, and the remaining balance referred to spare parts. Inventories are measured at cost or net realizable value, whichever is lower.

Decline of 13.6% in 2019 from 2018 was mainly attributable to ₱0.6 billion decline in materials and spare parts while the increase of 7.1% in 2018 from 2017 was attributable mainly to ₱0.4 billion increase in inventory in transit. *Inventories* accounted for 5.1%, 6.0% and 6.0% of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Prepayments and Other Current Assets

Other current assets amounted to ₱1.7 billion, ₱1.7 billion and ₱1.4 billion as at December 31, 2019, 2018 and 2017, respectively, which referred primarily to (i) prepayment of insurance, ₱508.8 million, ₱529.8 million and ₱542.7 million, respectively, (ii) prepayment of taxes, ₱645.0 million, ₱525.3 million and ₱548.9 million, respectively, and (iii) advances to suppliers, ₱367.8 million, ₱444.9 million and ₱116.8 million, respectively. *Prepayments and Other Current Assets* accounted for 2.8%, 2.9% and 2.6% of the total assets as at December 31, 2019, 2018 and 2017, respectively. Increase in 2018 prepayments from 2017 was primarily attributable to the increase in advance payments for clinker and raw materials.

Investment in an Associate and Other Investments

As of December 31, 2019, 2018 and 2017, investments in an associate and other investments cover minority equity investments in Greencrete, Inc., Calabar Aggregates Corporation and others. In

2018, the Company sold its rights pertaining to a proprietary membership share for ₱2.1 million which caused the decline in this account of 8.5% from 2017.

Other Assets and Noncurrent Accounts Receivable

Other assets amounting to ₱837.2 million, ₱818.2 million and ₱716.7 million as at December 31, 2019, 2018 and 2017, respectively, primarily consisted of long-term prepayments amounting to ₱27.9 million, ₱41.7 million and ₱47.8 million, respectively, long-term performance deposits of ₱259.9 million, ₱115.7 million and ₱122.4 million, respectively, and debt reserve account and guarantee bonds used in operations amounting to ₱480.8 million, ₱601.2 million and ₱485.5 million, respectively. The rest mainly referred to noncurrent portion of the unamortized transportation allowances of employees. *Other Assets and Noncurrent Accounts Receivable* accounted for 1.4%, 1.4% and 1.3% of the total assets as at December 31, 2019, 2018 and 2017, respectively. Increase in 2018 from 2017 was primarily attributable to the increase in the balance of the DSRA.

Advances to Contractors for Plant Construction

In November 2018, the Company made a down payment to a third party for the construction and installation of the new production line of the Solid New Line Project and is presented under noncurrent assets in the consolidated statements of financial position amounting to approximately ₱2.1 billion. As at December 31, 2019 and 2018, the balance of this account amounted to ₱1.6 billion and ₱2.1 billion, respectively. The amounts corresponding to *Advances to Contractors for Plant Construction* accounted for 2.7%, 3.6% and nil of the total assets as at December 31, 2019, 2018 and 2017, respectively. Movement was due to the application of advances against progress billings for the Solid New Line Project.

Property, Machinery and Equipment and Assets for the Right-of-use - Net

Property, machinery and equipment had a balance of ₱18.0 billion, ₱15.6 billion and ₱15.6 billion as at December 31, 2019, 2018 and 2017, respectively. As at December 31, 2019, 2018 and 2017, ₱0.7 billion, ₱1.1 billion and ₱0.8 billion, respectively, were incurred for maintenance capital expenditures and ₱3.2 billion, ₱0.3 billion and ₱0.5 billion, respectively, for strategic capital expenditures. Increase in 2019 from 2018 was primarily attributable to the capital expenditures on the Solid New Line Project.

Assets for the right-of-use as at December 31, 2019, 2018 and 2017 amounted to ₱2.0 billion, ₱2.2 billion and ₱2.2 billion, respectively.

The aggregate figures corresponding to *Property, Machinery and Equipment and Assets for the Right-of-use - Net* accounted for 33.9%, 30.6% and 32.8% of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Deferred Income Tax Assets

The Company's deferred income tax assets amounted to ₱1.0 billion, ₱774.4 million and ₱1.1 billion, while deferred income tax liability amounted to ₱1.6 million, ₱147.4 million and ₱95.8 million, as at December 31, 2019, 2018 and 2017, respectively. Deferred income tax asset includes temporary tax differences which have future tax benefits. *Deferred Income Tax Assets* accounted for 1.8%, 1.3% and 2.0% of the total assets as at December 31, 2019, 2018 and 2017, respectively. Movements in *deferred income tax* for the comparative periods are mainly related to NOLCO, excess MCIT over RCIT and unrealized foreign exchange gains and losses.

Goodwill

The Company's goodwill arose from the business combinations when CHP acquired its subsidiaries in 2016. *Goodwill* accounted for 47.4%, 48.0% and 51.5% of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Trade Payables

Trade payables as at December 31, 2019, 2018 and 2017 amounted to ₱4.8 billion, ₱4.9 billion and ₱2.3 billion, respectively, which were mainly related to purchases of raw materials and other goods, and services provided by third parties. *Trade Payables* accounted for 8.2%, 8.5% and 4.3% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively. Increase in 2018 from 2017 was primarily attributable to longer payment terms with suppliers, purchase of

imported clinker and cement due to the Naga Landslide, and costs related to the initial stages of the Solid New Line Project.

Due to Related Parties

Short-term payable to related parties had a balance of ₱2.7 billion, ₱2.7 billion and ₱2.3 billion as at December 31, 2019, 2018 and 2017, respectively. Long-term payable to related parties amounted to ₱5.4 billion, ₱2.5 billion and ₱1.1 billion as at December 31, 2019, 2018 and 2017, respectively. The balances of payables *Due to Related Parties* accounted for 13.8%, 9.0% and 6.2% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively. The increase in payable to related parties for the comparative periods was mainly due to additional drawdowns under the revolving facility agreement of the Company with CABV.

Contract Liabilities, Unearned Income, Other Accounts Payable and Accrued Expenses, and Income Tax Payable

Contract liabilities, unearned income, other payables and accruals which amounted to ₱1.9 billion, ₱2.3 billion and ₱2.1 billion as at December 31, 2019, 2018 and 2017, respectively, pertained mainly to accruals, contract liabilities (which include advances from customers and unredeemed customer loyalty points) unearned income from insurance premium, provisions, and tax payables.

Decrease in contract liabilities, unearned income, other accounts payable and accrued expenses, and income tax payable of 16.4% in 2019 from 2018 was attributable to: a) accrued expenses; b) unearned income from reinsurance premiums; c) taxes payable such as VAT, withholding taxes and others; d) advances from customers; and e) income tax payable. Increase in contract liabilities, unearned income, other accounts payable and accrued expenses, and income tax payable of 8.5% in 2018 from 2017 was primarily attributable to accrued expenses. These figures accounted for 0.5%, 0.6% and 0.8% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

Lease Liabilities

The current portion of lease liabilities amounted to ₱525.4 million, ₱453.7 million and ₱264.0 million as at December 31, 2019, 2018 and 2017, respectively. The noncurrent portion of lease liabilities amounted to ₱1.6 billion, ₱1.9 billion and ₱2.1 billion as at December 31, 2019, 2018 and 2017, respectively. *Lease liabilities* accounted for 3.7%, 4.1% and 4.3% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively. Decline in 2019 from 2018 was mainly attributable to lower lease additions and remeasurement from lease termination during the year.

Retirement Benefit Liability

Retirement Benefit Liability amounting to ₱794.2 million, ₱715.2 million and ₱761.0 million as at December 31, 2019, 2018 and 2017, respectively, pertained to the provision recognized by the Company associated with employees' defined benefit pension plans. These figures accounted for 1.4%, 1.2% and 1.4% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

Increase of 11.0% in 2019 as against 2018 was primarily attributable to the actuarial losses amounting to ₱165.8 million, net off actual plan contributions amounting to ₱105.0 million. Decrease of 6.0% in 2018 compared to 2017 was primarily due to actuarial gains amounting to ₱196.1 million, net off ₱88.5 million retirement obligation acquired from transferred employees.

Long-term Bank Loan

The total outstanding balance of the BDO Facility Agreement was ₱11.4 billion, ₱13.8 billion and ₱13.9 billion as at December 31, 2019, 2018 and 2017, respectively. The debt issuance cost of this long-term bank loan, corresponding to ₱106.0 million, ₱138.2 million and ₱166.6 million, on an unamortized basis, was deducted from the total loan liability as at December 31, 2019, 2018 and 2017, respectively. Short-term portion of the bank loan amounted to ₱140.1 million as at December 31, 2019, 2018 and 2017. In 2019, the Company made partial pre-payments under this bank loan amounting to ₱2.2 billion. The balance of the bank loan *net of* debt issuance cost accounted for 19.3%, 23.5% and 25.4% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

Other Noncurrent Liabilities

Other noncurrent liabilities of ₱20.6 million as at December 31, 2019, 2018 and 2017 referred to provision for asset retirement obligation.

Common Stock

As at December 31, 2019, 2018 and 2017, the total ACS of CHP consisted of 5,195,395,454 common shares at a par value of ₱1 per share, and the total issued and outstanding capital stock was 5,195,395,454 common shares at a par value of ₱1 per share. These figures accounted for 8.8%, 8.9% and 9.6% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

Additional paid-in capital

As at December 31, 2019, 2018 and 2017, the additional paid-in capital amounted to ₱22.0 billion and accounted for 37.3%, 37.8% and 40.6% of the total liabilities and equity, respectively. The considerations received in excess of the par value of shares issued are recognized in this account.

Other Equity Reserves

The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to stockholders' equity which included share-based compensation, remeasurement of retirement benefits liability (net of tax), cumulative currency translation of foreign subsidiaries and unrealized gains and losses arising from fair value changes on derivative asset designated as a hedging instrument. *Other Equity Reserves* accounted for 0.4%, 1.0% and 0.4% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

Decrease in 2019 from 2018 was attributable to: a) currency translation loss of foreign subsidiaries amounting to ₱243.0 million; and b) loss on remeasurement on retirement benefit liability amounting to ₱116.0 million. Increase in 2018 from 2017 was attributable to: a) currency translation gain of foreign subsidiaries amounting to ₱238.9 million; and b) gain on remeasurement on retirement benefit liability amounting to ₱137.3 million.

Retained Earnings

Retained earnings of ₱2.3 billion, ₱981.3 million and ₱2.0 billion as at December 31, 2019, 2018 and 2017, respectively, included the Company's cumulative net results of operations. These figures accounted for 3.8%, 1.7% and 3.6% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

COMPANY PERFORMANCE INDICATORS AND LIQUIDITY

Key Performance Indicators

As of December 31, 2021, the Company tests certain performance measures to gauge its operating performance periodically and to assess its overall state of corporate health. Listed below are the major performance measures, which the Company has identified as reliable performance indicators. Analyses are employed by comparisons and measurements on a consolidated basis based on the financial data as at December 31, 2021, 2020, 2019 and 2018.

Key Financial Indicators	Formula	2021	2020	2019	2018 (As restated)
Current Ratio	Current Asset/Current Liabilities	0.9:1	1.4 : 1	0.7 : 1	0.8 : 1
Solvency Ratio	Profit + Depreciation and Amortization/Total Liabilities	0.1:1	0.2 : 1	0.1 : 1	0.0 : 1
Net debt to Equity Ratio	Debt*/Total Equity	0.3:1	0.3 : 1	0.9 : 1	1.0 : 1
Asset to Equity Ratio	Total Assets/Total Equity	1.5:1	1.5 : 1	2.0 : 1	2.0 : 1

*The debt is net of cash and cash equivalents.

Key Financial Indicators	Formula	2021	2020	2019	2018 (As restated)
Interest Rate Coverage Ratio	Operating income before other income (expenses) - net/ interest	9.8:1	3.6 : 1	1.9 : 1	1.4 : 1
Profitability Ratio	Operating income before other income (expenses) - net/ Revenue	0.1:1	0.1 : 1	0.1 : 1	0.1 : 1

As of the year ended December 31, 2021 and the quarter ended March 31, 2022, the Company does not have any off-balance sheet arrangements that are reasonably likely to have a material effect on its financial condition, operating results and liquidity or capital resources.

Liquidity

The Company's operations are exposed to risks from changes in price, interest rates, inflation, foreign exchange, governmental spending, social instability and other political, economic and/or social developments in Philippines, any one of which may materially impact its net income and cash from operations. Consequently, in order to meet liquidity needs, the Company relies on cost-efficiency, profitability management and operating improvements to optimize capacity utilization and maximize profitability, as well as advances or borrowing under credit facilities, proceeds of debt and proceeds from asset sales. The Company also participates in a liquidity management program pursuant to which it invests excess liquidity and has certain flexibility to undertake borrowings (intragroup or with CEMEX Group) to meet its own liquidity needs. Amounts that are invested or borrowed under this liquidity management program are often denominated in U.S. dollars.

Material Commitments for Capital Expenditures for 2022

The Company has budgeted for 2022 about ₱6,210 million for capital expenditures and investments which substantially consist of the following: (i) ₱1,450 million - maintenance and other CAPEX and (ii) ₱4,760 million - the new cement production line of the Solid New Line Project. The Company expects to fund these capital expenditures through a combination of available cash from the proceeds raised during the Stock Rights Offering conducted in January 2020 and revenue or cashflow from operations, and/or loans from related parties or one or more financial institutions.

Bank Loan

On February 1, 2017, CHP signed the BDO Facility Agreement with BDO for a loan amount of up to the Philippine peso equivalent of US\$280 million, the proceeds of which were applied to refinance a majority of its borrowings from NSH. The term loan provided by BDO has a tenor of seven years from the date of the initial drawdown on the facility and consists of a fixed rate and a floating rate tranche based on market rates plus spread.

On December 8, 2017, CHP, together with APO Cement and Solid Cement, and BDO, entered into a supplemental agreement to the BDO Facility Agreement (the "2017 Supplemental Agreement") pursuant to which it was agreed that (i) the commencement date for compliance with certain financial covenants under the BDO Facility Agreement would be on June 30, 2020; (ii) the DSRA would be created; and (iii) additional debt incurrence restrictions would be put in place. One of these debt incurrence restrictions agreed is based on a financial ratio that measures, on a consolidated basis, the Company's ability to cover its interest expense using its Consolidated EBITDA (as defined in the BDO Facility Agreement) and is measured by dividing Consolidated EBITDA by the Consolidated Interest Expense (as defined in the BDO Facility Agreement).

On December 14, 2018, CHP, together with APO Cement and Solid Cement, and BDO, entered into another supplemental agreement to the BDO Facility Agreement that provides an option, only in case of certain potential events of default occurring under the BDO Facility Agreement, for CEMEX

Group, to pay all amounts outstanding under the BDO Facility Agreement before they can be declared due and payable prior to their specified maturity.

On May 17, 2019, the Company entered into an agreement with BDO to amend the BDO Facility Agreement and the 2017 Supplemental Agreement to, among other changes, (i) conform the BDO Facility Agreement with certain changes required due to PFRS 16 taking effect as of January 1, 2019, (ii) exclude from the calculation of certain financial covenants in the BDO Facility Agreement any principal and interest in an amount up to U.S.\$250 million (or its Philippine peso equivalent) from certain subordinated loans and advances incurred in relation with the new cement line of the Solid New Line Project that have been made or are to be made to the Company by the CEMEX Group, and (iii) allow for certain loans taken by the Company from CEMEX Group to be paid with proceeds from any equity fundraising activity conducted by CHP without having to pay a prepayment penalty to BDO under the BDO Facility Agreement. On June 26, 2020, CHP, APO Cement and Solid Cement reached an agreement with BDO further amending the BDO Facility Agreement so that CHP would be required to comply with certain financial covenants commencing on June 30, 2021 and not on June 30, 2020.

On August 25, 2021, BDO and CHP terminated the 2017 Supplemental Agreement and BDO released the DSRA created thereunder, in accordance with the terms of the said agreement.

None of the foregoing amendments and supplements had the effect of increasing the debt level, maturity date, or interest cost under the BDO Facility Agreement.

As of the year ended December 31, 2021 and the quarter ended March 31, 2022, CHP is in compliance with the applicable restrictions and covenants of the facility agreement.

TREND, EVENTS OR UNCERTAINTIES AFFECTING RECURRING REVENUES AND PROFITS

COVID-19 Pandemic

The various measures imposed to date by the Philippine Government and those that could be additionally implemented as a result of the COVID-19 Pandemic have and may further adversely affect the Company's workforce deployment and operations and the operations of the Company's customers, distributors, suppliers and contractors, and may negatively impact the Company's financial condition, results of operations and cash flows. The Company faces significant uncertainties arising from the impacts of the COVID-19 Pandemic that may include restrictions on access to the Company's manufacturing facilities, on its operations or workforce, or similar limitations for the Company's customers, distributors, suppliers and contractors, which could limit customer demand and/ or the Company's capacity to meet customer demand, any of which could have a material adverse effect on the Company's financial condition and results of operations. The degree to which the COVID-19 Pandemic affects the Company's financial condition and results of operations will depend on future developments of the COVID-19 situation in the country, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the emergence of COVID-19 variants, the actions to contain the virus or treat its impact, government policy, and how quickly and to what extent normal or pre-COVID-19 economic and operating conditions can resume.

The Company implemented, and continues to implement, hygiene protocols in its operations and modified its manufacturing, sales, and delivery processes to implement physical distancing, so as to protect the health and safety of its employees and their families, customers and suppliers; and drastically reduce the possibility of contagion during the COVID-19 Pandemic. The Company plans to continue to focus its efforts on managing the impact of the COVID-19 Pandemic on its production, commercial, and financial activities. It will put further emphasis on the use of the CEMEX Go platform for a digital, contactless and/or limited contact experiences for customers, and enable additional online channels to promote engagement, manage communications and facilitate transactions with customers. It will continue to carefully monitor this overall situation and expects to take additional steps, as could be required.

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. During the year ended December 31, 2021, consolidated revenues decreased by 16.5% against the

previous year, caused mainly by the decrease in sales volumes from reduced operations. This decrease in revenues was partially offset by a reduction in cost of sales and operating costs and expenses, which decreased 17% and 14% for the years ended December 31, 2021 and 2020, respectively, because of reduced operations but also considering the strict control of expenditures. In 2021, the Company recorded an increase in consolidated revenue by 6.0% from the previous year, due to higher volume of product sold as the Company was recovering from the adverse impact of the COVID-19 Pandemic in 2020 and supported by the easing of quarantine restrictions relevant to the Company's business and the markets that it served. In 2021, the cost of sales increased by 11.8% as compared to 2020 due to a 6.0% increase in volume sold, higher unitary cost of sales which was mainly from the purchase of additional clinker on a one-off basis to support production requirements, and higher electricity rates. The operating expenses decreased by 4.9% in 2021 compared to 2020 mainly due to lower distribution expenses resulting from lower delivered product volume (versus pick-up product volume) as well as initiatives to increase operational and cost efficiency. For the year ended December 31, 2021, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 Pandemic amounting to ₱22.3 million and ₱22.4 million presented under "Operating expenses and cost of sales" and "Other income (expenses) - net", respectively. In 2020, the corresponding additional expenses of ₱49.7 million were presented in "Other income (expenses) - net".

The Company considers that, as the effects and duration of such pandemic may extend, there could be significant adverse effects in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable; (ii) impairment of long-lived assets including goodwill; (iii) further disruption in supply chains; and (iv) liquidity risks to meet the Company's short-term obligations.

Other than as disclosed elsewhere in this Management Report, CHP's 2021 Annual Report (SEC Form 17-A) with Sustainability Report or CHP's 2021 Consolidated Financial Statements, the Company is not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2021 that are reasonably likely to have a material and adverse effect on the Company's net sales, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions, or that would trigger direct or contingent financial obligation, including any default or acceleration of an obligation.

Refer to the discussion on major risks affecting the business in ITEM 1 of PART I of CHP's 2021 Annual Report (SEC Form 17-A).

PART 2: HISTORY AND BUSINESS DEVELOPMENT

(a) Organization

CHP, a subsidiary of CEMEX ASIAN SOUTH EAST CORPORATION (“CASEC”), was incorporated as a stock corporation on September 17, 2015 under Philippine laws with a corporate life of fifty (50) years, primarily to invest in or purchase real or personal property; and to acquire and own, hold, use, sell, assign, transfer, mortgage all kinds of properties such as shares of stock, bonds, debentures, notes, or other securities and obligations; provided that it shall not engage either in the stock brokerage business or in the dealership of securities, and in the business of an open-end investment company as defined in Republic Act 2629, Investment Company Act.

CASEC is a wholly-owned indirect subsidiary of CEMEX España, S.A., of which substantially all shares are indirectly owned by CEMEX, S.A.B. de C.V. (“CEMEX”), a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, Mexico. CEMEX is one of the largest cement companies in the world based on annual installed cement production capacity. CEMEX’s Ordinary Participation Certificates (Certificados de Participación Ordinarios) (“CPOs”), each of which currently represents two “Series A” shares and one “Series B” share, are listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*) and trade under the symbol “CEMEX.CPO.” CEMEX’s American Depositary Shares, each of which currently represents ten CPOs, are listed on the New York Stock Exchange (“NYSE”) and trade under the symbol “CX”.

CHP’s two principal operating subsidiaries, i.e., APO Cement and Solid Cement, are involved in the production, marketing, distribution and sale of cement and other building materials in the Philippines with well-established brands, such as “APO”, “Island”, and “Rizal”, each of which has a multi-decade history in the Philippines.

On January 1, 2016, CHP acquired, directly and indirectly through intermediate holding companies, a 100% equity interest in each of Solid Cement and APO Cement as a result of the following acquisitions:

- (a) 1,112,934,284 preferred shares of APO Cement representing 40% of the outstanding capital stock of APO Cement from CEMEX Asia Holdings, Ltd;
- (b) 500,000 common shares of Solid Cement representing 10% of the outstanding capital stock of Solid Cement from CEMEX Asia Pacific Investments B.V.;
- (c) 1,500,000 common shares of Solid Cement, representing a 30% equity interest in Solid, from CEMEX Asia, B.V. (“CABV”) (in addition to CABV’s minority interest in two shares that it owned jointly with Sandstone Strategic Holdings, Inc.);
- (d) 458,500 common shares of Edgewater Ventures Corporation representing 100% of the outstanding capital stock of Edgewater Ventures Corporation from CEMEX Asia Holdings, Ltd.;
- (e) 2,360,000 common shares of Triple Dime Holdings, Inc. representing 39.85% of the outstanding capital stock of Triple Dime Holdings, Inc. from CEMEX Asia Holdings, Ltd.;
- (f) 120,000 common shares of Bedrock Holdings, Inc. representing 100% of the outstanding capital stock of Bedrock Holdings, Inc. from CEMEX Asia Holdings, Ltd.; and
- (g) 4,660,966 common shares of Sandstone Strategic Holdings, Inc. representing 45% of the outstanding capital stock of Sandstone Strategic Holdings, Inc. from CEMEX Asia Holdings, Ltd.

On June 17, 2016, the Securities and Exchange Commission of the Philippines (“SEC”) issued a Pre-effective Clearance for Registration covering 5,195,395,454 common shares of CHP broken

down as follows: (a) 2,337,927,954 common shares that shall be offered and sold to the public by way of primary offering (“IPO”) and (b) 2,857,467,500 issued and outstanding shares which shall not be included in the offer. In view of the SEC Pre-effective Clearance for Registration and CHP’s compliance with other conditions imposed by the Board of the Philippine Stock Exchange (“PSE”), the PSE approved on June 17, 2016 the initial listing of up to 5,195,395,454 common shares under the Main Board of the Exchange.

On June 30, 2016, the SEC resolved to render effective the Registration Statement of CHP and issued a Certificate of Permit to Offer Securities for Sale in favor of CHP. On July 18, 2016, the total outstanding shares of CHP consisting of 5,195,395,454 common shares were listed on the Main Board of the Philippine Stock Exchange.

On April 2, 2019, the Board of Directors approved the increase in CHP’s authorized capital stock (“ACS”) from P5,195,395,454 divided into 5,195,395,454 Common Shares with par value P1.00 per share, of which 5,195,395,454 Common Shares are issued and fully paid-up, to P18,310,395,454 divided into 18,310,395,454 Common Shares with a par value of P1.00 per share. This increase was then authorized by CHP’s shareholders owning more than 2/3 of the total issued and outstanding capital during a special meeting of stockholders held on October 16, 2019. Following said special stockholders’ meeting, CHP initiated the corresponding processes with the SEC and the PSE for a stock rights offering (“Stock Rights Offering”) for the purpose of raising the equivalent in Philippine Peso of up to US\$250 million.

On December 11, 2019, the SEC issued a Notice of Confirmation of Exempt Transaction, confirming that the Stock Rights Offering is exempt from the registration requirements of the Securities Regulation Code of the Philippines and the board of directors of the PSE approved CHP’s application for listing of the shares to be offered in the Stock Rights Offering, subject to the fulfillment of certain listing conditions, such as but not limited to CHP having obtained the SEC’s approval of the increase in CHP’s ACS.

On January 6, 2020, CHP announced that the Stock Rights Offering would involve the offer of 8,293,831,169 common shares with a par value of ₱1.00 per share (the “Rights Shares”) at an offer price of ₱1.54 per Rights Share that would be issued from CHP’s increased ACS. The proceeds from the Stock Rights Offering would be used primarily (i) to fund the expansion of Solid Cement’s plant in Antipolo City, Rizal, involving the construction and installation of a 1.5 million metric tons per year new integrated cement production line (the “Solid New Line Project”), including to pay outstanding amounts owed by Solid Cement under a revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid Cement, as the borrower, and CABV, as the lender (the “Solid Expansion Facility Agreement”), which facility agreement had been used primarily but not exclusively to fund the Solid New Line Project, and (ii) for other general corporate purposes, including to pay outstanding amounts owed by APO Cement under a master loan agreement dated October 1, 2014, as amended and restated from time to time, between APO Cement, as borrower, and CABV, as lender (as assignee to CEMEX Hungary KFT) (the “APO Operational Facility Agreement”).

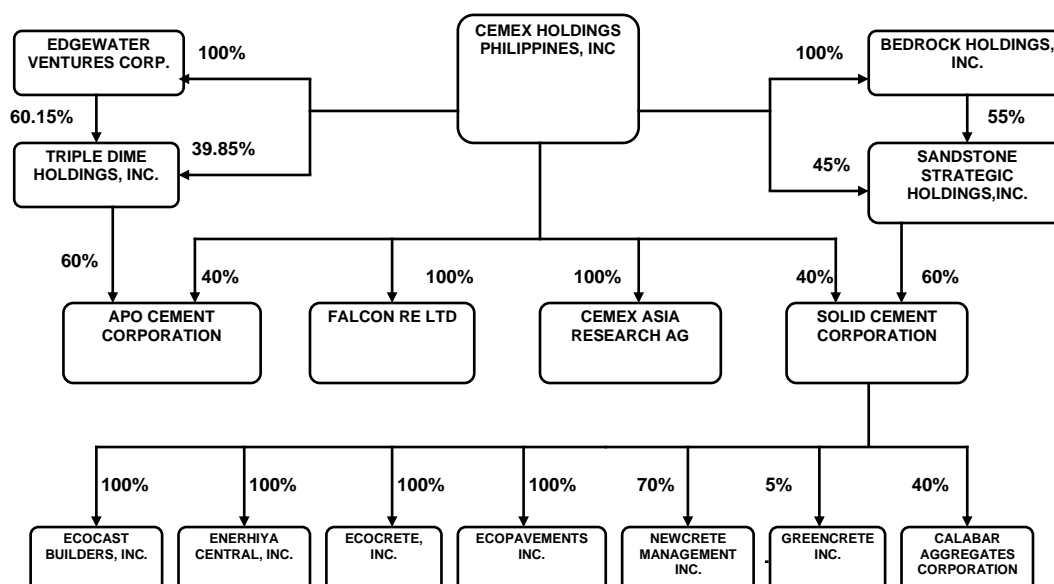
The offer period for the Stock Rights Offering was concluded on January 24, 2020. The total proceeds raised from the Stock Rights Offering amounted to ₱12,772,500,000.26.

On February 27, 2020, the SEC approved CHP’s application for increase of ACS and on March 4, 2020, the 8,293,831,169 common shares comprising the Rights Shares were listed under the Main Board of the Exchange.

After the Stock Rights Offering and the approval by the SEC of CHP’s application for increase in ACS, CHP’s issued and outstanding shares totaled 13,489,226,623 common shares at ₱1.00 par value per share or total par value of ₱13,489,226,623.

As of December 31, 2020, the shareholdings in CHP owned by CASEC was 10,500,624,662 common shares, which corresponded to approximately 77.84% of the total issued and outstanding capital stock of CHP. CASEC retained its shareholdings in CHP as at December 31, 2021.

The following diagram provides a summary of the Company's organizational and ownership structure as of December 31, 2021:



(b) Subsidiaries and Associates

The following are brief descriptions of the Company's operating subsidiaries:

- **APO Cement Corporation.** APO Cement was incorporated in the Philippines on December 27, 1961 primarily to engage in the production and marketing of cement. CHP owns a direct 40% equity interest in APO Cement as well as an indirect 60% equity interest through its equity interest in Triple Dime Holdings, Inc. APO Cement owns and operates the APO Cement plant and primarily produces products which carry the APO cement brand.
- **Solid Cement Corporation and its subsidiaries.** Solid Cement was incorporated in the Philippines on September 14, 1987. CHP owns a direct 40% equity interest in Solid Cement as well as an indirect 60% equity interest through its equity interest in Sandstone Strategic Holdings, Inc. Solid Cement owns and operates the Solid Cement plant and primarily produces products which carry the Island and Rizal cement brands. The following are Solid Cement's subsidiaries:
 - **Ecocast Builders, Inc.** Ecocast Builders, Inc. ("Ecocast") was incorporated in the Philippines on October 16, 2014 to primarily provide its customers with materials and solutions for cement-intensive housing and other structures. Solid Cement owns a 100% equity interest in Ecocast.
 - **Ecopavements Inc.** Ecopavements Inc. ("Ecopavements") was incorporated in the Philippines on October 16, 2014 to primarily provide its customers with materials and solutions for cement-intensive primarily provide its customers with materials and solutions for pavement, road and other pathway projects. Solid Cement owns a 100% equity interest in Ecopavements. Ecopavements' Board of Directors confirmed plans to close the business operations of the company effective on December 31, 2017. On August 31, 2018, the company's Board of Directors and Shareholders approved the shortening of the corporate term of the company to December 31, 2019. As at December 31, 2021, the company has not been able to obtain the approval of the SEC for the amendment of its articles of incorporation to reflect the shortened corporate term. Accordingly, the corporate existence of this company continues under its articles of incorporation.
 - **Ecocrete, Inc.** Ecocrete, Inc. ("Ecocrete") was incorporated in the Philippines on February 13, 2013 to primarily manufacture, develop and sell ready-mix concrete and other

construction related products materials. Solid Cement owns a 100% equity interest in Ecocrete. Ecocrete's Board of Directors confirmed plans to close the business operations of the company effective on December 31, 2017. On August 31, 2018, the company's Board of Directors and Shareholders approved the shortening of the corporate term of the company to December 31, 2019. As at December 31, 2021, the company has not been able to obtain the approval of the SEC for the amendment of the company's articles of incorporation to reflect the shortened corporate term. Accordingly, the corporate existence of the company continues under its articles of incorporation.

- **Enerhiya Central Inc.** Enerhiya Central Inc. ("Enerhiya") was incorporated in the Philippines on February 26, 2013, to primarily sell, broker market and/or aggregate electricity to industrial, commercial and institutional clients. Solid Cement owns a 100% equity interest in Enerhiya. Enerhiya has not yet started commercial operations.

- **Newcrete Management Inc.** Newcrete Management Inc. ("Newcrete") was incorporated in the Philippines on November 14, 2012, to provide management services related to technical support, concrete sales, concrete products, special building materials and other related products and services. Newcrete Management Inc. has not yet started commercial operations. Solid Cement owns a 70% equity interest in Newcrete.

- **Falcon Re Ltd.** - Falcon Re Ltd. ("Falcon") was incorporated in Barbados on May 9, 2016. CHP owns a direct 100% equity interest in Falcon, which reinsures third-party insurers of the Company covering risks associated with property insurance coverage, with political violence and non-damage business interruption ("NDBI") programs, professional liability program and cyber risks.

- **CEMEX Asia Research A.G.** - CEMEX Asia Research AG ("CAR") was incorporated in Switzerland on December 18, 2015. CHP owns a direct 100% equity interest in CAR, which is the licensee for the certain licensed trademarks and intangible assets to which the Company has access through several agreements with CEMEX Group.

The following are brief descriptions of the Company's investment holding company subsidiaries:

- **Edgewater Ventures Corporation and Triple Dime Holdings, Inc.** Edgewater Ventures Corporation ("Edgewater") was incorporated in the Philippines on April 23, 1998 and Triple Dime Holdings, Inc. ("Triple Dime") was incorporated in the Philippines on May 13, 1998. CHP owns a 100% equity interest in Edgewater, which is an investment holding company that owns a direct 60.15% equity interest in Triple Dime which is also an investment holding company. CHP owns directly the remaining 39.85% equity interest in Triple Dime. Triple Dime owns a direct 60% equity interest in APO Cement.

- **Bedrock Holdings, Inc. and Sandstone Strategic Holdings, Inc.** Bedrock Holdings, Inc. ("Bedrock") was incorporated in the Philippines on October 30, 1998 and Sandstone Strategic Holdings, Inc. ("Sandstone") was incorporated in the Philippines on November 12, 1998. CHP owns a direct 100% equity interest in Bedrock which is an investment holding company that owns a direct 55% equity interest in Sandstone which is also an investment holding company. CHP directly owns the remaining 45% equity interest in Sandstone. Sandstone owns a direct 60% equity interest in Solid Cement.

The following are brief descriptions of companies in which Solid Cement has minority investments:

- **Calabar Aggregates Corporation.** Calabar Aggregates Corporation ("CAC") was incorporated in the Philippines on January 31, 1991. CAC is a company in which CHP owns an indirect 40% equity interest through its 100% equity interest in Solid Cement. This company is currently inactive. On August 31, 2021, CAC's Board of Directors and Shareholders approved the shortening of the company's corporate term to December 31, 2022. On December 17, 2021, the SEC approved the amendment of CAC's articles of incorporation to reflect the shortened corporate term.

Greencrete Inc. Greencrete Inc. (“Greencrete”) was incorporated in the Philippines on November 14, 2012. CHP owns an indirect 5% equity interest in Greencrete through its 100% equity interest in Solid Cement. Greencrete has not yet started commercial operations.

PART 3: GENERAL BUSINESS DESCRIPTION

The Company has two cement plants with aggregate installed annual capacity⁷ of 5.7 million tonnes of cement as of December 31, 2021. APO Cement’s cement production plant is located in Naga City, Cebu and currently has three grinding lines and has an installed annual capacity of 3.8 million tonnes of cement, and serves its customers in the Visayas and Mindanao regions through its marine and land distribution network. Solid Cement’s cement production plant is located in Antipolo City, Rizal and currently has three grinding lines and an installed annual capacity of 1.9 million tonnes of cement. Solid Cement’s plant principally serves the National Capital Region. The Solid New Line Project, consisting of the procurement, construction and installation of a 1.5 million metric tons per year new integrated cement production line at Solid Cement’s plant, is ongoing. The Company currently estimates that the construction of the new production line should be completed by March 2024 and the start of its operations could commence in April 2024. A further discussion on developments regarding the Solid New Line Project is found under ITEM 2 of PART 1 of the Annual Report (SEC Form 17-A) (Properties).

The Company is dedicated to a customer-centric approach in the cement industry in the Philippines and is committed to providing building materials solutions that are convenient, reliable and efficient for our customers. Our direct sales model lies at the heart of our customer-centric approach. To support our direct sales model, we have established an extensive distribution system with a view to ensuring that our products are offered and made available close to our customers and we utilize various electronic or digital platforms and automated operating systems to improve overall efficiency in managing and supporting our operations. In October 2018, the Company launched CEMEX Go, an end-to-end integrated digital platform which was developed by CEMEX to provide an integrated experience for order placement, tracking of deliveries and managing invoices for the Company’s main products. CEMEX Go can be accessed from a laptop or any mobile device. Once an order is placed, the customer can track its delivery path in real-time. Through CEMEX Go’s Order and Product Catalogue, customers have complete control over their orders. Across the different markets where this application was launched by CEMEX, the Philippines has had one of the fastest adoption rates within the CEMEX group. As of December 31, 2021, more than 97.3% of orders from the Company’s on-boarded clients were placed using this digital platform. In 2021, the Company introduced its Electronic Authority to Withdraw (E-ATW) digital solution which, coupled with the online booking system, provided its customers a complete contactless experience for pick-up transactions.

The Company’s customer-centric direct sales approach is also supported by a customer service call center and our customer information system. Our customer service center is responsible for overall customer relationship management activities, such as order-taking and fulfillment, inquiries and complaint management. The information provided by a customer upon completing an order form is logged in our customer database, which allows us to see the order type, quantity and delivery preferences that are typical of each of our customers over time. To ensure service quality, we monitor specific key performance indicators, including response rate, handling time, and voice service quality. In October 2020, the Company virtually inaugurated its new in-house Service Center located in the head office in Makati City, Metro Manila. This new Service Center enhances our capacity to better serve our customers across multiple communication channels.

As at December 31, 2021, the Company’s distribution infrastructure utilizes 1 jetty/marine terminal in Cebu, 5 other marine distribution terminals, and 23 land distribution centers/warehouses located in Central Luzon, Southern Luzon, Visayas and Mindanao. The Company distributes its products using a fleet which is managed directly by its subsidiaries or by third-party transport providers. As at December 31, 2021, the Company leases 69 trucks for the distribution of bag and

⁷ cement grinding capacity

bulk cement, charters 13 marine vessels for the waterborne distribution of bag cement in the Philippines, and contracts 3 marine vessels for the distribution of bulk cement.

In 2021, the Company sold gray ordinary Portland cement, masonry cement and blended cement. The Company's cement products are principally sold under the APO, Island and Rizal brand names. The Island and Rizal brands are primarily sold to customers in Luzon, whereas the APO brand cement is primarily sold to customers in the Visayas and Mindanao. The Company also launched in 2021 "Vertua" branded cement products, giving its customers eco-friendly alternatives. The Vertua line of products are specially formulated to reduce CO₂ emissions during production, without compromising strength and quality. Rizal Portland Vertua and APO Portland Vertua fall under the classification of *Vertua Plus* applicable to products reducing CO₂ emissions by at least 25% during production.

Others

The Company sold admixtures and building materials other than cement to third parties. In 2021, sales of admixture and building materials accounted to not more than 0.18% of consolidated net sales for the year. The Company also generated revenue from co-processing of waste materials or alternative fuel resources from third parties which accounted to not more than 0.13% of consolidated net sales for 2021.

Properties

(1) The Company does not own land. The Company's properties consist primarily of plant, building structures or facilities and equipment. A majority of the Company's properties are located in Naga City, Cebu; Antipolo City, Rizal; Batangas City, Batangas; and Tondo, Manila. The production plants and distribution infrastructure are strategically located to serve key markets in the Philippines.

APO Cement's cement production plant is located in Naga City, Cebu and currently has three grinding lines and has an installed annual capacity of 3.8 million tonnes of cement.

Solid Cement's cement production plant is located in Antipolo City, Rizal and currently has three grinding lines and an installed annual capacity of 1.9 million tonnes of cement. In October 2018, the principal agreements for the Solid New Line Project (i.e., procurement, construction and installation of a 1.5 million metric tons per year new integrated cement production line) were entered into with CBMI Construction Co., Ltd. On December 7, 2021, Solid Cement issued its *Notice of Termination of the Construction Contract* due to the delay in the implementation of construction and installation works. Solid Cement has taken measures to address contingencies which have arisen due to this termination. Solid Cement has engaged Atlantic Gulf and Pacific Company of Manila, Inc. and Betonbau Phil., Inc. as the principal contractors to continue the construction and installation of the Solid New Line Project. The Company currently estimates that the construction of the new production line should be completed by March 2024 and the start of its operations could commence in April 2024. Solid Cement has applied with the BOI for a further amendment of the timetable for the registered project. The estimated total project cost is revised from US\$235 million to US\$323 million, while the estimated total interest capitalization for the project is adjusted to US\$33 million. The additional investment requirements for this project could be sourced from one or any combination of the following options: free cash flow, debt from any subsidiary of CEMEX, and/or debt from one or more financial institutions.

(2) The Company's properties are not mortgaged or encumbered.

Employees

As at December 31, 2021, the Company has a total of 759 full-time employees in the Philippines, while CHP's foreign subsidiaries employed a total of [4] employees. A breakdown of the employees in the Philippines is shown below:

Area	Number of Employees
Corporate and Administration	222
Cement Business (commercial sales & administration, cement operations & technology, and logistics)	532
Other Businesses	5

As of December 31, 2021, approximately 31% of the non-managerial employees of our cement business were members of, and were represented by, labor unions. Their labor conditions, including wages and benefits, are governed by collective bargaining agreements negotiated at the plant level. The Solid Cement plant has two unions and the collective bargaining agreements of these unions will expire on December 31, 2022 and February 28, 2023, respectively. The APO Cement Plant has two unions and the collective bargaining agreements for these unions which expired on December 31, 2021 were renewed for another three years until December 31, 2024. Each of these unions is associated with the Trade Union Congress of the Philippines. Under the Philippine Labor Code, a labor union serves as the certified collective bargaining representative of the relevant bargaining unit (i.e., rank and file; supervisors unit) for a period of five years, whereby the bargaining unit will then conduct a certification election to determine who its collective bargaining agent will be for the next five years. Accordingly, APO Cement and Solid Cement negotiate collective bargaining agreements with the newly elected collective bargaining representative every five years for the general and political terms. The economic terms, such as the salary, allowances and all monetary and non-monetary benefits to which the collective bargaining members are entitled, can be renegotiated after a period of three years from the execution of the collective bargaining agreement. There has been no strike affecting Solid Cement plant or APO Cement plant during the past twenty years.

Legal Proceedings

On September 20, 2018, the Naga Landslide occurred in Sitio Sindulan, Barangay Tina-an, Naga City, Cebu, Philippines, a site located within an area covered by the mining rights of ALQC. ALQC is a principal raw material supplier of APO Cement. CHP does not own any equity stake (directly or indirectly) in ALQC or its parent company, Impact Assets Corporation. CASEC which is the majority stockholder of CHP, owns a minority 40% stake in Impact Assets Corporation.

Landslide prompted local and national authorities to order the suspension of the mining operations of ALQC. Business continuity plans were put in place by APO Cement and implemented to address the disruption in the supply arrangement with ALQC. By the third quarter of 2020, local and national authorities allowed ALQC to resume its mining operations in the affected areas.

On November 19, 2018, CHP and APO Cement were served summons concerning an environmental class action lawsuit filed by 40 individuals and one legal entity (on behalf of 8,000 individuals allegedly affected by the Landslide) at the Regional Trial Court of Talisay, Cebu⁸, against CHP, APO Cement, ALQC, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for “Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems”.

In the complaint, among other allegations, plaintiffs (i) claim that the Naga Landslide occurred as a result of the defendants’ gross negligence; and (ii) seek, among other relief, (a) monetary damages in the amount of around ₱4.3 billion, (b) the establishment of a ₱500 million rehabilitation fund, and (c) the issuance of a Temporary Environment Protection Order against ALQC while the case is still pending. In the complaint, ALQC, APO Cement and CHP are made solidarily liable for payment of monetary damages and establishment of a rehabilitation fund.

⁸ The records of the case were subsequently transferred to the Regional Trial Court of Cebu City Branch 23.

Among other defenses and based on a report by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, CHP, APO Cement and ALQC hold the position that the Naga Landslide occurred due to natural causes and deny liability, fault and negligence.

In an order dated August 16, 2019, the Regional Trial Court denied plaintiffs' Application for Temporary Environment Protection Order. By denying such application, the Regional Trial Court found that the applicants did not sufficiently establish that they will suffer grave injustice and irreparable injury by the continued operations of ALQC while the proceedings are pending. Plaintiffs moved for reconsideration, but the Court also denied plaintiffs' motion in an Order dated September 30, 2019. Plaintiffs did not appeal this ruling, which became final as of December 5, 2020.

In an order dated September 30, 2019, the Regional Trial Court partially granted the affirmative defenses of the private defendants and ruled, among others, that the subject case against CHP and APO Cement is dismissed for failure to state a cause of action. The court also ruled that: (i) the 22 plaintiffs who failed to sign the verification and certification against forum shopping are dropped as party-plaintiffs; (ii) the subject case is not a proper class suit, and that the remaining 17 plaintiffs can only sue for their respective claims, but not as representatives of the more than 8,000 alleged victims of the landslide incident; (iii) plaintiffs' cause of action against ALQC for violation of Section 19(a) of Republic Act No. 10121 is dismissed; (iv) there is a misjoinder of causes of action between the environmental suit and the damage suit; and (v) the damage suit of the remaining plaintiffs will proceed separately upon payment of the required docket fees within 30 days from receipt of order, otherwise, the case for damages will be dismissed. The plaintiffs filed a motion for reconsideration of the court's order dated September 30, 2019. During the hearing of plaintiffs' motion for reconsideration on September 11, 2020, the Province of Cebu was officially dropped as a party-defendant in the case, on oral motion of plaintiffs. In another order dated November 17, 2021, the Regional Trial Court denied plaintiffs' motion for reconsideration and also granted the motions of the Mines and Geosciences Bureau and the City Government of Naga and dismissed the subject case against them. On January 31, 2022, plaintiffs filed their Notice of Appeal with the Regional Trial Court, appealing the court's latest order to the Court of Appeals.

In the event that the court's latest order is reversed on appeal thereby maintaining the inclusion of CHP and APO Cement as private defendants who are solidarily liable with ALQC and a final adverse resolution were to be concluded in this case against the private defendants, plaintiffs will have the option to proceed against any one of ALQC, APO Cement or CHP for satisfaction of the entirety of the potential judgement award, without the need to proceed against any other private defendant beforehand. Thus, ALQC's, APO Cement's or CHP's assets alone could be exposed to execution proceedings.

At this stage of the overall proceedings and considering all possible defenses that could be available, while we cannot assess with certainty the likelihood of an adverse result in the overall proceedings, we believe a final adverse resolution in the overall proceeding is not probable, and, in turn, because we are not able to assess the outcome of the appeal that may still be filed by plaintiffs to challenge the latest order of the Regional Trial Court, we are not able to determine if a final adverse resolution, if any, would have a material adverse impact on the Company's consolidated results of operations, liquidity and financial condition.

In addition to the above proceedings, the Company is involved in various legal proceedings that have arisen in the ordinary course of business. These proceedings involve: 1) national and local tax assessments; 2) labor claims; and 3) other diverse civil actions. The Company also received various information requests from governmental and administrative authorities when such authorities are conducting periodic or general reviews of the markets in which we operate. Although there is no guarantee for a favorable outcome, CHP believes that it has made adequate provisions to cover both current and contemplated general and specific litigation risks. CHP is sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, CHP may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believe that disclosure of such information on a case-by-case basis would prejudice our position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, CHP has disclosed

qualitative information with respect to the nature and characteristics of the contingency, but have not disclosed the estimate of the range of potential loss.

PART 4: MARKET INFORMATION AND RELATED STOCKHOLDER MATTERS

(1) Market information

The common shares of stock of CHP is traded on the Philippine Stock Exchange (PSE). For the quarters indicated below, the high and low market prices are shown below:

Quarter Period	High	Low
January to March 2018	₱ 5.53	₱ 3.57
April to June 2018	₱ 3.78	₱ 2.86
July to September	₱ 3.64	₱ 2.29
October to December	₱ 2.70	₱ 1.61
January to March 2019	₱ 2.92	₱ 1.88
April to June 2019	₱ 3.22	₱ 1.75
July to September 2019	₱ 3.39	₱ 2.56
October to December 2019	₱ 2.68	₱ 1.91
January to March 2020	₱ 2.18	₱ 0.90
April to June 2020	₱ 1.27	₱ 1.01
July to September 2020	₱ 1.66	₱ 0.86
October to December 2020	₱ 1.84	₱ 1.44
January to March 2021	₱ 1.64	₱ 1.08
April to June 2021	₱ 1.38	₱ 1.14
July to September 2021	₱ 1.46	₱ 1.19
October to December 2021	₱ 1.36	₱ 0.99
January to March 2022	₱ 1.05	₱ 0.84

On May 2, 2022, the high and low market prices of CHP's common shares of stock was ₱0.83 and ₱0.80, respectively, and the closing market price of the shares was ₱0.80.

(2) Shareholders

As of March 31, 2022, there were thirteen billion four hundred eighty nine million two hundred twenty six thousand and six hundred twenty three (13,489,226,623) issued and outstanding common shares of stock of CHP.

Based on the report prepared by CHP's stock transfer agent, the list of all stockholders of record of CHP, including the number and percentage of total common shares outstanding held by each as of March 31, 2022 were as follows:

Names of Stockholders of Record	Names of Beneficial Owners and Relationship with Record Owner	No. of Shares Held	% to Total Outstanding Shares
PCD Nominee Corporation (Non-Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients	8,632,296,125	63.994%
CEMEX ASIAN SOUTH EAST CORPORATION ^(a) 34 TH Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro		2,857,467,493	21.183%

Manila			
PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients	1,996,241,051	14.799%
Sysmart Corporation ^(b)		1,000,000	nil
Cai Yu Xi		1,000,000	nil
Elvira M. Cruz or Bernardo A. Cruz ^(c)		362,000	nil
Sysmart Corporation		215,200	nil
Bob Dy Gothong		208,600	nil
Regina Capital Dev. Corp 000351		181,741	nil
Tristan Q. Perper		100,000	nil
Cherrubin Den Tee Chua		50,000	nil
Myra P. Villanueva		40,000	nil
Elvira M. Cruz or Bernardo A. Cruz		38,000	nil
Majograjo Development Corporation		10,000	nil
Noemi Marie Faith D. Ramirez		5,000	nil
Anita Uy Mustera or Nicolas R. Mustera		2,700	nil
Milagros P. Villanueva		2,500	nil
Myrna P. Villanueva		2,500	nil
Jesus San Luis Valencia		1,259	nil
Marietta V. Cabreza		1,000	nil
Christine F. Herrera		1,000	nil
Victor Co and/or Alian Co		200	nil
Shareholders Association of the Philippines, Inc.		100	nil
Bartholomew Dybuncio Young		100	nil
Owen Nathaniel S. Au ltf: Li Marcus Au		10	nil
Joselito Tanwangco Bautista		1	nil
Botschaft N. Cheng Or Sevilla Ngo		1	nil
Alfredo Panlilio ^(d)		1	nil
Pedro Roxas ^(e)		1	nil

^(a) In addition to the 2,857,467,493 shares indicated in the table above, Cemex Asian South East Corporation (“CASEC”) owns in scripless form 7,643,157,169 shares recorded under *PCD Nominee Corporation (Non-Filipino)*, inclusive of 4 shares held as of March 31, 2022 by 4 individuals: Sergio Mauricio Menendez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos and Antonio Ivan Sanchez Ugarte. As of March 31, 2022, the total number of shares owned by CASEC is 10,500,624,662 corresponding to 77.84% of the total issued and outstanding shares of CHP.

^(b) The name of this stockholder appears twice in the report, each corresponding to separate share entries.

^(c) The name of this stockholder appears twice in the report, each corresponding to separate share entries.

^(d) In addition to the indicated one share, Mr. Panlilio owns 1,000 shares which are part of the shares recorded under the account *PCD Nominee Corporation (Filipino)*

^(e) In addition to the indicated one share, Mr. Roxas owns 51,000 shares which are part of the shares recorded under the account *PCD Nominee Corporation (Filipino)*

As of March 31, 2022, the total number of shares owned by CASEC was 10,500,624,662 common shares corresponding to 77.84% of the total issued and outstanding shares of CHP. As of March 31, 2022, an estimated 22.02% of the total outstanding shares of stock of CHP was held by the public.

(3) Dividends declaration, if any

CHP has not declared any dividends on its common equity from the time of its initial listing and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68.

(4) Sales of Unregistered Securities within the last three (3) years

CHP conducted a stock rights offering in January 2020 involving 8,293,831,169 common shares pursuant to a Notice of Confirmation of Exempt Transaction of the SEC which was issued on December 11, 2019 which confirmed that the stock rights offering is exempt from the registration requirements of the Securities Regulation Code (SRC) under SRC Section 10.1 (e) and (i).

PART 5: DISCUSSION ON COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

(1) *Manual of Corporate Governance*

CHP adopted its Manual of Corporate Governance on March 7, 2016. This manual was amended on October 25, 2016, May 10, 2017, February 6, 2018 and March 22, 2018. CHP's policy of corporate governance is principally based on the Manual of Corporate Governance. The Manual of Corporate Governance lays down the principles of good corporate governance that are to be followed in the entire organization. The Manual of Corporate Governance provides that it is the Board's responsibility to initiate compliance to the principles of good corporate governance, to foster long-term success and to secure sustained competitiveness in a manner consistent with the Board's fiduciary responsibility.

There are currently three independent directors on the Board of Directors of CHP namely, Eleanor M. Hilado, Pedro Roxas and Alfredo S. Panlilio. During the organizational meeting of the Board of Directors held on June 2, 2021, Mr. Roxas was designated as the Lead Independent Director, whose functions shall include, among others, serving as an intermediary between the Board Chairman and other independent directors, when necessary, and shall chair meetings among non-executive directors.

The Manual of Corporate Governance embodies CHP's policies on disclosure and transparency, and mandates communication and training programs on corporate governance. The Manual of Corporate Governance further provides for certain rights of shareholders and for the protection of the interests of minority shareholders.

The Manual of Corporate Governance provides that any material amendment or revision to the provisions defining the (i) royalty/license fee or service fee, as applicable, payable to CEMEX Group pursuant to, or (ii) the duration or term of, any of the Company's license agreements involving the trademark and other intellectual properties of CEMEX Group or the service agreements with CEMEX Group shall require the affirmative vote of two independent directors.

The Manual of Corporate Governance recognizes the authority of the Board of Directors to create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Manual of Corporate Governance. On January 30, 2019, the Board of Directors adopted a *Framework for a Self-Rating Performance System* which requires, among others, that every January of every year, separate performance assessments of the Board of Directors and the board committees shall be conducted using the criteria and rating system formalized in the questionnaires to be prepared and circulated for the performance assessments. The members of the Board of Directors and board committees completed their internal assessments for years 2018, 2019, 2020 and 2021, respectively. For the Board of Directors, the criteria focused on the following key areas: composition and competencies of board members, decision-making effectiveness, relevance & timeliness of information and management of shareholders. For the board committees, the criteria focused on the following areas: composition & competencies of committee members, decision-making effectiveness, appropriateness of committee recommendations and availability of information & resources.

The organization has a performance rating system for executives and employees.

Through the Investor Relations team and the Corporate Communications team, CHP communicates with its stockholders and other stakeholders and keeps the investors and relevant stakeholders regularly informed of developments in the Company's business. The Company's Sustainability Report identifies the channels through which feedback and communications with various stakeholders are received by the Company. These include social media platforms. The Investor Relations team conducts on a quarterly basis conference calls and webcast presentations which are accessible to its stockholders, during which time the President & Chief Executive Officer presents the operational and financial quarter results of the Company and responds to questions raised by attendees. In 2021, the relevant conference calls and webcast presentations were held on February 15, April 30, July 30 and October 29. The Public Affairs team conducted its annual stakeholders' meetings in 2021 from November 17 to 25 with community leaders and

representatives of barangays in Antipolo City, Rizal and in Naga City, Cebu, the principal areas in which the Company operates. The Public Affairs team also participated in barangay dialogues and council sessions in impacted communities, and took part in quarterly multi-partite monitoring activities with relevant government agencies, which provided the forum for assessing the progress of Company-led or supported initiatives or social development programs, and addressing concerns of its stakeholders.

To the best of CHP's knowledge and belief, the Company has substantially complied with and has not violated the provisions of the Manual in any material respect.

CHP strives to further improve its corporate governance practices as may be required by law or the exigency of the business.

On June 1, 2021, CHP released its Integrated Corporate Governance Report for 2020 (SEC Form I-ACGR) with the Summary of Material Related Party Transactions for 2020 and the corresponding attestation on the organization's internal audit, control and compliance system. Based on the criteria established under the Company's *Policy on Material Related Party Transactions*, the submitted Summary of Material Related Party Transactions for 2020 contained the terms and conditions of the Revolving Master Loan Facility Agreement dated March 3, 2020 between CHP and Solid Cement.

(2) CEMEX Code of Ethics and Business Conduct and Other Global Policies

The Company is bound by the Code of Ethics and Business Conduct of CEMEX ("Code") which was established to ensure that all employees, board members and other stakeholders of CEMEX and its subsidiaries worldwide abide by the same high standards of conduct in their daily interactions, including the principal executive officer, principal financial officer and principal accounting officer of CEMEX, as well as third parties, and other stakeholders. This Code is designed to govern the Company's relationships with all of its stakeholders regarding workplace safety, health, human rights, harassment, diversity and inclusion, customer relations, supplier relations, government relations, community relations, environmental responsibility, antitrust compliance, anti-corruption, preventing money laundering, data privacy and protection, conflicts of interest, gifts and hospitalities, use of CEMEX's assets, political activities, insider trading, intellectual property, communication and use of social media, and financial controls and records. Through the organization's ethics committees, training programs, and secure internal communications channels, the Company ensures awareness and enforcement of this Code. Among several implementing global policies of CEMEX being observed by the Company are the Global Anti-Trust Compliance Policy, CEMEX Anti-Bribery/Anti-Corruption Policy and CEMEX Insider Trading Policy, among others. The Code and the various implementing global policies of CEMEX are periodically evaluated and, where deemed necessary or appropriate, updated.

In 2021, officers and employees of the Company received training on various topics governed by the Code, dedicating at least 8,877 training manhours related to Anti-Corruption and Anti-Bribery, Competition and Anti-Trust, Corporate Governance, Safety, Health & Wellness, Code of Ethics and Business Conduct, and Labor Education. Training programs for officers and employees were also conducted for other functional and technical topics and focus areas.

(3) Material Related Party Transactions Policy

The Company has a *Policy on Material Related Party Transactions* (the "MRPT Policy") which was adopted and approved by the Board of Directors on September 3, 2019. The purpose of MRPT Policy is to (a) define the framework for the procedures and processes for the review, approval or ratification, monitoring and recording of Related Party Transactions (as defined in this Policy) of the Company; (b) provide guidance to management and employees on the governance guidelines for Related Party Transactions and disclosure requirements; and (c) supplement the *CEMEX Policy and Procedures with Respect to Related Person Transactions*, which is the general policy promulgated by the Board of Directors of CEMEX and applicable to the international group of companies of which the Company is a member.

The MRPT Policy requires each and every Material Related Party Transaction (“Material RPT”) be approved under the following procedure:

- (a) the Audit Committee shall review and evaluate the Material RPT, and endorse the same to the Board of Directors for approval; and
- (b) the Material RPT shall require the approval of at least two-thirds (2/3) vote of the members of the Board of Directors, with at least a majority of the independent directors voting to approve the Material RPT.

A Material RPT means any Related Party Transaction individually, or set of Related Party Transactions in aggregate over a twelve (12)-month period with the same Related Party, which meets the Materiality Threshold defined as at least ten percent (10%) of the Company’s total consolidated assets, based on its latest audited financial statement. In the event that the vote of a majority of the independent directors is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of CHP.

For aggregate Related Party Transactions within a twelve (12)- month period with the same Related Party that reaches the Materiality Threshold, the review and approval requirement above-described is required for the Related Party Transaction/s.

Material changes in the terms and conditions of a Material RPT shall be reviewed and must be approved in accordance with the same procedure above described. Material changes shall include, but are not limited to, changes in the price, interest rate, maturity date, payment terms, commissions, fees, tenor and collateral requirement of the Material RPT. Transactions meeting the Materiality Threshold that were entered into with an unrelated party that subsequently becomes a Related Party are excluded from the special review and approval process; however, any alteration to the terms and conditions, or increase in exposure level, related to these transactions after the non-related party becomes a Related Party shall require the special review and approvals.

In 2021, the Company did not enter into or execute any new Material RPT.

(4) Board Committees

CHP’s Board has constituted two committees to more effectively manage the operations: (i) the Audit Committee and (ii) the Nomination Committee.

(a) The Audit Committee will carry out, among other things, the following functions: (i) assist the Board of Directors in the performance of its oversight responsibility for: the company’s financial reporting process; its system of internal control; its audit process and the monitoring of compliance with applicable laws, rules and regulations; (ii) supervise the effectiveness of its internal control procedures and corporate risk management systems; (iii) perform oversight functions over its internal and external auditors, ensuring that the internal and external auditors act independently from each other, and that each are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; (iv) review the annual internal audit plan to ensure its conformity with the Company’s objectives; (v) organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; (vi) monitor and evaluate the adequacy and effectiveness of its internal control system, including financial reporting control and information technology security; (vii) review the reports submitted by the internal and external auditors; (viii) review the quarterly, half-year and annual financial statements before their submission to the Board of Directors; (ix) coordinate, monitor and facilitate compliance with laws, rules and regulations; (x) evaluate and determine non-audit work, if any, required of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company’s overall consultancy expenses; and (xi) establish and identify the reporting line of the internal auditor to enable them to properly fulfill their duties and responsibilities.

Following the favorable endorsement of the Audit Committee, the Board of Directors approved the Charter for the Audit Committee on October 25, 2016 and approved the Internal Audit Charter on February 6, 2018.

The Audit Committee is currently comprised of four members, three of whom are the independent directors. The Audit Committee reports directly to the Board of Directors.

During the organizational meeting of the Board of Directors held on June 2, 2021, the Board of Directors appointed the following board members as members of the Audit Committee: Pedro Roxas (Chairman), Alfredo S. Panlilio, Eleanor M. Hilado and María García Villán. Ms. Garcia resigned as member of the Board of Directors and Audit Committee effective on March 1, 2022. During the meeting of the Board of Directors on April 7, 2022, Mr. Francisco Javier Ruiz de Morales was elected to fill the vacancies in the Board and Audit Committee resulting from the resignation of Ms. Garcia.

The members of the Audit Committee and the Board of Directors of CHP are informed about the internal controls and procedures observed by the Company, and are regularly updated about and have reviewed the results/ findings of the audit and monitoring processes. The Audit Committee and the Board of Directors have not detected weaknesses in the internal controls and risk management system currently in place which have had a material adverse impact on the operations or financial condition of CHP. In support of the oversight function of the Board of Directors, the Audit Committee is tasked to consider improvements to further enhance the effectiveness of the internal controls and risk management system of the Company.

(b) The Nomination Committee will carry out, among other things, the following functions: (i) provide shareholders with an independent and objective evaluation of and assurance that the members of the Board of Directors are competent and will foster the company's long-term success and secure its competitiveness; (ii) review and evaluate the qualifications of persons nominated to the Board of Directors as well as other appointments that require the approval of the Board of Directors; and (iii) assess the effectiveness of the processes and procedures of the Board of Directors in the election or replacement of directors.

The Nomination Committee reports directly to the Board of Directors. Following the favorable endorsement of the Nomination Committee, the Board of Directors approved the Charter for the Nomination Committee on October 25, 2016

The Nomination Committee is currently comprised of four members, three of whom are the independent directors. During the organizational meeting of the Board of Directors held on June 2, 2021, the Board of Directors appointed the following board members as members of the Nomination Committee: Eleanor M. Hilado (Chairman), Pedro Roxas, Alfredo S. Panlilio and Antonio Iván Sánchez Ugarte.

ANNUAL MEETING OF STOCKHOLDERS FOR 2022

**PROCEDURE FOR PARTICIPATING IN THE MEETING AND FOR VOTING
THROUGH REMOTE COMMUNICATION OR IN ABSENTIA**

Only stockholders of CEMEX HOLDINGS PHILIPPINES, INC. (the “Corporation”) as of April 27, 2022 (the “Eligible Stockholder/s”) are entitled to participate in the Annual Meeting of Stockholders of the Corporation scheduled on June 1, 2022 (“the 2022 AMS”) and to vote on the matters to be presented during the AMS.

The procedure to facilitate the registration of Eligible Stockholders who are interested in participating in the 2022 AMS and voting in absentia is below:

1. Registration – Cut-off Dates

Eligible Stockholders who intend to *participate by attending the meeting through remote communication* must register for the meeting by notifying the Corporation and providing the information and documents listed in Item No. 2 through email at chp.corporatesec@cemex.com on or before May 27, 2022 AT 5PM.

- For purposes of *determination of the meeting quorum*, only Eligible Stockholders who have registered for the meeting on or before May 27, 2022 AT 5 P.M. will be considered in the computation of stockholders’ attendance.

2. Requirements for Registration

Eligible Stockholders must provide by email the information required and upload the documents needed to complete their registration: *The file size should be no larger than 10 MB*

(a) For individuals/natural persons

- (i) Full Name: First Name, Middle Name, Last Name
- (ii) Birthdate
- (iii) Address
- (iv) Number of Shares owned as of April 27, 2022
- (v) Active mobile number and/or landline-phone number
- (vi) Current photograph of the Stockholder, with the face fully visible
- (vii) Valid/unexpired government-issued ID¹ of the Stockholder containing a specimen signature of the Stockholder
- (viii) Additional Documents:
 - If the Stockholder holds “scripless shares” (or holds shares under PCD Participant/Brokers Account), a copy of the letter from the broker confirming the stockholder’s full account name and reference/account number, and the corresponding number of shares owned as of April 27, 2022
- (ix) For Eligible Stockholders with joint accounts: In addition to (i) to (viii), a scanned copy of an authorization letter signed by all joint stockholders, identifying who among them is authorized to cast the votes for the account

(b) For corporate entities

- (i) Full Name
- (ii) Address
- (iii) Active mobile number and/or landline-phone number
- (iv) Number of Shares owned as of April 27, 2022
- (v) scanned copy of a notarized Secretary’s Certificate or other valid authorization in favor of the authorized representative of the corporate stockholder who is authorized to participate and vote (the “Authorized Representative”)

**If community quarantine restrictions are still prevailing, the Company will accept a scanned copy of the signed but unnotarized secretary’s certificate. However, the physical/printed signed original of the notarized secretary’s certificate must be sent to the Office of Company’s Corporate Secretary once the community quarantine restrictions are either lifted or relaxed allowing the notarization process of the document before the notary public.*

- (vi) Current photograph of the Authorized Representative, with the face fully visible

¹ Government-issued IDs include: Driver’s License, Passport, Unified Multi-Purpose ID (UMID), GSIS ID, company ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, Comelec Voter’s ID, Senior Citizen’s ID, or Alien Certificate of Registration/Immigrant Certificate of Registration.

(vii) Valid/unexpired government-issued ID¹ of the Authorized Representative containing a specimen signature of the Authorized Representative

(viii) Additional Documents:

- If the corporate Stockholder holds “scripless shares” (or holds shares under PCD Participant/Brokers Account), a copy of the letter from the broker confirming the stockholder’s full account name and reference/account number, and the corresponding number of shares owned as of April 27, 2022

3. Upon successful registration, the Office of the Corporate Secretary will send a confirmation email to stockholders whose respective accounts have been verified. The confirmation email will include the dedicated meeting link with password and a sample Voting Ballot/Proxy form attached.

ONLY ELIGIBLE STOCKHOLDERS WHO HAVE REGISTERED FOR THE MEETING AS ABOVEDESCRIBED AND HAVE BEEN VALIDATED TO BE ELIGIBLE STOCKHOLDERS OF THE CORPORATION WILL BE CONSIDERED IN COMPUTING STOCKHOLDERS’ ATTENDANCE AT THE 2022 AMS AND FOR THE DETERMINATION OF QUORUM.

4. Voting Procedure and Voting Deadline

- (a) Eligible Stockholders can only cast their votes on any of the matters to be presented during the 2022 AMS by way of Voting Ballot/Proxy forms submitted on or before May 27, 2022 AT 5 P.M. (“Voting Deadline”). A sample Voting Ballot/Proxy form is included in the Definitive Information Statement.

ONLY VOTING BALLOTS/PROXIES SIGNED BY THE ELIGIBLE STOCKHOLDER OR THE AUTHORIZED REPRESENTATIVE, AS THE CASE MAY BE, WHICH HAVE BEEN RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY ON OR BEFORE THE VOTING DEADLINE EITHER (i) BY DELIVERY OR MAIL AT THE 34TH FLOOR, PETRON MEGA PLAZA BUILDING, 358 SEN. GIL J. PUYAT AVENUE, MAKATI CITY OR (ii) BY EMAIL SENT TO chp.corporatesec@cemex.com SHALL BE COUNTED.

For the election of Directors, the Eligible Stockholder, or Authorized Representative or proxy, may vote for all nominees or cumulate his vote for one or some of the nominees, provided that the total number of allowable votes will not exceed the total number of shares held/owned by the Eligible Stockholder multiplied by 8 (i.e., the number of Board seats).

The *Chairman of the meeting*, by default, is authorized to cast the votes pursuant to the instructions in the proxy.

- (b) Voting will not be possible during the 2022 AMS.
- (c) For Eligible Stockholders holding “scripless shares” (or shares under PCD Participant/Brokers Account), the Stockholders must coordinate with their brokers for the execution of this type of proxy.
- (d) **For the purpose of inclusion in the corporate records in order to supplement the documents earlier provided by email, Stockholders are requested to send a physical/printed original of the completed/signed Voting Ballots/Proxies to: The Corporate Secretary at 34th Floor Petron Mega Plaza, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila.**
- (e) After the Voting Deadline, the Eligible Stockholder may no longer change or revise the vote cast. However, if the vote was cast by proxy, the Eligible Stockholder may revoke the entire proxy at least five (5) days prior to the 2022 AMS and in such a case, the vote cast will not be counted.
- (f) The Corporate Secretary and the Corporation’s stock transfer agent will tabulate all votes received and an independent third party will review and validate the tabulation of votes.

5. The proceedings of the 2022 AMS will be recorded (visual and audio). Subject to applicable provisions of the Revised Corporation Code, the recording will be made available to stockholders of the Corporation.

6. Stockholders who have questions or comments about the 2022 AMS or requests for clarification on the procedure for attending the 2022 AMS through remote communication, may send the questions, comments or requests by email to chp.corporatesec@cemex.com.

7. Data of each individual stockholder (or that of the corporate stockholder’s Authorized Representative) who will register to participate in the 2022 AMS will be collected, stored, processed and used exclusively for the purposes of the 2022 AMS. Personal information will be processed in accordance with the Philippine Data Privacy Act of 2012 and applicable regulations.

REPUBLIC OF THE PHILIPPINES)
 MAKATI CITY, METRO MANILA) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ELEANOR M. HILADO**, [REDACTED] of legal age, and with address at [REDACTED] after having been duly sworn in accordance with law, hereby certify that:

1. I am a nominee for *independent director* of CEMEX HOLDINGS PHILIPPINES, INC. (herein referred to as "CHP"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines with principal office address and place of business at the 34/F Petron Mega Plaza Building 358 Sen. Gil Puyat Avenue, Bel-air Makati, Metro Manila.

2. I am currently an independent director of CHP, having been initially elected during the Annual Meeting of Stockholders held on June 6, 2019. I was re-elected as an independent director of CHP during the Annual Meetings of Stockholders held on June 24, 2020 and June 2, 2021.

3. I am affiliated with the companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Canadian American School Manila	Member, Board of Advisors	June 2016 to Present
Home for Alternative Learning and Motivational Strategies (a division of the Birthright Educators Foundation)	Member, Board of Governors	August 2018 to Present

4. I possess all the qualifications and none of the disqualifications to serve as independent director of CHP, as provided for in Section 38 of the Securities Regulation Code, its implementing rules and regulations and other SEC issuances.

5. I am not a director or trustee, officer, employee or substantial shareholder of any government-owned and controlled corporation.

6. I am not related to any other director, executive officer or substantial shareholder of CHP or any of CHP's subsidiaries or affiliates.

7. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

8. I shall faithfully and diligently comply with my duties and responsibilities as independent director of CHP under the Securities Regulation Code and its implementing rules and regulations, Code of Corporate Governance and other SEC issuances.


9. I shall inform the Corporate Secretary of CHP of any changes in the abovementioned information within five days of its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand on 19 APR 2022 in Makati City, Metro Manila.


ELEANOR M. HILADO
 Affiant

SUBSCRIBED AND SWORN to before me this 19 APR 2022 in Makati City, Metro Manila, affiant exhibiting to me her [REDACTED] issued by [REDACTED] on [REDACTED]

Doc. No. 118
 Book No. 25
 Page No. 33
 Series of 2022.


JOSHUA P. LAPUZ
 Notary Public for Makati City
 Appointment No. M-19 / Until 12-31-23
 Roll No. 45790 / IBP Life No. 04897 / 07-03-03
 PTR-O.R. No. 882510 / 01-03-22 / Makati City
 MCLE No. VI-0016565 / 01-14-19
 G/F Fedman Suites, 199 Salcedo St.
 Legaspi Village, 1229 Makati City

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ALFREDO S. PANLILIO**, [redacted] of legal age, and with address at [redacted] after having been duly sworn in accordance with law, hereby certify that:

1. I am a nominee for *independent director* of CEMEX HOLDINGS PHILIPPINES, INC. (herein referred to as "CHP"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines with principal office address and place of business at the 34/F Petron Mega Plaza Building 358 Sen. Gil Puyat Avenue, Bel-air Makati, Metro Manila.

2. I am currently an independent director of CHP, having been elected initially on June 3, 2016 and assuming office on July 14, 2016. I was re-elected as an *independent director* of CHP during the Annual Meetings of Stockholders held on June 7, 2017, June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021.

3. I am affiliated with the companies or organizations listed in Annex A.

4. I possess all the qualifications and none of the disqualifications to serve as independent director of CHP, as provided for in Section 38 of the Securities Regulation Code, its implementing rules and regulations and other SEC issuances.

5. I am not a director or trustee, officer, employee or substantial shareholder of any government-owned and controlled corporation.

6. I am not related to any other director, executive officer or substantial shareholder of CHP or any of CHP's subsidiaries or affiliates.

7. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

8. I shall faithfully and diligently comply with my duties and responsibilities as independent director of CHP under the Securities Regulation Code and its implementing rules and regulations, Code of Corporate Governance and other SEC issuances.

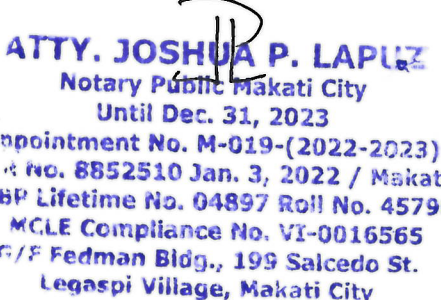
9. I shall inform the Corporate Secretary of CHP of any changes in the abovementioned information within five days of its occurrence.

IN WITNESS WHEREOF, I have hereunto set my hand this on APR 12 2022 in Makati City, Metro Manila.


ALFREDO S. PANLILIO
Affiant

SUBSCRIBED AND SWORN to before me this APR 12 2022 in Makati City, Metro Manila, affiant exhibiting to me his [redacted] issued by [redacted] Manila on [redacted].

Doc. No. 26 ;
Book No. 7 ;
Page No. 37 ;
Series of 2022.


ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2023
Appointment No. M-019-(2022-2023)
P.R. No. 8852510 Jan. 3, 2022 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016565
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

Count	Company	Position / Involvement	Period
1	PLDT, Inc.	President and CEO	June 8, 2021 - present
2	Smart Communications, Inc.	President and CEO	August 8, 2019 - present
3	Mabuhay Investments Corporation	Chairman, President & CEO	June 26, 2019 - present
4	Telesat, Inc.	Chairman	June 11, 2019 - present
5	ACeS Philippines Cellular Satellite Corporation	Chairman and President	April 24, 2020 - present
6	Bonifacio Communications Corporation	Chairman	May 28, 2019 - present
7	PLDT Clark Telecom Inc.	Chairman	May 29, 2019 - present
8	PLDT Subic Telecom Inc.	Chairman	May 29, 2019 - present
9	Digital Telecommunications Phils., Inc. (Digitel)	Director, President and CEO	June 12, 2019 - present
10	Digitel Mobile Phils., Inc. (Sun)	Director, President and CEO	May 27, 2019 - present
11	Talas Data Intelligence, Inc.	President and CEO	April 30, 2020 - present
12	MVP Rewards and Loyalty Solutions, Inc.	President	March 30, 2020 - present
13	PLDT Communications and Energy Ventures, Inc.	President	June 23, 2020 - present
14	PLDT Global Corporation	Director	June 19, 2019 - present
15	PLDT-Maratel, Inc.	Chairman	June 14, 2019 - present
16	PLDT-Philcom Inc.	Chairman	June 11, 2019 - present
17	Asian Carriers Conference Inc	Trustee	June 3, 2019 - present
18	PLDT Smart Foundation, Inc.	Trustee	January 4, 2021 - present
19	Smart Broadband, Inc.	Chairman and President	June 11, 2019 - present
20	I-Contacts Corporation	Director and President	June 11, 2019 - present
21	Airborne Access Corporation	President	June 11, 2019 - present
22	Primeworld Digital System, Inc.	President	June 11, 2019 - present
23	Signal TV, Inc.	Director	September 23, 2020 - present
24	Chikka Holdings Limited	Director	July 1, 2019 - present
25	Connectivity Unlimited Resources Enterprises, Inc.	Director	July 1, 2019 - present
26	WiFun, Inc.	Director	December 15, 2019 - present
27	ePLDT	Chairman	August 7, 2019 - present
28	Maya Bank	Chairman	December 1, 2021 - present
29	ABM Global Solutions, Inc.	Chairman and President	May 29, 2019 - present
30	Curo Teknika, Inc.	Chairman and President	May 29, 2019 - present
31	ePDS, Inc.	Chairman and President	June 25, 2019 - present
32	IP Converge Data Services, Inc.	Chairman, President & CEO	May 29, 2019 - present
33	IPC Rack It Data Center, Inc.	Chairman and President	May 29, 2019 - present
34	Bell Telecommunications Philippines, Inc.	Director	June 20, 2019 - present
35	Bow Arken Holding Company, Inc.	Director	June 20, 2019 - present
36	Brightshare Holdings, Corporation	Director	June 20, 2019 - present
37	Cobal Point Telecom, Inc.	Director	June 20, 2019 - present
38	Dominer Pointe, Inc.	Director	June 20, 2019 - present
39	Etelco, Inc.	Director	June 20, 2019 - present
40	Hi-Frequency Telecommunications, Inc.	Director	June 20, 2019 - present
41	Liberty Telecom Holdings, Inc.	Director	June 20, 2019 - present
42	Multi-Technology Investment Holdings, Inc.	Director	June 20, 2019 - present
43	New Century Telecoms, Inc.	Director	June 20, 2019 - present
44	Skyphone Logistics, Inc.	Director	June 20, 2019 - present

45	Somete Logistics & Development Corporation	Director	June 20, 2019 - present
46	Tori Spectrum, Inc.	Director	June 20, 2019 - present
47	Trans Digital Excel, Inc.	Director	June 20, 2019 - present
48	Two Cassandra - CCI Conglomerates, Inc.	Director	June 20, 2019 - present
49	Vega Telecom, Inc.	Director	June 20, 2019 - present
50	Vega Telecom, Inc.	Director	June 20, 2019 - present
51	PBA - Meralco Bolts	Governor	2014 - present
52	Philpop Musicfest Foundation, Inc.	Trustee	April 2014 – present
53	MVP Sports Foundation, Inc.	President	February 2011 – present
54	National Golf Association of the Philippines (NGAP)	Treasurer	2013 – present
55	Manila Golf, Inc.	Treasurer	April 2019 - present
56	Management Association of the Philippines	Governor / Member	January 2015 – December 2016 / present
57	CEMEX Holdings Philippines, Inc.	Independent Director	July 2016 – present
58	Samahang Basketbol ng Pilipinas (SBP)	President	August 2016 - present
59	Philippine Olympic Committee	First Vice President	November 27, 2020 - present
60	FIBA Asia Central Board	Second Vice President	June 2019 - present

REPUBLIC OF THE PHILIPPINES)
 MAKATI CITY, METRO MANILA) S.S.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PEDRO ROXAS**, of legal age, and with address at [REDACTED] after having been duly sworn in accordance with law, hereby certify that:

1. I am a nominee for independent director of CEMEX HOLDINGS PHILIPPINES, INC. {herein referred to as , "CHP"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines with principal office address and place of business at the 34/F Petron Mega Plaza Building 358 Sen. Gil Puyat Avenue, Bel-air Makati, Metro Manila .

2. I am currently an *independent director* of CHP, having been elected initially on June 3, 2016 and assuming office on July 14, 2016. I was re-elected as an *independent director* of CHP during the Annual Meetings of Stockholders held on June 7, 2017, June 6, 2018, June 6, 2019, June 24, 2020 and June 2, 2021.

3. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Roxas Holdings, Inc. (and subsidiaries)	Chairman	1982 - Present
Roxas & Co., Inc.	Executive Chairman	1995 - Present
Roxaco Land Corporation	Chairman	1995 - Present
Club Punta Fuego, Inc.	Executive Chairman	1995 - Present
Fundacion Santiago	Executive Chairman	1993 - Present
Manila Electric Co.	Independent Director	May 2, 2010 - Present
MAPFRE Insular Insurance Corp	Independent Director	March, 2018 - Present
Brightnote Assets Corporation	Independent Director	1999 - Present
Metro Pacific Investments Corp	Independent Director	May, 2021 - Present

4. I possess all the qualifications and none of the disqualifications to serve as independent director of CHP, as provided for in Section 38 of the Securities Regulation Code, its implementing rules and regulations and other SEC issuances.

5. I am not a director or trustee, officer, employee or substantial shareholder of any government-owned and controlled corporation.

6. I am not related to any other director, executive officer or substantial shareholder of CHP or any of CHP's subsidiaries or affiliates.

7. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

8. I shall faithfully and diligently comply with my duties and responsibilities as independent director of CHP under the Securities Regulation Code and its implementing rules and regulations, Code of Corporate Governance and other SEC issuances.

9. I shall inform the Corporate Secretary of CHP of any changes in the abovementioned information within five days of its occurrence.


IN WITNESS WHEREOF, I have hereunto set my hand this on APR 21 2022 in Makati City, Metro Manila.


PEDRO ROXAS
 Affiant

APR 21 2022

SUBSCRIBED **MAKATI CITY** BORN to before me this _____ in Makati City,
Metro Manila, affiant exhibiting to me his _____ issued by _____
on _____

Doc. No. 194 ;
Book No. 27 ;
Page No. 177 ;
Series of 2022.


ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2023
Appointment No. M-019-(2022-2023)
PTR No. 8852510 Jan. 3, 2022 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016565
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City



REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

CERTIFICATION OF THE CORPORATE SECRETARY

KNOW ALL MEN BY THESE PRESENTS:

I, **JANNETTE VIRATA SEVILLA**, Filipino, of legal age, with office address at 34TH Floor Petron Mega Plaza, 358 Sen. Gil J. Puyat Avenue, Makati City, in my capacity as Corporate Secretary of **CEMEX HOLDINGS PHILIPPINES, INC.**, after having been duly sworn in accordance with law, hereby depose, state and certify to the following:

1. I am the duly appointed, incumbent Corporate Secretary of **CEMEX HOLDINGS PHILIPPINES, INC.** (the "Corporation"), a corporation duly registered with the Securities and Exchange Commission of the Philippines and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 34TH Floor Petron Mega Plaza, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila; and
2. To the best of my knowledge, after due inquiry, none of the incumbent members of the Board of Directors or Officers of the Corporation is currently connected with or employed in any government agency, office or instrumentality of the Republic of the Philippines.

IN WITNESS WHEREOF, I have hereunto set my hands this APR 18 2022 in Makati City, Metro Manila.

Jannette Virata Sevilla
JANNETTE VIRATA SEVILLA
Corporate Secretary

APR 18 2022

SUBSCRIBED AND SWORN TO before me this _____ in Makati City, Metro Manila, Philippines, the affiant who is personally known to me exhibiting to me her _____ issued by _____ on _____

Doc. No. 47
Page No. 26
Book No. _____
Series of 2022. 771

George David D. Siton
ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
ATTORNEY REG. NO. - UNTIL DEC. 31, 2023
ROLL NO. 66402 / MTR CORRELANCE NO. VIO-N 10136/2-15-2022
ISP O.R No. 002282-LIFETIME MEMBER MAY 5, 2017
PTR No. 8852066- JAN 03, 2022-MAKATI CITY
EXECUTIVE BLDG, CENTER MAKATI AVE., COR. JUPITER ST., MAKATI CITY

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
OF
CEMEX HOLDINGS PHILIPPINES, INC.
(the “Corporation”)

Conducted online through a video conference facility at <https://cemex.zoom.us/j/86136696730>
2 June 2021 at 3:00PM

DIRECTORS PRESENT:

1. Sergio Mauricio Menéndez Medina - Chairman of the Board of Directors
2. Pedro Roxas – Lead Independent Director
3. Alfredo S. Panlilio – Independent Director
4. Eleanor M. Hilado - Independent Director
5. Ignacio Alejandro Mijares Elizondo – Director; President and Chief Executive Officer
6. Alejandro Garcia Cogollos – Director; Vice President for Planning and Administration
7. Antonio Ivan Sanchez Ugarte - Director
8. Maria Garcia Villan – Director

ALSO PRESENT:

Jannette Virata Sevilla – Corporate Secretary & Compliance Officer

INTRODUCTION

Mr. Pierre Ignatius C. Co., Investor Relations Director, acted as moderator of the proceedings. After the Philippine National Anthem was played, he introduced the incumbent members of the Board of Directors of CEMEX HOLDINGS PHILIPPINES, INC. (the “Corporation” or “CHP”) who were all in attendance and the other principal executive officers of CHP who were present:

1. Steve Wu - Treasurer & CFO and Director, Business Services Organization
2. Irma D. Aure – Vice President for Human Capital and Organization
3. Roberto Martin Z. Javier - Vice President for Commercial (Institutional Segment)
4. Edwin P. Hufemia - Vice President for Supply Chain
5. Everardo Sanchez Banuet – Vice President for Commercial (Distribution Segment)
6. Maria Virginia Lacson-del Rosario – Director, Customer Experience
7. Rolando Valentino - Internal Auditor
8. Juan Carlos Soto Carbajal – Director, Procurement Director
9. Jose Mauro Gallardo Valdes – Director, Enterprise Risk Management
10. Erlinda C. Lizardo – Director, Communications
11. Dino Martin W. Segundo – Legal Director and Assistant Corporate Secretary
12. Jannette Virata Sevilla – Corporate Secretary and Compliance Officer

Mr. Co also acknowledged the presence of representatives of the external auditor of CHP, R.G. Manabat & Co., namely, Ms. Sharon Dayoan, Ms. Emerald Bagnes and Mr. Enrico E. Baluyut

Thereafter, the Chairman of the Board of Directors, Mr. Sergio Menéndez, delivered his opening remarks:

Fellow shareholders, our Board of Directors, management and staff, guests, good afternoon and welcome to the 2021 Annual Meeting of Stockholders of CEMEX Holdings Philippines.

On behalf of CHP’s Board of Directors and Management, allow me to express our sincerest gratitude to all of you for joining us in this year’s meeting, especially during these difficult times.

I wish to extend our deepest sympathies to all those who have lost their loved ones and have been impacted by this pandemic. Our prayers are with all of you, and I am confident that we will soon overcome this pandemic.

For CEMEX, the past year under the COVID-19 pandemic has been a period where we witnessed the resilience of our company. Despite the challenges, CEMEX upheld with utmost priority the health and safety of all its stakeholders, continued to provide value to its customers, and operated in a sustainable way. This was possible thanks to the hard work and commitment of the men and women in CEMEX Philippines. I want to recognize their effort in driving our mission to build a better and sustainable future.

As I talk about sustainability, I highlight our company's solid commitment to advance our vision of a carbon-neutral economy. In 2020, CEMEX took a bold step and committed to an intermediate target of reducing net specific CO₂ emissions by 35% compared to its 1990 baseline. Climate change has been for many years, and will continue to be, a priority of CEMEX. We have been working to achieve this goal through many different strategies including investing in energy efficiency, use of alternative fuels, expanding our use of clean energy, and reducing clinker factor. Additionally, CEMEX established a new ambition to deliver net-zero CO₂ concrete globally by 2050. We have confidence in our ability to achieve this, particularly our 2030 target by relying on proven technologies and a detailed roadmap for every cement plant.

I am pleased to share the recent recognition of CEMEX Philippines during the CEMEX Global Awards, which was held virtually in April this year. The event is CEMEX's way of recognizing the efforts of individuals and teams in the organization's global network, which have excelled in achieving our strategic priorities. CEMEX Philippines received a total of ten (10) awards under the priorities of Customer Centricity, Health and Safety, and Sustainability. Our President and CEO, Ignacio Mijares, will talk more about these achievements. These awards are a testament of the contributions of CEMEX Philippines in the over-all success and growth of CEMEX as a global company.

It has been nothing short of amazing to see all our achievements even during this difficult time. With 2021 being the second year of the COVID-19 Pandemic, we will continue to navigate our company with the objective of conquering this present challenge. As vaccines roll-out in many countries across the globe, we see hope for global economic recovery.

For CEMEX Holdings Philippines, we continue with the construction of the new line of Solid Cement Plant, representing our commitment to supporting the country's growth. Rest assured that our focus on efficient and sustainable operations, our drive to provide superior customer experience, and our determination to uphold health and safety, will remain at its highest level.

We will continue to work hard towards a stronger and more resilient CEMEX Holdings Philippines.

We wish to thank you, our dear shareholders, for your trust in the company, for your support, and in helping us build a better future.

Once again, good afternoon, stay safe, and a pleasant day to all.

1. CALL TO ORDER

In accordance with the Amended By-Laws of the Corporation, Mr. Ignacio Mijares, CHP's President & CEO, presided over the meeting and acted as *Chairman* of the meeting (the "*Meeting Chairman*"). After his brief welcome message, Mr. Mijares called the meeting to order and requested the Corporate Secretary to report on the service of notice and existence of quorum for the meeting.

2. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the that Notice of the Annual Meeting of Stockholders together with materials relevant for the meeting such as the Information Statement with the Management Report and the 2020 Annual Report/SEC Form 17-A were distributed through the following methods: (1) the Notice of the Annual Meeting of Stockholders with the Procedure for Participating in the Meeting and For Voting Through Remote Communication or in Absentia ("*Notice of Meeting*") was published in the Business World and The Manila Times, in both online and print formats, on the 11th and 12th of May 2021, (2) the Notice of Meeting, the Information Statement with Management Report, the 2020 Annual Report/SEC Form 17-A and the other relevant materials were posted at the PSE Edge disclosure portal, and (3) these same documents were uploaded to and remain on CHP's website. She stated that the methods observed by the Corporation were in compliance with the Notice of the Securities and Exchange Commission (the "*SEC*") dated March 16, 2021, which was issued by the SEC in order to provide publicly-listed companies an alternative mode of complying with the requirements for the distribution of notices and materials for their respective annual meeting to its stockholders.

The Corporate Secretary also underscored the following:

- a) April 30, 2021 was the record date fixed by the Board of Directors for determining stockholders entitled to notice of -- and to vote at -- the annual meeting
- b) Among the various information presented in the Information Statement, the Management Report and the 2020 Annual Report/SEC Form 17-A are discussions on the respective profiles of the members of the Board of Directors, the directors' attendance report and annual compensation report, the appraisal and performance assessments of the directors, relevant director's disclosures on self-dealing and related party transactions, and information on dividends
- c) the Notice of Meeting was distributed or released at least 21 days prior to the meeting date in accordance with the Revised Corporation Code and applicable SEC regulations
- d) For purposes of determination of the meeting quorum, stockholders who registered to participate in this annual meeting on or before May 26, 2021 were considered in the computation of stockholders' attendance.

The Corporate Secretary then certified that stockholders who timely registered for this meeting hold a total of 10,873,643,548 common shares of CHP, representing approximately 80.61% of the total¹ issued and outstanding shares of stock of the Corporation, and are therefore considered as present or represented in this annual meeting.

Based on the certification by the Corporate Secretary on the delivery of notice of meeting and the existence of the quorum, the *Meeting Chairman* declared the meeting duly convened and open for business.

Further to the request of the *Meeting Chairman*, the Corporate Secretary discussed the meeting rules and voting procedure observed for this annual meeting, to wit:

1. Stockholders were informed of the relevant procedure through the *Procedures for Participating in the Meeting and for Voting Through Remote Communication or In Absentia* which was appended to the Notice of Meeting and incorporated as part of the Information Statement distributed to stockholders by the methods earlier described.
2. Stockholders could only cast their votes on any of the matters to be presented during this meeting by way of submitting their voting ballots/proxy forms (by physical delivery or email to the Office of the Corporate Secretary) on or before the prescribed Voting Deadline – May 26, 2021. A sample voting ballot/proxy form was included in the Information Statement and posted at PSE Edge disclosure portal and CHP's website.
3. For the matters to be presented for stockholder's approval, each share entitled the registered stockholder (or his representative) to one vote, except that for the election of directors, a stockholder shall have right to vote up to such number of shares owned by him multiplied by 8.
4. For the purpose of this meeting, the affirmative vote of stockholders (present or represented) holding a majority of the meeting quorum is required in order to pass and approve each of the proposed resolutions, except for the election of directors, in respect of which cumulative voting is allowed.
5. The Corporation engaged the services of R.G. Manabat & Co to review and validate the tabulation of votes performed by the Corporate Secretary based on votes cast for the various agenda items for today's meeting.
6. The final tally of votes and the proposed resolutions will be shown on the screens for each agenda item as the meeting progresses. These resolutions are found in the Explanatory Notes for the Agenda Items appended to the Notice of Meeting and incorporated as part of the Information Statement.
7. Stockholders were requested beforehand to send their questions or comments by email. She advised that stockholders may likewise send their comments and questions through the Q&A chatbox located at the bottom of the screen. Questions will be read out by the Moderator and

¹ The total issued and outstanding shares of stock of the Corporation is 13,489,226,623 common shares

responded to during the Q&A session scheduled at the later part of the meeting after agenda item 8.

8. Questions or comments which could not be taken up during the meeting will be answered or responded to directly by our Investor Relations group.
9. The proceedings of this annual meeting will be recorded.

3. APPROVAL OF THE MINUTE OF THE ANNUAL MEETING OF STOCKHOLDERS HELD IN 2020

The *Meeting Chairman* then proceeded to the next order of business which was the approval of the Minutes of the Annual Meeting of Stockholders held on June 24, 2020.

The Corporate Secretary stated that the preliminary draft of the subject minutes of meeting uploaded and posted on CHP's website within 5 business days from the meeting date, and the minutes were available for inspection by any stockholder at the office of the Corporate Secretary. She noted that a copy of the minutes of the annual meeting presented for stockholders' approval was appended to the Information Statement which was distributed to stockholders for this annual meeting.

Upon motion duly made and seconded, the reading of the subject minutes of meetings was dispensed with, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the approval of the subject minutes of meeting, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the stockholders of the Corporation hereby approve the Minutes of the Annual Meeting of Stockholders held on June 24, 2020.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,870,626,742	80.59%
2. No/Against	0	nil
3. Abstain	1,100	
Total Votes Cast	10,870,627,842	80.59%

4. REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

For the next item on the agenda, Mr. Mijares presented to the stockholders the President's Report which highlights the operating and financial performance of the Corporation in 2020. A copy of the President's Report is attached as Annex "A" of these minutes.

Following the conclusion of the President's report, the Moderator reminded the stockholders that in the event that there are questions or comments submitted for this annual meeting, the same would be read out and responded to during the Q&A session scheduled at the later part of the meeting after agenda item 8. Questions or comments which could not be taken up during the meeting will be answered or responded to directly by our Investor Relations group.

Accordingly, the President's Report was duly noted, and the meeting proceeded to the next agenda item.

5. APPROVAL OF THE 2020 ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2020

The *Meeting Chairman* proceeded to the next item in the agenda which was the approval of the Corporation's 2020 Annual Report (SEC Form 17-A for 2020) and the audited financial statements of the Corporation for the year ended December 31, 2020.

The Corporation's 2020 Annual Report (SEC Form 17-A for 2020) and audited financial statements of the Corporation for the year ended December 31, 2020 (both consolidated and separate) were attached to the Information Statement which was distributed to stockholders and were posted at the PSE Edge disclosure portal and CHP's website.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the approval of the Corporation's 2020 Annual Report (SEC Form 17-A for 2020) and the audited financial statements of the Corporation for the year ended December 31, 2020 (consolidated and separate), the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the 2020 Annual Report and the Audited Financial Statements of the Corporation for the year ended December 31, 2020, be, as the same are hereby, approved.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,866,094,122	80.55%
2. No/Against	0	0
3. Abstain	4,532,620	nil
Total Votes Cast	10,870,626,742	80.89%

6. RATIFICATION AND APPROVAL OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE JUNE 24, 2020 ANNUAL MEETING OF STOCKHOLDERS

The *Meeting Chairman* then moved on to the next item in the agenda which was the ratification and approval of the acts of the Board of Directors and Management of the Corporation since the annual stockholders' meeting which was held last June 24, 2020. He noted that these foregoing acts include actions approved during the meetings of the Board of Directors as well as transactions subject of the various disclosures made by the Corporation to the Philippine Securities and Exchange Commission and the Philippine Stock Exchange. A summary of transactions approved by the Board of Directors was provided in the Information Statement, and copies of the minutes of meetings of the Board of Directors were available for inspection by any stockholder at the office of the Corporate Secretary. The *Meeting Chairman* also underscored that the acts of Management refer to those taken to implement the resolutions or directives of the Board of Directors, as well as those entered into or made in the ordinary course of business.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the approval, confirmation and ratification of all actions of the Board of Directors and Management taken since the annual meeting of stockholders held on June 24, 2020 until the date of this annual meeting, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Corporation during the period from the Annual Meeting of Stockholders held on June 24, 2020 up to the date of the Annual Meeting of Stockholders, June 2, 2021, be, as they are hereby confirmed, ratified, and approved.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,866,095,222	80.55%
2. No/Against	0	0
3. Abstain	4,532,620	nil
Total Votes Cast	10,870,627,842	80.59%

7. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The *Meeting Chairman* proceeded to the next item on the agenda which was the election of the members of the Board of Directors who shall serve until the annual meeting of stockholders in 2022 and until their successors are duly elected and qualified. He requested the Chairman of the

Nomination Committee, Mr. Alfredo Panlilio, to describe the screening process for nomination to the Board of Directors and to read the names of the persons who have been nominated.

Mr. Panlilio noted that Corporation's Articles of Incorporation provided for eight (8) seats in the Board of Directors and that in accordance in accordance with Article 3 (E) of the Company's Revised Manual of Corporate Governance, the Period for Nomination for candidates to the Board of Directors was from March 18, 2021 to April 16, 2021. He further confirmed that only one shareholder of the Corporation, i.e., Cemex Asian South East Corporation, submitted its letter of nomination during the Period for Nomination containing its nomination of eight (8) individuals for election to the Board of Directors. The Corporation did not receive any other nomination.

The nominees, who are all the incumbent members of the Board of Directors, are:

1. Pedro Roxas – as independent director
2. Alfredo S. Panlilio - as independent director
3. Eleanor M. Hilado – as independent director
4. Sergio Mauricio Menendez Medina
5. Ignacio Alejandro Mijares Elizondo
6. Alejandro Garcia Cogollos
7. Antonio Ivan Sanchez Ugarte
8. Maria Garcia Villan

Mr. Panlilio informed the stockholders that that the Nomination Committee reviewed the qualifications of the nominees, including the 3 nominees for independent directors, and determined that these nominees are qualified to serve as directors of the Corporation and have none of the disqualifications to serve as such. He reiterated that the profiles of the nominees stating their age, qualifications and work experience are described in the Corporation's Information Statement. In conclusion, Mr. Panlilio stated that all nominees have given their respective consent to their nomination.

The *Meeting Chairman* thanked Mr. Panlilio for his statements on the matter.

Thereafter, a motion was made and duly seconded for the election of the eight (8) nominees as members of the Board of Directors of the Corporation for the ensuing year.

Based on the final tally of votes which was certified by the Corporate Secretary, who confirmed that all nominees garnered votes and that the voting process complied with the cumulative voting principles under the Revised Corporation Code, the *Meeting Chairman* declared the eight nominees duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified:

NAME OF NOMINEES	No. of Votes Yes/For	No. of Votes No/Against	No. of Votes Abstain
Pedro Roxas	10,861,249,786	9,378,056	0
Alfredo S. Panlilio	10,870,627,842	0	0
Eleanor M. Hilado	10,870,627,842	0	0
Sergio Mauricio Menendez Medina	10,861,248,686	9,378,056	0
Ignacio Alejandro Mijares Elizondo	10,861,248,686	9,378,056	1,100
Alejandro Garcia Cogollos	10,861,248,686	9,378,056	1,100
Antonio Ivan Sanchez Ugarte	10,861,248,686	9,378,056	1,100
Maria Garcia Villan	10,861,248,686	9,378,056	1,100

8. APPOINTMENT OF EXTERNAL AUDITOR OF THE CORPORATION FOR 2021

The *Meeting Chairman* then directed the proceedings to the next proposal to be presented for stockholders' approval pertaining to the appointment of the independent external auditor for fiscal year 2021.

The Corporate Secretary informed the stockholders that the Audit Committee favorably endorsed to the Board of Directors the re-appointment of R.G. Manabat & Co., based on the committee's evaluation of services provided and further to the committee's assessment that the accounting firm's performance has been satisfactory. Taking into account the favorable endorsement of the Audit Committee, the Board of Director recommends the re-appointment of R.G. Manabat & Co. as the Company's independent external auditor for fiscal year 2021. The Corporate Secretary also clarified

that in the event that the stockholders were to approve the re-appointment of R. G. Manabat & Co., Mr. Enrico E. Baluyut would be assigned as the new signing partner to lead the audit of the Corporation's financial statements beginning fiscal year 2021.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the re-appointment of R.G. Manabat & Co. as the Corporation's independent external auditor for the fiscal year 2021, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the accounting firm of R.G. Manabat & Co., be, as they are hereby, re-appointed as external auditor of the Corporation for the fiscal year 2021.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,870,627,842	80.59%
2. No/Against	0	0
3. Abstain	0	0
Total Votes Cast	10,870,627,842	80.59%

9. OTHER MATTERS

The *Meeting Chairman* asked whether or not there were other matters that should be brought to the attention of the stockholders.

The Moderator informed the *Meeting Chairman* that no other matter, questions or comments were raised or made by stockholders for consideration during this annual meeting. The Moderator extended his invitation to stockholders to direct any queries they might have after this meeting to the CHP's Investor Relations Department at chp.ir@cemex.com.

10. ADJOURNMENT

There being no other matter to discuss, the *Meeting Chairman* entertained a motion to adjourn. Upon motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:

JANNETTE VIRATA SEVILLA
Secretary of the Meeting

ATTESTED:

IGNACIO ALEJANDRO MIJARES ELIZONDO
(President)
Chairman of the Meeting

PRESIDENT'S REPORT

Hello and good day to everyone.

We hope that you and your families are safe and healthy.

Fellow shareholders, colleagues, friends, ladies and gentlemen, welcome to this year's CEMEX Holdings Philippines Annual Meeting of Stockholders.

We value your time and effort to be with us in this meeting, especially under the extraordinary circumstances of this pandemic.

We will be sharing with you updates of our company for 2020, and we look forward to entertaining your questions

2020 was an unexpectedly challenging and extraordinary year, with COVID-19 affecting every aspect of our lives and disrupting all industries.

Due to the impact of the pandemic, we saw our company's revenues fall by 16 percent year-over-year to ₱19.7 billion.

Nevertheless, despite a difficult year, we managed to maintain our 2020 Operating EBITDA at a similar level to 2019, at around ₱4.2 billion.

We saw construction activity grind to a halt during the Enhanced Community Quarantine in Luzon which started on March 17 last year. At the same time, in Visayas and Mindanao, activity slowed down significantly.

We suspended the production and delivery of cement products in our Solid Cement Plant beginning March 19, and resumed operations on May 20, after taking measures to fully comply with regulations set by the Department of Labor and Employment and the Department of Trade and Industry, and consistent with the implementation of a General Community Quarantine in the province of Rizal.

Our APO Cement Plant remained operational in 2020, complying with all necessary hygiene and safety measures.

We are grateful to our employees who have risen to the challenge of COVID-19 by acting safely, and with agility, to continue serving the needs of our customers.

As soon as the threat of COVID-19 emerged, we activated our Rapid Response Teams to swiftly adapt to the new conditions and introduce preventive measures within the company.

We focused on three priorities:

- 1) protect the health and safety of our employees, their families, our customers, suppliers, and surrounding communities;
- 2) continue to serve our customers safely and reliably by leveraging our digital technologies;
- 3) and strengthen our operation through cost control and efficiency efforts.

Regarding our first priority, in accordance with global, national, and local health authority recommendations, CEMEX developed and implemented more than 50 hygiene and safety protocols to mitigate the risk of COVID-19 threats in our operations.

We also constantly promote adherence to our 4 Key Behaviors that Save Lives, which include wearing of face masks and PPEs, physical distancing, frequent hand washing and sanitation, regular health checks and monitoring.

We supported our employees through flexible work arrangements, virtual trainings, and additional programs to manage the COVID-19 Pandemic, such as emotional and mental well-being.

Our sympathy goes out to those that have been directly affected by the COVID-19 pandemic.

We deeply thank all healthcare workers, front liners, essential workers, and all our unsung heroes during this COVID-19 situation. Thank you for standing strong.

As an essential industry, our proactive approach to health and safety enables us to contribute to the important role that the construction industry has in building and maintaining critical infrastructure, and to lead economic recovery going forward.

We continue to champion the use of our CEMEX Go digital platform, which allows our customers to purchase products, track deliveries, and manage orders in real-time, in a contactless way.

In October last year, we virtually inaugurated our new in-house Service Center located in our Makati City office. This new Service Center enhances our capacity to better serve our customers across multiple communication channels.

We have also taken steps to digitalize and enhance our internal and external administrative processes. These developments have led to more online transactions, and increased convenience for our clients.

For 2020, our customers rated us with a Net Promoter Score of 66 points, an improvement in our main customer experience indicator of 10 points when compared to 2019. We attribute the increase to service improvements in response to customer feedback and close collaboration among functional teams.

Our well-established brands, such as "APO", "Island", and "Rizal", are used today in some of the nation's key infrastructure projects such as the Cebu–Cordova Link Expressway, the Jalaur River Multipurpose Project II in Iloilo, and the North-South Commuter Railway Project in Luzon.

We implemented strict measures to control costs by reducing discretionary expenses.

In addition, our total distribution cost declined by 17 percent year-over-year in 2020. This was driven by initiatives to derive supply chain efficiencies, higher transport utilization, and better fuel consumption.

As a result of our cost control and efficiency efforts, we managed to have our 2020 operating EBITDA at minus 1 percent versus 2019.

We successfully completed our Stock Rights Offering during the first quarter of 2020.

Once again, we would like to express our sincere appreciation to everyone who supported us and participated in the SRO.

As a result of this exercise, we managed to increase the company's equity capital to improve its capital structure, provide balance sheet flexibility, and fund our Solid Cement Plant expansion.

The total proceeds raised from the SRO amounted to ₱12.8 billion.

For full year 2020, we disbursed around ₱7.9 billion of the SRO proceeds raised for the repayment of debt owed to CEMEX ASIA, B. V. Most of our debt to CEMEX ASIA, B. V. had been incurred for the Solid Cement Plant expansion project.

We also disbursed around ₱1.3 billion for the payment of costs and expenses associated with the Solid expansion project, and around ₱224 million for fees, expenses and taxes related to the SRO.

Our Net Debt to Operating EBITDA ratio at the end of 2020 was at 1.6 times, compared to 4.4 times at the end of 2019.

In late April this year, CEMEX held virtually its first edition of the CEMEX Global Awards. The event recognizes the efforts of colleagues and teams towards the strategic priorities of CEMEX.

I am pleased to report that CEMEX in the Philippines received a total of ten awards in three out of the four business priorities:

- Three awards under the Customer Centricity category
- Six awards under the Health and Safety category
- One award under the Sustainability category

CEMEX Philippines received three major awards under the Customer Centricity category.

Our Distribution and Institutional teams were recognized as 1st place for "CEMEX Go Top Orders Adoption" for the Larger and Smaller Markets categories.

Orders Adoption is the percentage of total orders placed in CEMEX Go compared to the total orders of our customers.

CHP also received an award for “Best Initiative Implemented” for our Electronic Authority to Withdraw, or eATW project.

The eATW is a digital solution for our customer’s pick-up experience. It automates the manual process, giving our customers the ability to process and monitor cement pick-ups anytime, anywhere, and from any device.

Under the Health and Safety category, CEMEX Philippines received several recognitions.

Overall, after achieving zero injury performance in 2020, CEMEX Philippines was conferred with the “Zero4Life Contribution” award.

Meanwhile, our APO Cement Plant garnered “Best Performance – 1st Place” under the Cement Sector, while our Supply Chain team achieved “Best Performance – 1st Place” under the Other Business Units sector.

In addition, CHP received the “Contractor Management Award” for its Pre-loading Marine Inspection Prior to Vessel Docking program.

CHP’s wellness programs and employee engagement activities were also recognized.

Our “COVID Activity Book for Kids and Families” and “Quaran-Team Wellness and O-lympics” programs were both awarded with the “Fit4Life Contribution” award.

With the goal of boosting the morale of employees and their families amidst the pandemic, we held virtual sessions and friendly competitions for employees through our Online Olympics and Quaran-Team Wellness programs.

We also launched a COVID-19 activity book for the families and children of our employees, to promote our Behaviors that Save Lives.

And lastly, for sustainability, the Solar-Powered Lighting System at the quarry area beside our Solid Cement Plant was also recognized under the Energy Efficiency and Clean Energy category.

Since the Philippines experiences an average of 10 to 12 hours of daylight, an idea was developed to use solar-powered lights to reduce the usage of diesel-powered tower lights in the quarry area.

This sustainability project reduces an estimated 20 tons of CO₂ emissions per year, and is equivalent to planting around 975 trees.

I take much pride in congratulating our colleagues who contributed to the achievement of these awards.

These accomplishments inspire us and demonstrate our ability to reach our goals through innovation, collaboration, and hard work.

I would like to share that during the first quarter of 2021, we celebrated the 100-year anniversary of APO Cement Corporation. In its century of existence, APO’s milestone is a reminder that institutions outlast challenges through the collective action of its people. We are proud to be a part of APO’s heritage in Cebu, and its long-standing role in nation-building.

2021 will be the second year under the COVID-19 Pandemic.

We expect to coexist with the virus, until the country’s vaccination drive makes significant progress.

We remain cautious on the road ahead as headwinds and uncertainty remain.

The country will continue to struggle between managing the pandemic and recovering from the effects of impeded domestic activity, lower demand, and reduced incomes.

Inflationary pressures will also be a challenge, driven in part by higher global fuel prices.

Based on first quarter 2021 GDP numbers, we have seen that the Philippines continues to be in a recession.

For our industry, we will continue to see intense competition amidst subdued demand due to the pandemic. Traders of imported cement have remained significant competitors in all regions of the country.

Nevertheless, we are seeing some hopeful signs, as more industries, such as ours, have been allowed to operate even under the strictest quarantine classifications.

Our continued operations contribute to economic recovery as construction plays an important role in GDP.

Our full year 2021 guidance for cement sales volume is to grow between 5 to 7 percent.

The construction of our Solid Cement Plant New Line continues, following a pause during the Luzon EQC last year.

Our current estimate is for the New Line to complete construction by December 2021.

Last January 2021, the project reached a milestone with the lifting of the new kiln into position.

This demonstrates our full commitment to the development of the country and brings us closer to further strengthening our position in providing the infrastructure and building needs for economic development.

We stand by our priorities during this time of pandemic, we will focus on health and safety, serving our customers and supporting the economy as an essential industry, and continuing to find ways to be more sustainable and efficient in our operations.

Our commitment to health and safety remains across any government-mandated quarantine classification. We are committed to following the necessary safety protocols and practicing our Behaviors that Save Lives.

We have been adding features to our CEMEX Go digital platform, as we integrate more functionality into the portal.

We also have a number of projects in the pipeline to improve our customers' experience. Included in these projects are paperless initiatives, customer management initiatives, and upgrading of digital capabilities.

We will continue to pay close attention in controlling our costs, utilize the levers available to us to optimize our operations, and further enhance interactions with our customers.

While uncertainties remain for this year, our proven resilience and strength will be our driving force in serving our customers and maintaining business continuity.

As mentioned by our Chairman, in 2020, CEMEX globally rolled out its proactive Climate Action strategy, beginning with a 2030 target of reducing its net specific CO₂ emissions by 35% compared to its 1990 baseline.

At CEMEX Holdings Philippines, we are aligned to this plan and are laying out our roadmap to reduce CO₂ emissions in our operations.

Cement production is an energy intensive process requiring the use of various types of fuels and a considerable amount of electricity.

An optimal sourcing and use of power and fuels is a major contributor to reducing the demand for energy and lowering energy-related emissions.

We are proud of our plants, Solid and APO, for attaining the ISO 50001:2018 certification for Energy Management System in 2020.

We have been working to maximize the technical levers currently available to reduce emissions in the cement production process:

- increasing energy efficiency;
- using alternative fuels;
- expanding our use of clean energy;
- and reducing clinker factor.

We are increasing our use of alternative fuels, and we look forward to the co-processing of treated medical waste at our APO Plant in Cebu. This is another solution we can provide during this time of pandemic.

We have in the pipeline a 4.5-megawatt waste-heat-to-energy facility in our APO Cement Plant. This is similar to the 6-megawatt waste-heat facility we have in our Solid Cement Plant.

We use mineralizers in our Solid Cement Plant to reduce the temperature needed to produce clinker and improve clinker reactivity.

This results to energy savings, and allows us to reduce our clinker factor, while producing more cement with lower energy and carbon intensity.

We continue to use admixtures to reduce the amount of clinker we use per ton of cement produced.

We have also developed specialty cements suited for certain applications such as high strength blended and Masonry Cement.

We will continue to develop and promote the use of blended cement, as these products have a lower carbon footprint when compared to Ordinary Portland Cement.

And finally, CHP remains committed to building stronger and more resilient communities. Last year, given the unprecedented pandemic, a large component of our support was for public health and safety initiatives. We partnered with local government units to strengthen our communities against COVID-19 through the provision of food and vitamins, hygiene and medical supplies, as well as support for sanitation. We also helped in distributing much needed items through the provision of transportation and manpower. Our continuous collaboration with the community is a key element in our shared goal of building a better future.

In closing, as COVID-19 will continue to be a challenge in 2021, we will remain focused on health and safety in all our relationships – our employees and their families, our customers, suppliers, and communities – while continuing to provide essential products and services in the markets that we serve.

On behalf of our Board of Directors, our management team, and our employees, we thank you for the opportunity you give us, and for your trust in CHP.

Thank you, stay safe, and a pleasant day to all.

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