

**NOTICE OF 2021 ANNUAL MEETING OF STOCKHOLDERS  
WITH AGENDA**

Notice is hereby given that **CEMEX HOLDINGS PHILIPPINES, INC.** (the “Corporation”) will hold its Annual Meeting of Stockholders (“2021 AMS”) on June 2, 2021 at 3:00 p.m. and will be conducted online by remote communication. The Record Date for the determination of stockholders entitled to notice of, and to vote at, the said meeting is April 30, 2021.

The agenda of the meeting is the following:

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 24, 2020
4. Presentation of the Report of the President & Chief Executive Officer
5. Approval of the Annual Report (SEC Form 17-A) for 2020 and the Audited Financial Statements as of December 31, 2020
6. Ratification and Approval of the Acts of the Board of Directors and Management since the Annual Meeting of Stockholders held on June 24, 2020
7. Election of the Members of the Board of Directors (including the independent directors)
8. Appointment of External Auditor of the Corporation for the year 2021
9. Consideration of such other matters as may properly come during the meeting

For the election of members of the Board of Directors, every stockholder as of the Record Date shall have the right to vote 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. On the other hand, the affirmative vote of stockholders as of the Record Date who represent at least a majority of the issued and outstanding capital stock of the Corporation present or represented at the 2021 AMS is required for the approval of the other agenda matters: minutes of the annual meeting of stockholders, approval of the Annual Report (Form 17-A) for 2020 and the audited financial statements for 2020 (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 24, 2020, and the appointment of the external auditor of the Corporation for the fiscal year 2021.

**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](mailto:chp.corporatesec@cemex.com) on or before by **May 26, 2021 (at 5:00pm)**. For purposes of determination of the meeting quorum, only stockholders who have registered for the meeting on or before **May 26, 2021** will be considered in the computation of stockholders’ attendance.

**VOTES MAY BE CAST ONLY THROUGH VOTING BALLOTS/ PROXIES SUBMITTED ON OR BEFORE MAY 26, 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 26, 2021 (at 5:00pm)**. For your convenience, a sample of a Voting Ballot/Proxy will be attached to the Definitive Information Statement (SEC Form 20-IS) for the 2021 AMS. Stockholders whose shareholdings are lodged with the Philippine Central Depository are reminded to secure a certification of your shareholdings from your respective stockbrokers.


**The Procedure for Participating in the Meeting and for Voting Through Remote Communication or In Absentia are set forth in Appendix 1 of this Notice.**

**WE ARE NOT SOLICITING YOUR PROXY.**

**An explanation of agenda items for stockholders’ approval is provided in Appendix 2 of this Notice.**

Stockholders of record as of April 30, 2021 owning at least 5% of the total outstanding capital stock of the Corporation may submit proposals on items for inclusion in the meeting agenda on or before May 27, 2021 (at 5:00PM).

Makati City, Philippines, May 5, 2021.

  
**JANNETTE VIRATA SEVILLA**  
Corporate Secretary

For more information regarding the Annual Meeting of Stockholders, please contact the Corporation’s Investor Relations Director, Mr. Pierre Co, at [chp.ir@cemex.com](mailto:chp.ir@cemex.com).

**ANNUAL MEETING OF STOCKHOLDERS FOR 2021**

**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 30, 2021 (the “Eligible Stockholder/s”) are entitled to participate in the Annual Meeting of Stockholders of the Corporation scheduled on June 2, 2021 (“the 2021 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 2021 AMS and voting 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](mailto:chp.corporatesec@cemex.com) on or before May 26, 2021 AT 5PM.

- For purposes of *determination of the meeting quorum*, only Eligible Stockholders who have registered for the meeting ON OR BEFORE May 26, 2021 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 30, 2021
- (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 ID<sup>1</sup> 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 30, 2021
- (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 30, 2021
- (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

---

<sup>1</sup> 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 ID<sup>1</sup> 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 30, 2021

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 2021 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 2021 AMS by way of Voting Ballot/Proxy forms submitted on or before May 26, 2021 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 34<sup>TH</sup> FLOOR, PETRON MEGA PLAZA BUILDING, 358 SEN. GIL J. PUYAT AVENUE, MAKATI CITY OR (ii) BY EMAIL SENT TO [chp.corporatesec@cemex.com](mailto: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 2021 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 34<sup>th</sup> 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 2021 AMS and in such a case, the vote cast will not be counted.
- (f) The Corporate Secretary and the Corporation’s stock transfer agent and Corporate Secretary will tabulate all votes received and an independent third party will validate the results.

5. The proceedings of the 2021 AMS will be recorded. 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 2021 AMS or requests for clarification on the procedure for attending the 2021 AMS through remote communication, may send the questions, comments or requests by email to [chp.corporatesec@cemex.com](mailto:chp.corporatesec@cemex.com).

7. Data of each individual stockholder’s (or that of the corporate stockholder’s Authorized Representative) will be collected, stored, processed and used exclusively for the purposes of the 2021 AMS. Personal information will be processed in accordance with the Philippine Data Privacy Act of 2012 and applicable regulations.

**ANNUAL MEETING OF STOCKHOLDERS FOR 2021**  
**EXPLANATION OF AGENDA ITEMS**

**INTRODUCTION**

The moderator of the annual meeting will introduce to the stockholders the incumbent members of the Board of Directors and the other principal executive officers of the Corporation who are present. The presence of representatives of the external auditor of the company, R.G. Manabat & Co will also be acknowledged.

The Chairman of the Board of Directors will deliver his opening remarks.

**1. Call to Order**

Pursuant to the Amended By-Laws of the Corporation, the President of the Corporation will act and preside as *Chairman of the Meeting*. The *Chairman of the Meeting* will call the meeting to order.

**2. Certification of Notice and Determination of the Existence of Quorum**

The Corporate Secretary will certify the date when notices for the 2021 Annual Meeting of Stockholders were released to the stockholders of record as of April 30, 2021. The Corporate Secretary will also certify to the existence of a quorum. Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

The Corporate Secretary will also reiterate the meeting rules and voting procedure observed for the meeting, as follows:

- a) The *Procedures for Participating in the Meeting and for Voting Through Remote Communication or In Absentia* are set forth in the Information Statement posted on the Corporation's website at [www.cemexholdingsphilippines.com](http://www.cemexholdingsphilippines.com) and PSE Edge, and appended to the notice of the annual meeting.
- b) Stockholders may only cast their votes on any of the matters to be presented during the annual 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.
- c) For the matters to be presented for stockholder's approval, except for the election of directors, each share entitled the registered owner (or his representative) to one vote.
- d) For the purpose of the annual meeting, the affirmative vote of stockholders holding a majority of the shares represented in the meeting 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.
- e) The Corporation has engaged the services of R.G. Manabat & Co to review and validate the tabulation of votes which were cast for the various agenda items for the annual meeting.
- f) The final tally of votes and the proposed resolutions will be shown for each agenda item as the meeting progresses.
- g) Stockholders are requested to send their questions or comments by email. The stockholders may likewise send their comments and questions through the Q&A chatbox (located at the bottom of the screen labelled "Q&A"). Questions will be read out by the meeting moderator and responded to during the Q&A session scheduled at the end of the annual meeting, with priority given to questions which might have been sent in advance of the annual meeting.
- h) Questions or comments which could not be taken up during the annual meeting will be answered or responded to directly by our Investor Relations group.
- i) The proceedings of the annual meeting will be recorded.

### 3. Approval of the Minutes of the Annual Meeting of Stockholders held on June 24, 2020

A copy of the minutes of the Annual Meeting of Stockholders, which will be presented to the stockholders for approval, is attached to the Information Statement and posted on the Corporation's website at [www.cemexholdingsphilippines.com](http://www.cemexholdingsphilippines.com). The resolution that will be submitted for approval of the stockholders is as follows:

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

### 4. Report of the President and Chief Executive Officer

The President and Chief Executive Officer, Mr. Ignacio Alejandro Mijares Elizondo, shall deliver to the stockholders a report on the 2020 operating and financial performance of the Corporation, as well as the outlook for 2021.

### 5. Approval of the Annual Report (SEC Form 17-A) and the Audited Financial Statements as of December 31, 2020

The following audited financial statements of the Corporation comprising the “Audited Financial Statements of the Corporation for the year ended December 31, 2020” are submitted for the approval of stockholders: (i) Audited Consolidated Financial Statements of the Company (with consolidated statements of financial position as at December 31, 2020 and 2019, and consolidated comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020, 2019 and 2018) and (ii) Audited Separate Financial Statements of CHP (with separate statements of financial position as at December 31, 2020 and 2019, 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, 2020 and 2019). These financial statements are annexed to the 2020 Annual Report (SEC Form 17-A) and are posted at the Corporation's website at [www.cemexholdingsphilippines.com](http://www.cemexholdingsphilippines.com) and PSE Edge. The resolution that will be submitted for approval of the stockholders is as follows:

“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.”

### 6. Ratification and Approval of the Acts of the Board of Directors and Management since the Annual Meeting of Stockholders held on June 24, 2020

The acts of the Board of Directors and Management since the last stockholders' annual meeting up to the current annual meeting will be presented to the stockholders for ratification. A summary of transactions approved by the Board of Directors is provided in the Information Statement.

The resolution that will be submitted for approval of the stockholders is as follows:

“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 on June 2, 2021 be, as they are hereby confirmed, ratified, and approved.”

### 7. Election of the Members of the Board of Directors (including the independent directors)

The Final List of Candidates or Nominees for election as members of the Board of Directors is below:

1. Pedro <b>Roxas</b> ( <i>independent director</i> )
2. Alfredo S. <b>Panlilio</b> ( <i>independent director</i> )
3. Eleanor M. <b>Hilado</b> ( <i>independent director</i> )
4. Sergio Mauricio <b>Menéndez</b> Medina
5. Ignacio Alejandro <b>Mijares</b> Elizondo
6. Alejandro <b>Garcia</b> Cogollos
7. Antonio Ivan <b>Sanchez</b> Ugarte
8. Maria <b>Garcia</b> Villan

A brief description of the work experience, qualifications, education and training of each of the candidates are provided in the Information Statement.

#### **8. Appointment of External Auditor of the Corporation for the year 2021**

Further to the favorable endorsement of the Audit Committee of the Corporation, the Board of Directors recommends the re-appointment of R.G. Manabat & Co. as the external auditor of the Corporation for fiscal year 2021. The resolution that will be submitted for approval of the stockholders is as follows:

“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 year 2021.”

#### **9. Consideration of such other matters as may properly come during the meeting**

The Chairman of the Meeting will open the floor for comments and questions by the stockholders. The Chairman of the Meeting will decide whether matters raised by the stockholders may be properly taken up in the meeting or in another proper forum.

## VOTING BALLOT/PROXY

Please mark as applicable:

**Vote By Ballot:** The undersigned stockholder of CEMEX Holdings Philippines, Inc. (the "Corporation") casts his/her vote on the agenda items for the Annual Meeting of Stockholders on June 2, 2021, by marking the appropriate boxes below

**Vote By Proxy:** The undersigned stockholder of CEMEX Holdings Philippines, Inc. (the "Corporation") hereby appoints \_\_\_\_\_, or in his/her absence, *the Chairman of the Meeting*, as attorney-in-fact and proxy, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Meeting of Stockholders on June 2, 2021 and any of its adjournment(s). **The undersigned directs the proxy to vote on the agenda items in accordance with the manner expressly provided below.**

Agenda Item	Matter	Yes	No	Abstain
3	Approval of the Minutes of the Annual Meeting of Stockholders held on June 24, 2020			
5	Approval of the 2020 Annual Report and Audited Financial Statements as of December 31, 2020			
6	Ratification and Approval of the Acts of the Board of Directors and Management			
7	Election for Directors: Name	No. of Votes in Favor	No. of Votes Against	Abstain
	Pedro <u>Roxas</u> (independent director)			
	Alfredo S. <u>Panlilio</u> (independent director)			
	Eleanor M. <u>Hilado</u> (independent director)			
	Sergio Mauricio <u>Menéndez</u> Medina			
	Ignacio Alejandro <u>Mijares</u> Elizondo			
	Alejandro <u>Garcia</u> Cogollos			
	Antonio Ivan <u>Sanchez</u> Ugarte			
	Maria <u>Garcia</u> Villan			
	<u>FURTHER INSTRUCTIONS:</u> To withhold authority to vote for any individual nominee, please line-through or strike out the name of the nominee			
8	Appointment of External Auditor for fiscal year 2021			
9	Any issue or question that may arise related to any item in the Agenda of the meeting			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER/  
NAME AND SIGNATURE OR AUTHORIZED REPRESENTATIVE\*

Total No. of Shares Owned/Held
--------------------------------

\*Where a representative will sign on behalf of a stockholder, this 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, this 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. This ballot/proxy should be received by the Corporate Secretary on or before May 26, 2021.

**THIS BALLOT/ PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO SPECIFIC DIRECTION IS MADE REGARDING THE ELECTION OF ALL OF THE NOMINEES, THIS PROXY WILL BE VOTED IN FAVOR OF THE ELECTION OF ALL NOMINEES. IF NO DIRECTION IS MADE (i) FOR ANY OF THE OTHER AGENDA ITEMS, THIS PROXY WILL BE VOTED FOR THE APPROVAL OF THE RELEVANT MATTER STATED AND (ii) FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. THIS PROXY WILL BE VOTED IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY THE BOARD OF DIRECTORS.**

A stockholder voting by proxy has the power to revoke the proxy at least FIVE (5) days before the meeting. Notarization of this ballot/proxy is not required.

# 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			
B	u	i	l	d	i	n	g	,		3	5	8		S	e	n	.	G	i	l		J	.	P	u	y	a	t		
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

Month

3 1

Day

Fiscal Year

SEC Form 20-IS Definitive Information Statement

FORM TYPE

0 6

Month

0 2

Day

First Wednesday of June

Annual Meeting

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

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

27 (as of 31 March 2021)

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



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 : Metro Manila, Philippines  
incorporation or organization

4. SEC Identification Number : CS201518815

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

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

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

8. Date, time and place of the : June 2, 2021  
meeting of security holders : 3:00PM  
Meeting will be conducted online  
and can be accessed by remote  
communication

9. Approximate date on which the : on or before May 11, 2021  
Information Statement is first to be sent  
or given to security holders

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.



## 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, 2021, 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, 2021, 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	8,692,210,587	64.438%
CEMEX ASIAN SOUTH EAST CORPORATION <sup>(a)</sup> 34 <sup>TH</sup> 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	1,936,522,000	14.356%
Sysmart Corporation		1,000,000	nil
Cai Yu Xi		1,000,000	nil
Elvira M. Cruz or Bernardo A. Cruz		325,481	nil
Sysmart Corporation		215,200	nil
Bob Dy Gothong		208,600	nil
Tristan Q. Perper		100,000	Nil
Miguelito C. De Guia &/Or Milagros D. De Guia		77,889	nil
Myra P. Villanueva		40,000	Nil
Elvira M. Cruz or Bernardo A. Cruz		38,000	nil
Majograjo Development Corporation		10,000	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 Itf: Li Marcus Au		10	nil
Joselito Tanwangco Bautista		1	nil
Botschaft N. Cheng Or Sevilla Ngo		1	nil
Alfredo Panlilio <sup>(b)</sup>		1	nil
Pedro Roxas <sup>(c)</sup>		1	nil

<sup>(a)</sup> Based on several SEC Forms 23-B filed by Cemex Asian South East Corporation ("CASEC") in 2020, 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 5 shares held as of end of December 2020 by Sergio Mauricio Menendez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos, Antonio Ivan Sanchez and Maria Garcia Villan, respectively. As of March 31, 2021, the total number of shares owned by CASEC is 10,500,626,662 corresponding to 77.84% of the total issued and outstanding shares of CHP.

<sup>(b)</sup> 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)*

<sup>(c)</sup> 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 30, 2021 **(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**, the number of shares of stock of the Corporation held by non-Filipinos (foreigners) of March 31, 2021 is 11,550,678,081, corresponding to approximately 85.6289% of the total outstanding shares of stock of the Corporation.

#### 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, 2021

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) <sup>(1)</sup> G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PDTC Participants and clients	Non-Filipino	8,692,210,587	64.438%
Common	CEMEX ASIAN SOUTH EAST CORPORATION (" <b>CASEC</b> ") <sup>(2)</sup> 34 <sup>TH</sup> Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila	CASEC	Non-Filipino	2,857,467,493 <sup>(3)</sup>	21.183%
Common	PCD Nominee Corporation (Filipino) <sup>(4)</sup> G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PDTC Participants and clients	Filipino	1,936,522,000	14.356%

#### Notes:

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 5 shares held as of end of March 31, 2021 by Sergio Mauricio Menendez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos, Antonio Ivan Sanchez and Maria Garcia Villan, respectively. As of March 31, 2021, the total number of shares owned by CASEC is 10,500,626,662 corresponding to 77.84% of the total issued and outstanding shares of the CHP.

<sup>(4)</sup> See note <sup>(1)</sup>

## Security Ownership of Management as of March 31, 2021

As of March 31, 2021, 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 page 15), unnamed as a group, are:

Title of Class	Name of Beneficial Owner	Nationality	Amount and Nature of Beneficial Ownership	% to Total Shares
Common	Alfredo Panlilio	Filipino	1,001	nil
Common	Pedro Roxas	Filipino	51,001	nil
Common	Eleanor M. Hilado	Filipino	776,700	nil
Common	Sergio Mauricio Menendez Medina	Mexican	1*	nil
Common	Ignacio Alejandro Mijares Elizondo	Mexican	3,322,546*	nil
Common	Alejandro Garcia Cogollos	Spaniard	769,943*	nil
Common	Antonio Ivan Sanchez Ugarte	Spaniard	1*	nil
Common	Maria Garcia Villan	Spaniard	1*	nil
Common	Edwin P. Hufemia	Filipino	1,313,914	nil
Common	Everardo Sanchez Banuet	Mexican	852,488	nil
Common	Irma del Mundo Aure	Filipino	348,911	nil
Common	Members of the Board of Directors and Executive Officers of the Corporation as a group		9,313,673	nil

*\*As of 31 March 2021, 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, Antonio Ivan Sanchez Ugarte and Maria Grace Villan.*

As of 31 March 2021, members of the Board of Directors and principal executive officers of the Corporation, as a group, beneficially owned a total of only 9,313,673 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 2020. The major shareholder of the Corporation, Cemex Asian South East Corporation beneficially owned 66.78% and 77.84% of the outstanding capital stock of the Corporation at the beginning of 2020 and at the end of 2020, respectively.

### 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. Independent Directors

*Pedro Roxas*. 64 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., Roxas and Company, Inc., Roxas Land Corporation. Mr. Roxas has extensive experience serving as an independent director for companies such the Philippine Long Distance Telephone Company, Manila Electric Co., BDO Private Bank, Mapfre Insular Insurance Corporation, and Brightnote Assets Corporation. He is the President of the Philippine Sugar Millers Association. He is also member of the Board of Fundacion Santiago and Chairman of Club Punta Fuego. Mr. Roxas serves as an independent member of the Board of Directors of the Corporation. He was initially elected to the Board on June 3, 2016 and assumed office effective from July 14, 2016. He was re-elected as independent member of the Board during the Corporation's **annual stockholders' meetings** held on June 7, 2017, June 6, 2018, June 6, 2019 and on June 24, 2020. Mr. Roxas is the Chairman of the Corporation's **Audit** Committee and a Member of the Nomination Committee.

*Alfredo Panlilio*. 57 years old, Filipino citizen. Alfredo Panlilio holds a B.S. degree in Business Administration in 1984 from San Francisco State University in California and a Master of Business Administration degree from the J.L. Kellogg School of Management at Northwestern University in Illinois, USA and from The Hong Kong University of Science and Technology in 2009. From 1992 to 1997, Mr. Panlilio worked at IBM as an executive lead in various industries, including manufacturing, transportation, travel, and utilities. He then spent two years with ABS CBN, the Philippines' **biggest TV network, where he marshaled synergies among the network's** various subsidiaries. In 1999, Mr. Panlilio became the Senior Vice President and head of the Corporate **Business Group of the Philippine Long Distance Telephone Company ("PLDT"), the Philippines' leading telecommunications** firm, a role he served until 2002. In 2003, he was appointed to **lead PLDT's Carrier Business Group**, where he managed the formulation and implementation of domestic and international inter-carrier requirements. In 2004, Mr. Panlilio became the President and CEO of PLDT Global Corporation to grow the international retail business and maximize revenue potential of the PLDT Group of Companies. In 2010, PLDT **acquired the Philippines' largest distribution utility, Manila Electric Company ("Meralco"), and** Mr. Panlilio was appointed as Senior Vice President of Meralco and **served as Meralco's Head of Customer Retail Services and Corporate Communications**. On July 1, 2019, he assumed the role of EVP and Chief Revenue Officer of PLDT and was appointed President and CEO of Smart Communications, Inc. in August 2019. He is the Chairman of the Board of Directors or the President and board member, respectively of various companies affiliated with of PLDT and Smart Communications, Inc. Mr. Panlilio also serves as president of the MVP Sports Foundation, the umbrella sports advocacy organization of the Metro Pacific Group, the President of

Samahang Basketbol ng Pilipinas and the PBA Governor for the Meralco Bolts. He is the Treasurer of the National Golf Association of the Philippines and Manila Golf, Inc. Mr. Panlilio is also a Trustee of Philpop Musicfest Foundation, Inc. Mr. Panlilio is an independent director on the Board of Directors of the Corporation. He was initially elected to the Board on June 3, 2016 and assumed office effective from July 14, 2016. He was re-elected as independent member of the Board during the Corporation's annual stockholders' meetings held on June 7, 2017, June 6, 2018, June 6, 2019 and on June 24, 2020. Mr. Panlilio is the Chairman of the Corporation's Nomination Committee and a member of the Audit Committee.

*Eleanor M. Hilado*. 57 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 Securities and Exchange Commission 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 was involved in the implementation of certain capital markets transactions which were pursued with the participation of BDO Capital & Investment Corporation during the period 2016-2017. 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. Eleanor 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' meeting on June 24, 202. She remains a member of the Audit Committee and the Nomination Committee.

B. Other Directors<sup>1</sup>

*Sergio Mauricio Menéndez Medina*. 50 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 from 2009 to 2011 and, thereafter, the President for CEMEX's

---

<sup>1</sup> The following individuals were members of the Board of Directors at the beginning of 2020 but resigned during the year: (a) Mr. Joaquin Miguel Estrada Suarez – who was the Chairman of the Board of Directors –resigned as the Chairman/member of the Board of Directors effective on March 27, 2020; (b) Mr. Larry Jose Zea Betancourt resigned as member of the Board of Directors (and member of the Audit Committee), effective on October 26, 2020 upon acceptance thereof by the Board of Directors.



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 Europe and became a member of the Executive Committee of CEMEX, S.A.B.de C.V. Mr. Menéndez is currently the President **of CEMEX's** operations in Europe, Middle East, Africa & Asia region. In view of the resignation of Mr. Joaquin Miguel Estrada Suarez from the Board of Directors of the Corporation, the Board of Directors elected Mr. Menéndez as a member and the Chairman of the Board of Directors on April 2, 2020 at a meeting during which all incumbent board members were present. He was re-elected as a member of the Board during the Corporation's **annual stockholders' meetings** held on June 24, 2020, and was elected as Chairman of the Board of Directors during the organizational meeting of the Board of Directors held on the same day.

*Ignacio Alejandro Mijares Elizondo.* 46 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 Grupo Cementos Chihuahua (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 elected as the **Company's President** and Chief Executive Officer. He was re-elected as a member of the Board during the Corporation's **annual stockholders' meetings held on June 6, 2018, June 6, 2019 and on June 24, 2020.** Mr. Mijares is also the Chairman of the Board of Directors of the following subsidiaries: 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 stockholder 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 Garcia Cogollos.* 46 years old, Spanish citizen. Alejandro Garcia 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. Garcia joined CEMEX Spain in 1999. He became the Controllershship Manager of various subsidiaries of the CEMEX Group based in the Netherlands in 2001, a position he held until 2006 when he was assigned to assume the position of Controllershship Manager of the CEMEX operations in the United Arab Emirates. Since 2011, he was the Planning & Administration Director for CEMEX UAE. In view of the retirement of Mr. Hugo Losada from the organization and his resignation from our Board of Directors and as an executive officer of the Company on April 25, 2018 at a meeting during which a majority of the members were present, Mr. Garcia was elected as a member of the Corporation's **Board** of Directors and as Vice President for Planning and Administration. He was re-elected as a member of the Board during the Corporation's **annual stockholders'** meetings held on June 6, 2018, June 6, 2019 and on June 24, 2020.

*Antonio Ivan Sanchez Ugarte.* 50 years old, Spanish citizen. Antonio Ivan Sanchez Ugarte holds a law degree from Deusto University (Bilbao, Spain) and obtained a Master of Laws (Executive LLM) degree with honors from the Northwestern University Pritzker School of Law (Chicago, USA). After several years of private law practice, Mr. Sanchez joined CEMEX as International Legal Counsel in 2001 based in Madrid, Spain. In September 2017, he was appointed as the Head of CEMEX Legal for Asia, Middle East and Africa Region. On December 6, 2017, he was elected as a member of the Board, in view of the retirement of Mr. Vincent Paul Piedad from the organization. The election of Mr. Sanchez as a member of the Board of Directors was effective on January 1, 2018. He was re-elected as a member of the Board during the Corporation's **annual stockholders' meetings** held on June 6, 2018, June 6, 2019 and on June 24, 2020. Mr. Sanchez is a member of the Corporation's **Nomination Committee.**

*Maria Garcia Villan*. 48 years old. Spanish citizen. Maria Garcia Villan holds a Master of Business Administration degree from the University of Navarra (Barcelona, Spain) and degrees in Bachelor of Science in Mechanical Engineering from the Universite de Technologie de Compiegne (Compiegne, France) and University of Zaragoza (Zaragoza, Spain). She joined CEMEX in 1998 and has held various management positions. She is currently Strategic Planning Director (CEMEX Corporate Strategic Planning), a position she has held since July 2017. Ms. Garcia was Vice President for Strategic Planning of the CEMEX's operations in Egypt from 2006 to 2008, Strategic Planning-Sustainability Director for CEMEX's operations in Spain & Mediterranean and the Sustainability Construction Director for CEMEX's operations in Europe, Middle East, Africa & Asia region from 2009 to 2011. Ms. Garcia also held positions in the CEMEX Global Trading group from 2012 to 2017. In view of the resignation of Mr. Larry Jose Zea Betancourt from the Board of Directors of the Corporation (and member of the Audit Committee), the Board of Directors elected Ms. Garcia as a member of the Board of Directors and member of the Audit Committee on December 2, 2020 at a meeting during which all incumbent 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 Officers<sup>2</sup>

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*. 45 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*. 43 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 Accountancy. 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 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, a position he has held since February 29, 2016.

*Pierre Ignatius C. Co*. 31 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.

---

<sup>2</sup> The following individuals were among the principal executive officers at the beginning of 2020 but resigned during the year (a) Mr. Arturo Manrique Ramos resigned as Vice President for Cement Operations and Technical, which resignation took effect on February 10, 2020; the Board of Directors elected in his place Mr. Carlos Alberto Palero Castro. (b) Mr. Chito S. Maniago resigned as Director for Corporate Communications and Public Affairs effective on April 13, 2020.

*Ma. Virginia Lacson-Del Rosario.* 52 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 evaluation transactional risks. On October 24, 2017, Ms. Del Rosario was appointed by the Board of Directors as the **Company's** Customer Experience Director.

*Jose Mauro Gallardo Valdes.* 36 years old, Mexican citizen. Jose Mauro Gallardo Valdes holds **a Bachelor's degree in Business Administration** and Marketing and a Diploma in International Marketing. In 2005, Mr. Gallardo he joined operations of CEMEX in Mexico and assumed responsibilities in various areas in sales administration, information management, customer service, commercial strategy and development. In June 2014, he was Financial Planning Manager and supported the operations of CEMEX Mexico. On June 6, 2018, Mr. Valdes was appointed as the Corporation's Enterprise Risk Management (ERM) Manager.

*Kristine G. Gayem.* 40 years old, Filipino citizen. Kristine G. Gayem holds a Bachelor of Science degree in Management **and a Master's** degree in Business Administration. She completed the Management Development Program of the Asian Institute of Management. She joined CEMEX Philippines in 2007 as a Planning Analyst and supported key projects of CEMEX Philippines and other operations in Asia. In 2013, she was promoted to Energy Manager. On July 24, 2018, she was appointed by the Board of Directors to serve as Energy Director. Ms. Gayem is a member of the Board of Directors of the following subsidiaries: 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. and Ecocrete, Inc.

*Edwin P. Hufemia.* 49 years old, Filipino. 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 Company's** Vice President for Supply Chain. He is also a member of the Board of Directors of the following subsidiaries—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 (the majority stockholder 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.

*Roberto Martin Z. Javier.* 46 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 Company's** Vice President for Commercial and, on October 24, 2017, he assumed the new position of Vice President for Commercial—Institutional Segment. He is also a member of the Board of Directors of the following subsidiaries: 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 (the majority stockholder of the Corporation) and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up.

*Erlinda Cari Lizardo*, 54 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 CEMEX, 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.

*Everardo Sánchez Banuet*. 47 years old, Mexican citizen. Everardo Sánchez Banuet, holds a **Bachelor's** degree in Electronic **Engineering and Master's Degree in Electronics and** Telecommunications and obtained an MBA specializing in Global eManagement. Mr. Sánchez joined CEMEX in 1998 and assumed key positions in operations, planning and commercial areas. In 2011, he assumed the position of Director of Distribution Channel Development for **CEMEX's** operations in Mexico and later took on the role of Director of Commercial Development - Builders Segment. In 2016, he was promoted to Vice President for Commercial and Logistics of CEMEX Egypt. On January 30, 2019, the Board of Directors appointed Mr. Sanchez as Vice President for Commercial (Distribution Segment) effective on February 15, 2019.

*Dino Martin W. Segundo*. 49 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 in 2007 as Senior Legal Manager and currently serves as the **Company'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: 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 (the majority stockholder of the Corporation) and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up.

*Jannette Virata Sevilla*. 58 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 various subsidiaries. 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 (the majority stockholder of the Corporation) and Cemex Strategic Philippines, Inc., an affiliate of the Corporation which is in the process of winding-up.

*Juan Carlos Soto Carbajal*. 45 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 **Company's** Procurement Director effective on January 30, 2019.

*Rolando S. Valentino*. 46 years old, Filipino citizen. Rolando S. Valentino is a certified public accountant and a certified enterprise-wide risk manager. He obtained a Master of Business Administration in 2016 and holds a Bachelor of Science degree in Accountancy. In 1995, Mr. Valentino worked as an associate with Punongbayan and Aurullo (Grant Thornton International) before joining Solid Cement in 1997. Throughout his career of over 20 years with CEMEX, Mr. Valentino held various positions in Accounting, Process and Continuous Improvement, Logistics, Internal Control, and Risk Management. In 2011, he was appointed Regional Internal Control Manager for the CEMEX Philippines group of companies. Mr. Valentino has received management training from the Asian Institute of Management (honorable mention) and in 2015, he obtained his CERM certification from Asia Risk Management Institute—Singapore. He is a member of the Institute of Internal Auditors—Philippines. In 2015, Mr. Valentino was appointed Regional Internal Control and Risk Manager for the CEMEX Philippines group of companies. Mr. Valentino serves as the Internal Auditor of the Corporation, a position he has held since August 24, 2016.

*Steve Kuansheng Wu*. 54 years old, Taiwan 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 also Treasurer, Chief Financial Officer and Business Services Organization Director of the various subsidiaries of the Corporation, Cemex Asian South East Corporation (the majority stockholder of the 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 2, 2021, the relevant Nomination Period was from March 18, 2021 to April 16, 2021. This period was notified in the Corporation's Form 17-C dated February 10, 2021 and the Notice of Annual Stockholders' Meeting which were posted at the PSE Edge on February 11, 2021. 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 2021-2022:

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. Ignacio Alejandro Mijares Elizondo
6. Alejandro Garcia Cogollos
7. Antonio Ivan Sanchez Ugarte
8. Maria Garcia Villan

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 March 30, 2021 signed by CASEC’s President Mr. 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. A background of the nominees who are incumbent directors are found in the previous section (Refer to pages 7 to 10).

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 the nominating stockholder, the Corporation, or any of their respective Subsidiaries or Affiliates, and do not have any relationship with 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: Alfredo S. Panlilio (Chairman), Pedro Roxas, Eleanor M. Hilado and Antonio Ivan Sanchez. The Board of Directors, during its meeting held on April 23, 2021 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 hereof, respectively. The Certification of the Corporate Secretary pertaining to non-affiliation with government offices is attached as Annex B-4 hereof.*

## (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 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 2020 Annual Report (SEC Form 17-A) for year ending 2020 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, 2020 and 2019 (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, 2020, 2019 and 2018) in the accompanying 2020 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, 2020 and 2019 (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, 2020, 2019 and 2018) 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 2020.

(6) Parent Company

As of March 31, 2021, CEMEX ASIAN SOUTH EAST CORPORATION owns 77.84 % of the outstanding voting shares of the Corporation.

(7) Resignation of Directors

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

Members of the Board of Directors (only incumbent members as at end December 2020)	Date of Election [initial date / re-election date(s)]	No. of Board Meetings Held during the <b>Director's</b> effective tenure in 2020	No. of Board Meetings Attended
Sergio Mauricio Menendez Medina (Chairman)	2 April 2020/24 June 2020	6	4
Pedro Roxas (Lead Independent Director)	3 June 2016 /7 June 2017/ 6 June 2018/ 9 June 2019/ 24 June 2020	8	8
Alfredo S. Panlilio (Independent Director)	3 June 2016 /7 June 2017/ 6 June 2018/ 6 June 2019/24 June 2020	8	7

Eleanor M. Hilado (Independent Director)	6 June 2019/24 June 2020	8	8
Ignacio Alejandro Mijares Elizondo	4 July 2017/6 June 2018 / 6 June 2019/ 24 June 2020	8	8
Alejandro Garcia Cogollos	25 April 2018/ 6 June 2019/ 24 June 2020	8	8
Antonio Ivan Sanchez Ugarte	6 December 2017 (effective on 1 January 2018)/ 6 June 2018/6 June 2019/ 24 June 2020	8	8
Maria Garcia Villan	2 December 2020	N/A	N/A

Members of the Audit Committee (only incumbent board members as at end December 2020)	No. of Audit Committee Meetings Held during the <b>Member's</b> tenure in 2019	No. of Committee Meetings Attended
Pedro Roxas (Chairman)	6	6
Alfredo S. Panlilio	6	5
Eleanor M. Hilado	6	6
Maria Garcia Villan	N/A	N/A

Members of the Nomination Committee (only incumbent board members as at end December 2020)	No. of Nomination Committee Meetings Held during the <b>Member's tenure in 2020</b>	No. of Committee Meetings Attended
Alfredo S. Panlilio (Chairman)	3	3
Pedro Roxas	3	3
Eleanor M. Hilado	3	3
Alejandro Garcia Cogollos <sup>3</sup>	2	2
Antonio Ivan Sanchez Ugarte <sup>4</sup>	1	1

Members of the Board of Directors along with principal executive officers of the Corporation attended corporate governance seminars in 2020 that were conducted on-line by third-party accredited service-providers. Pedro Roxas and Alfredo S. Panlilio attended corporate governance seminar on September 25, 2020. Sergio Mauricio Menendez Medina, Eleanor M. Hilado, Ignacio Alejandro Mijares Elizondo and Alejandro Garcia Cogollos with principal executive officers of the Corporation (and other senior management of the Corporation) attended corporate governance seminars on November 23 and November 27, 2020, respectively.

#### 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 Php 450,000.00 (computed on an annual basis) for acting as director and (ii) an honorarium fee/per diem equivalent to Php 90,000.00 (computed on an annual

<sup>3</sup> In 2020, Alejandro Garcia Cogollos was a member of the Nomination Committee for the period beginning 2020 until the Annual Stockholders' Meeting which was held on June 24, 2020.

<sup>4</sup> Antonio Ivan Sanchez Ugarte was appointed as a member of the Nomination Committee during the Organizational Meeting of the Board of Directors which was held on June 24, 2020.



basis) per Committee membership. The other members of the Board 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.

For fiscal year 2020, 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	0
5. Ignacio Alejandro Mijares Elizondo	0
6. Alejandro Garcia Cogollos	0
7. Antonio Ivan Sanchez Ugarte	0
8. Maria Garcia Villan	0
9. Joaquin Miguel Estrada Suarez (former Board Chairman whose resignation took effect on March 27, 2020)	0
10. Larry Jose Zea Betancourt (former Board member whose resignation took effect on October 26, 2020)	0
GRAND TOTAL	₱ 1,890,000.00

#### Other Arrangements

There are no other arrangements pursuant to which any of the Corporation's 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 <sup>5</sup> (in millions of Philippine Pesos)	Other Compensation (in millions of Philippine Pesos)
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo (current President and CEO), Pedro Jose Palomino (former President and CEO who resigned during the 3 <sup>rd</sup> quarter of 2017) 2. Paul Vincent Arcenas Investor Relations Officer and Vice President for Communications, Marketing and	Actual 2017	₱50.5	₱29.4	₱32.6

<sup>5</sup> Bonus includes the value of benefits received in connection with variable compensation or long-term incentive plans applicable to eligible executives.

Investor Relations 3. Edwin P. Hufemia Vice President for Supply Chain 4. Hugo Losada Barriola Vice President for Strategic Planning 5. Maria Virginia Ongkiko Eala Vice President for Human Resources				
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo President and CEO 2. Arturo Manrique Ramos Vice President for Cement Operations & Technical 3. Edwin P. Hufemia Vice President for Supply Chain 4. Antonio Desmay Jimenez Procurement Director 5. Steve Kuan-Sheng Wu BSO Director	Actual 2018	₱56.4	₱27.0	₱42.2
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 & Admin. 5. Irma Aure - Vice President for Human Resources & Capital Organization	Projected 2021	₱ 60 estimated	₱ 35.6 estimated	₱ 21.3 estimated
All other executive officers as a group unnamed.	Actual 2017	₱36.5	₱6.9	₱15.9
	Actual 2018	₱61.4	₱20.5	₱30.25
	Actual 2019	₱65.9	₱18.9	₱24.38
	Actual 2020	₱ 65.9	₱ 18.1	₱ 17
	Projected 2021	₱ 63 estimated	₱ 18.4 estimated	₱ 18.7 estimated

Certain executive officers of the Corporation or its subsidiaries have received compensation in the form of CEMEX's CPOs<sup>6</sup> 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, 2021, 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 2021 of the Corporation's CEO and NEOs.

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

The above named Principal Executive Officers 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 or external auditor of the Corporation (and its Philippine subsidiaries) is R.G. Manabat & Co. (the "Firm") with Ms. Emerald Anne C. Bagnes as the signing audit partner. Ms. Bagnes has been the signing partner since 2015.

The Firm and Ms. Bagnes 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.

The Board of Directors, upon the favorable endorsement of the Audit Committee, nominated R.G. Manabat & Co. as the external auditor of the Corporation for fiscal year 2021, with Mr. Enrico E. Baluyut as the new signing audit partner. Mr. Baluyut has existing and valid Certificates of Accreditations issued by PRBOA and the Philippine SEC under the Group A category. The change in the signing partner is consistent with Article 6 (A)(v) of CHP's Revised Manual of Corporate Governance which provides that either (i) the external auditor shall be rotated or changed every five (5) years or earlier or (ii) the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency.

---

<sup>6</sup> 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".

At the Annual Meeting of Stockholders, the stockholders will appoint the Corporation's **external auditor** for fiscal year 2021. The Audit Committee and the Board of Directors will recommend and endorse to the stockholders the accounting firm of R.G. Manabat & Co. to be appointed as the Corporation's **external auditor** of the Corporation for fiscal year 2021. In the event that the Firm's re-appointment is approved, the Firm will assign Mr. Enrico E. Baluyut as the new signing partner to lead the audit of the Corporation's financial statements beginning fiscal year 2021.

The representatives of the Firm are expected to be present at the Annual Meeting of Stockholders and will be available to respond to appropriate questions with respect to matters for which their services were engaged.

Since the 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.

The fees billed for professional services rendered to the Corporation by the Firm (exclusive of out-of-pocket expenses) consisted of the following:

Nature of Work	2020	2019	2018	2017
(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	₱6,100,700
(a)(2) Other audit-related services	₱6,748,000	₱4,095,000	₱2,469,000	₱2,619,000
(b) Tax Fees or other non-audit related services (eg. for tax accounting, compliance, advice, planning and other form of tax services)	0	0	0	₱465,078

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 3<sup>rd</sup> 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.

During the meeting of the Audit Committee held on October 23, 2019, after due discussion with the external auditor, the Audit Committee approved the external auditor's audit plan and strategy for fiscal year 2020. During the meetings of the Audit Committee held on July 24, 2020 and April 7, 2021, the Audit Committee reviewed and approved the fees of the external auditor for statutory audit and other audit-related work in 2020. Further to the favorable endorsement of the Audit Committee, the Board of Directors approved on April 7, 2021 the audited 2020 financial statements of the Corporation (consolidated and separate).

The current members of the Audit Committee of the Corporation are the following: Pedro Roxas (Chairman), Alfredo S. Panlilio, Eleanor M. Hilado and Maria Garcia Villan.

#### 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 2020 Annual Report (SEC Form 17-A) is attached as Annex D hereof and the Audited Financial Statements for 2020 consisting of the following financial statements are attached as Annex E hereof:

(i) audited consolidated financial statements of the Corporation for 2020, consisting of the audited consolidated financial statements of the Corporation and its subsidiaries (with consolidated statements of financial position as at December 31, 2020 and 2019, and consolidated comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020, 2019 and 2018); and

(ii) the audited separate financial statements of the Corporation (with separate statements of financial position as at December 31, 2020 and 2019, 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, 2020 and 2019).

The Corporation's **SEC Form 17-Q** (Quarter Report for the 1<sup>st</sup> Quarter 2021) including its interim unaudited consolidated financial statements for the 1<sup>st</sup> Quarter 2021 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 24, 2020 (“2020 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/97190577320>. 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/investors/shareholders-meetings>. A copy of the draft Minutes of the Stockholders’ **Meeting held on** June 24, 2020 is attached as Annex C hereof.

The draft Minutes of the 2020 AMS contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions 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 2020 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., May 22, 2020) who registered for this meeting on or before June 19, 2020\_(at 5:00pm) were considered in the computation of **stockholders’ attendance**. Stockholders who timely registered for this annual meeting held a total of 10,669,093,398 common shares of the Corporation, representing approximately 79.09% of the total issued and outstanding shares of stock of the Corporation, and were therefore considered as present or represented in the 2020 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 - JUNE 19, 2020. A sample voting ballot/proxy form was included in the Definitive Information Statement for the 2020 AMS. The Corporation engaged the services of R.G. Manabat & Co to review and validate the tabulation of votes which were cast for the various agenda **items for today’s meeting**.

All members of the Board of Directors were present during the 2020 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 Garcia Cogollos - Director (Vice President for Planning and Administration)
7. Antonio Ivan Sanchez Ugarte - Director
8. Larry Jose Zea Betancourt - 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 2020 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. Adrian V. Bancoro - Tax Director
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. Kristine G. Gayem - Energy Director
11. Dino Martin W. Segundo - Legal Director and Assistant Corporate Secretary
12. Pierre Ignatius C. Co., Investor Relations Director
13. Jannette Virata Sevilla - Corporate Secretary and Compliance Officer

The matters presented for approval during the 2020 AMS are summarized as follows:

(i) approval of the minutes of the Annual Meeting of Stockholders held on June 6, 2019 and the minutes of the Special Meeting of Stockholders held on October 16, 2019 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,666,499,780	79.07%
2. No/Against	0	
3. Abstain	0	
Total Votes Cast	10,666,499,780	79.07%

(ii) approval of the Annual Report (SEC Form 17-A) and audited financial statements as of 31 December 2019 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,656,470,793	79.00%
2. No/Against	5,496,367	nil
3. Abstain	4,532,620	nil
Total Votes Cast	10,666,499,780	79.07%

(iii) ratification of actions of the Board of Directors and Management since June 6, 2019 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,656,470,793	79.00%
2. No/Against	5,496,367	nil
3. Abstain	4,532,620	nil

Total Votes Cast	10,666,499,780	79.07%
------------------	----------------	--------

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

NOMINEE (in alphabetical order by surname)	No. of Votes Yes/For	No. of Votes No/Against	No. of Votes Abstain
1. Alejandro Garcia Cogollos	10,661,003,413	5,496,367	0
2. Eleanor M. Hilado	10,666,499,780	0	0
3. Sergio Mauricio Menéndez Medina	10,646,335,357	20,164,423	0
4. Ignacio Alejandro Mijares Elizondo	10,646,335,357	20,164,423	0
5. Alfredo S. Panlilio	10,259,520,609	406,979,171	0
6. Pedro Roxas	10,554,673,885	111,825,895	0
7. Antonio Ivan Sanchez Ugarte	10,646,335,357	20,164,423	0
8. Larry Jose Zea Betancourt	10,646,335,357	20,164,423	0

(v) appointment of the accounting firm of R.G. Manabat & Co. as external auditor of the Corporation for the fiscal year 2020 - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,661,003,413	79.03%
2. No/Against	5,496,367	nil
3. Abstain	0	0
Total Votes Cast	10,666,499,780	79.07%

(vi) approval of the amendments to Sections 4, 5, 7 and 8 of Article II and Section 2 of Article III of the Amended By-Laws of the Corporation<sup>7</sup> - the details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,666,499,780	79.07%
2. No/Against	0	0
3. Abstain	0	0
Total Votes Cast	10,666,499,780	79.07%

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”). Questions were read out by the Moderator and responded to during the Q&A session scheduled at the end of the meeting. Stockholders were informed that questions or comments which could not be taken up during the 2020 AMS would be answered or responded to directly by the Corporation’s Investor Relations group. During the meeting, only one stockholder submitted a question, inquiring about how the Corporation can differentiate itself, or what is its competitive advantage, from other cement companies or brands like Eagle Cement, Holcim, and PHINMA Philcement. The President, Mr. Mijares, responded by highlighting some of the strengths of the organization which he believes underscore its competitive advantage: (i) we possess strong brands that are highly recognized in our markets, (ii) our footprint encompasses some of the fast-growing markets in the country, (iii) our strategy has been on not only reaching wholesalers or large distributors, but also servicing directly retailers; (iv) we are focused on providing the best possible experience for our customers and have been leveraging on digital technology as discussed in the President’s Report, (v) we are a member of the CEMEX global network which allows us to find opportunities to realize efficiencies in our business (such as sourcing

<sup>7</sup> The Securities and Exchange Commission issued its Certificate of Filing of Amended By-laws dated 13 October 2020 with the approved version of the Amended By-Laws of the Corporation.



of fuel, alternative fuels and other raw materials) and to benefit from the aspiration of a CEMEX global sustainability framework, and (vi) the proven ability of our team to adapt and overcome challenges that affect its business.

(b) 2020 Annual Report (SEC Form 17-A) and the Audited Financial Statements for 2020

Attached as Annex D hereof is the Corporation's 2020 Annual Report (SEC Form 17-A). Attached as Annex E hereof are the Audited Financial Statements for 2020 consisting of the following financial statements:

(i) audited consolidated financial statements of the Corporation for 2020, consisting of the audited consolidated financial statements of the Corporation and its subsidiaries (with consolidated statements of financial position as at December 31, 2020 and 2019, and consolidated comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020, 2019 and 2018); and

(ii) the audited separate financial statements of the Corporation for 2020 (with separate statements of financial position as at December 31, 2020 and 2019, 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, 2020 and 2019).

Attached as Annex F hereof is the Corporation's **SEC Form 17-Q** (Quarter Report for the 1<sup>st</sup> Quarter 2021) including its interim unaudited consolidated financial statements for the 1<sup>st</sup> Quarter 2021.

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 24, 2020

The matters for stockholders' ratification are all acts of the Board of Directors and Management since the last meeting of stockholders on June 24, 2020 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:

Date of Meeting of the Board of Directors	Approved Transactions
24 June 2020	Election of Chairman of the Board of Directors
	Designation of Lead Independent Director
	Election of members of the Audit Committee and the Nomination Committee
	Election/appointment of principal executive officers
	Approval of <b>CHP's</b> Sustainability Report for 2019
	Re-affirmation of the updated list of authorized representatives of CHP in respect of the 7-year <i>Senior Unsecured Peso Term Loan</i> in the amount of up to the Philippine peso equivalent of United States Dollars: Two Hundred and Eighty Million (US\$ 280,000,000.00) contemplated under and in connection with the Facility Agreement with BDO Unibank, Inc. dated 1 February 2017 ( <i>as from time to time amended and/or supplemented</i> ),
27 July 2020	Approval of the condensed interim unaudited financial statements of CHP for the period ended 30 June 2020 and Authority to finalize SEC Form 17-Q (2 <sup>nd</sup> Quarterly 2020 Report) for the period ended 30 June 2020
	<b>Approval of CHP's</b> Integrated Annual Corporate Governance Report for 2019
	Approval of updated lists of signatories and authorized representatives in connection with transactions for or with (i) BDO Unibank-TBG Products and Services, (ii) PAG-IBIG, (iii) SSS, (iv) Asia United Bank Employee Loan Program, (v) Bureau of Immigration and (vi) Department of Labor and Employment
26 October 2020	Approval of the condensed interim unaudited financial statements for the period ended 30 September 2020 and Authority to finalize SEC Form 17-Q (3 <sup>rd</sup> Quarterly 2020 Report) for the period ended 30 September 2020
	Acceptance of the resignation of Mr. Larry Jose Zea Betancourt as member of the Board of Directors and Audit Committee of CHP
	No objection to the novation of following related-party agreements: 1. the change in counterparty in the intellectual property agreement of Cemex Asia Research AG with CRG to <i>Cemex Innovation Holding Ltd.</i> ; 2. the transfer of deposit agreements of <b>CHP's</b> non-Philippine subsidiaries (i.e., Cemex Asia Research AG and Falcon Re Ltd) with Lomez International B.V. (" <b>Lomez</b> ") to <i>Cemex Innovation Holding Ltd.</i> ; and 3. the transfer of deposit agreements of <b>CHP's Philippine</b> subsidiaries (i.e., APO Cement, SOLID Cement and Edgewater Ventures Corporation) with Lomez to <i>Cemex Innovation Holding Ltd.</i>
	Approval to increase <b>CHP's guarantees issued in favor of</b> Citibank for the benefit of its subsidiaries, APO Cement Corporation and SOLID Cement Corporation, under their respective Supplier Financing Programs with Citibank, <i>up to an estimated aggregate coverage of US\$22Million</i>
	Approval for the issuance by CHP of new guarantees in favor of Citibank in connection <b>with the subsidiaries'</b> respective documentary lines of credit (trade and other commercial transactions) with Citibank, <i>up to an estimated aggregate coverage of US\$19Million.</i>
	No objection to the diesel fuel hedge strategy for APO Cement Corporation and SOLID Cement Corporation for 2021 and 2022

	Approval of updated list of signatories and authorized representatives in connection with transactions with PLDT Group of Companies and Globe Telecom Group
2 December 2020	Election of Ms. Maria Garcia Villan as a member of the Board of Directors and Audit Committee, effective immediately and for the unexpired term of Mr. <b>Zea's</b> directorship
	<b>Confirmation of Management's proposed 2021 EBITDA Budget for CHP</b>
	Confirmation of <b>Management's</b> proposed roadmap for the use of alternative fuel resources
	Engagement of the Institute of Corporate Directors to conduct the board/committee performance assessment of CHP for 2020
	Authorizations relating to SEC Memorandum Circular No. 28, series of 2020, pursuant to which the Corporation designated its official and alternate electronic (e-mail) addresses and cellular phone/mobile numbers of the Corporation that shall be utilized for the specific purposes provided under such circular
10 February 2021	Confirmation of <b>Management's</b> updated 2021 EBITDA Budget for CHP
	Approval of the Internal Audit Plan for 2021
	Approval of details for the Annual Meeting of Stockholders of the Corporation for 2021 (" <b>2021 AMS</b> ") scheduled on 2 June 2021 (being the first Wednesday of June based on the Corporation's Amended By-laws): (i) 2021 AMS to be conducted online via remote communication on 2 June 2021 beginning at 3:00pm (ii) the <i>Record Date</i> for the 2021 AMS is April 30, 2021 (iii) the <i>nomination period</i> for individuals who shall stand for election as members of the Board of Directors during the 2021 AMS will be from March 18, 2021 to April 16, 2021 (by 5:00pm) (iv) Meeting Agenda: 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 24, 2020 4. Presentation of the Report of the President & Chief Executive Officer 5. Approval of the Annual Report (SEC Form 17-A) for 2020 and the Audited Financial Statements as of December 31, 2020 6. Ratification and Approval of the Acts of the Board of Directors and Management since the Annual Meeting of Stockholders held on June 24, 2020 7. Election of the Members of the Board of Directors (including the independent directors) 8. Appointment of External Auditor of the Corporation for the year 2021 9. Consideration of other matters that may be properly brought before the AMS 10. Adjournment (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 2021 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 to implement such other actions as may be necessary or appropriate for the conduct the 2021 AMS, in a manner consistent with applicable law and rules and regulations

	of the SEC
	Approval of updated lists of signatories and authorized representatives in connection with transactions for or with (i) BDO Unibank-TBG Products and Services, (ii) PAG-IBIG, (iii) SSS, and (iv) Asia United Bank Employee Loan Program
7 April 2021	Approval of the consolidated and separate audited financial statements of the Corporation for 2020
	Confirmation of the fees for services rendered by external auditor R.G. Manabat & Co (KPMG) in connection with statutory audit work and other audit-related work in 2020
	Approval of the <b>Corporation's SEC</b> Form 17-A (Annual Report) with the Sustainability Report for the year ended December 31, 2020, 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
	Nomination of R.G. Manabat & Co. as External Auditor for 2021 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 2021, subject to results of any further negotiation by Management
	Authorizations relating to SEC Memorandum Circular No. 3, series of 2021, designated the representatives of the Corporation in respect of the filing of reportorial requirements with the SEC through the Online Submission Tool
	Approval of lists of signatories and authorized representatives in connection with transactions relating to: (i) enrollment and use of SEC Online Submission Tool, (ii) BDO Unibank Inc. - stock transfer agent services; (iii) BDO Unibank Inc.-TBG Products and Services, (iv) use of computerized accounting system
23 April 2021	Approval of the condensed interim unaudited financial statements for the period ended 31 March 2021 and Authority to finalize SEC Form 17-Q (1 <sup>st</sup> Quarterly Report) for the period ended 31 March 2021
	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
	Approval of list of signatories and authorized representatives in connection with the application with BIR for Permit to Print and transactions with Asalus Corporation (INTELLICARE) and Mind You
	Process for Finalization of I-ACGR for 2020

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 2021

## 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 2020 and the audited financial statements for 2020 (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 24, 2020, and the appointment of the external auditor of the Corporation for the fiscal year 2021.

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 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 AND FOR VOTING THROUGH REMOTE COMMUNICAITON OR 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, 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 AND FOR VOTING THROUGH REMOTE COMMUNICATION OR 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 26, 2021 EITHER (i) BY HAND DELIVERY OR MAIL AT THE 34<sup>TH</sup> FLOOR, PETRON MEGA PLAZA BUILDING, 358 SEN. GIL J. PUYAT AVENUE, MAKATI CITY OR (ii) BY EMAIL SENT TO [chp.corporatesec@cemex.com](mailto: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 presented in the circulated questionnaires. The members of the Board of Directors and board committees completed their internal assessments for 2018 and 2019. 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 and the committees**, the Corporation engaged the services of the Institute of Corporate Directors ("**ICD**") to perform the evaluation exercise which was conducted in January through February 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 CHP Board. The questionnaires are for the Board, the Committees, the Chairperson, and the Individual Directors. Meanwhile, the Individual Director Interviews allowed the directors to share his or her own insights, comments, and ideas on how the CHP Board 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 results of the evaluation exercise and recommendations of ICD were presented to and discussed with the Board of Directors during its meeting held on April 7, 2021.

### II. Dividends and Dividend Policy

The Corporation's Board of Directors is authorized to declare dividends only from our unrestricted retained earnings, and the Board may not declare dividends which will impair our capital. Dividends may be payable in either cash, shares or property, or a combination thereof, as the Board of Directors determines. 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 our subsidiaries, working capital needs and long-term capital expenditures of our subsidiaries, and regulatory

requirements on dividend payments, among others. In view of the Corporation's substantial long-term capital expenditure needs, which include the project cost for pursuing the expansion project of its SOLID Cement plant located in Antipolo City consisting of the installation of a 1.5 million metric tons per year integrated cement production line, and level of indebtedness of the Corporation, no dividends have been declared by the Board in 2020 and previous years, and dividends are not expected to be declared for the foreseeable 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 complies with 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 2020 CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE CORPORATION AND SEC FORM 17-Q (QUARTER REPORT FOR THE 1<sup>ST</sup> QUARTER 2021) WITH INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER OF 2021, 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 2020 ANNUAL REPORT (SEC FORM 17-A) AND SEC FORM 17-Q FOR 1<sup>ST</sup> QUARTER 2021 FREE OF CHARGE, EXCEPT FOR ANNEVES 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.  
34<sup>th</sup> Floor Petron Mega Plaza Building  
358 Sen. Gil J. Puyat Avenue  
Makati City, Metro Manila

[chp.corporatesec@cemex.com](mailto: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 7, 2021.

CEMEX HOLDINGS PHILIPPINES, INC.

By:

  
JANNETTE VIRATA SEYILLA  
Corporate Secretary



# MANAGEMENT REPORT

## PART 1: MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Corporation's consolidated financial condition and results of operations as at and for the years ended December 31, 2020, 2019, 2018 and 2017, 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. CHP is an indirect subsidiary of CEMEX, S.A.B. de C.V. ("CEMEX"), a company incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo León, Mexico.

The audited consolidated financial Statements of the Company and the audited separate financial statements of CHP for fiscal year 2020 are annexed as part of Annex E of this Information Statement.

### 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:

Segment	For the year ended December 31, 2020		For the year ended December 31, 2019	
	Amount*	%Revenue	Amount*	%Revenue
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 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 year 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.

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 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, 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. Movement 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 were attributable to lower outstanding loan balances and declining interest rates. The Company disbursed around ₱7.9 billion for the repayment of debt owed to CEMEX Asia, B.V., 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 revolving facility agreement between

Solid Cement and CEMEX Asia, B.V. 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 1 August 2016, CHP signed deposit agreements with Falcon Re Ltd. and CEMEX Asia Research A.G., respectively, in which the mentioned subsidiaries may deposit and withdraw the amount placed at any time and date, according to the conditions established in the deposit agreement. The agreements shall be valid and binding until August 1, 2021. The principal under the Falcon Re Ltd 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 CEMEX Asia Research A.G. deposit agreement was subject to an initial interest rate of 2.25%, which interest was subsequently increased to 2.5% per annum effective in July 2017 and then to 3% per annum starting March 2018.
- On November 21, 2018, Solid Cement signed a revolving facility agreement with CEMEX Asia, B.V. allowing Solid to withdraw in one or several installments a sum of up to U.S.\$75,000, which was amended on February 2019, increasing the facility to U.S.\$100,000. On November 28, 2019, further amendments were made to increase the facility to U.S.\$160,000. The agreement, which was subject to initial interest rate of 8.2%, bears an **interest based on the Company's leverage ratio. On January 3, 2020, the loan was redenominated from U.S.\$ to Philippine Peso at ₱51.09 exchange rate.** The loan amount was paid in full in March 2020.

#### *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 (loss) before income tax in 2020 and 2019, respectively.

#### *Net Profit (Loss)*

As a result of the abovementioned concepts, net profit (loss) 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 ₱4.3 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 Receivables*

Insurance premiums receivable, which amounted to ₱86.4 million and ₱437.0 million as at December 31, 2020 and December 31, 2019, respectively, is related to non-damage business interruption insurance receivable from third party insurance company. Premiums receivable represents premiums on written policies **which are collectible within the Company's credit term**. Claims from insurance amounted to ₱1.1 million and ₱8.5 million as at December 31, 2020 and December 31, 2019. Decrease was mainly from collection of December 31, 2019 premiums insurance receivables, net of unpaid premiums of insurance policies which were written during 2020. The 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 accounted for 0.1% of the total assets in 2020 and in 2019. Movements primarily refer to receivable 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. The Company entered an agreement with CEMEX to confirm that the company will bear all the risks and rewards arising out of the hedge contract that CEMEX has entered during 2020. Movement refers to mark-to-market valuation of the hedge instrument.

#### *Prepayments and Other Current Assets*

Other current assets amounted to ₱1.8 billion and ₱1.7 billion as at December 31, 2020 and December 31, 2019, respectively, which pertain primarily to prepayments of insurance, ₱628.6 million and ₱508.8 million, respectively, prepayment of taxes, ₱1,041.4 million and ₱645.0 million, respectively. Movement is 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.

#### *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 lower debt service reserve account from the **Company's supplemental agreement with BDO**. 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 year ended December 31, 2020 and for the year ended December 31, 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 year ended December 31, 2020 and December 31, 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 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 **Solid Cement's new production line 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 depletion of advances in line with the progress of the Solid Expansion 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 ₱4.2 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. Balance of payables 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 accounted for 0.5% 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. 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 Refinancing Loan 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, pertains to provision for asset retirement obligation.

*Common Stock*

As at December 31, 2020 and December 31, 2019, the total authorized capital stock 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 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 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**. 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 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:

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

\*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 attributable to higher sales volume, increased raw materials costs resulting from the September 2018 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%, of cost of sales in 2019, respectively, (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 year 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 one-off Naga landslide losses in 2018 amounting to ₱71.7 million. Lower *other expenses*, net in 2018 compared to 2017 was attributable to the one-off 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 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 attributable to higher debt level to fund our Solid Cement plant expansion 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 the CHP and its foreign subsidiaries; (b) revolving facility agreement between Solid Cement and CEMEX Asia, B.V.; and (c) appreciation of Philippine peso against U.S. dollar in 2019 from ₱52.58 exchange rate as at December 31, 2018 to ₱50.64 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 2020. 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 1 August 2016, CHP signed deposit agreements with Falcon Re Ltd. and CEMEX Asia Research A.G., respectively, in which the mentioned subsidiaries may deposit and withdraw the amount placed at any time and date, according to the conditions established in the deposit agreement. The agreements shall be valid and binding until August 1, 2021. The principal under the Falcon Re Ltd 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 CEMEX Asia Research A.G. deposit agreement was subject to an initial interest rate of 2.25%, which interest was subsequently increased to 2.5% per annum effective in July 2017 and then to 3% per annum starting March 2018.



- On February 1, 2017, CHP signed a senior unsecured peso long-term loan facility with BDO Unibank, Inc. (“BDO”) for an amount of up to the Philippine Peso equivalent of U.S.dollar 280 million (“BDO Refinancing Loan”), to refinance a majority of CHP’s outstanding long-term loan facility with New Sunward Holding B.V. (“NSH”), a subsidiary of CEMEX. During the first quarter of 2017, the foregoing long-term loan with NSH was fully repaid.
- On November 21, 2018, Solid Cement signed a revolving facility agreement with CEMEX Asia, B.V. allowing Solid to withdraw in one or several installments a sum of up to U.S.\$75,000, which was amended on February 2019, increasing the facility to U.S.\$100,000. On November 28, 2019, further amendments were made to increase the facility to U.S.\$160,000. The agreement, which was subject to initial interest rate of 8.2%, bears an interest based on the Company’s leverage ratio.

#### *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. These 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 due to 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. These 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 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 Receivables*

Premiums receivable, which amounted to ₱437.0 million, ₱604.9 million and nil as at December 31, 2019, 2018 and 2017, respectively was related to non-damage business interruption insurance receivable from third party insurance company. Premiums receivable represents premiums on **written policies which are collectible within the Company's credit term.**

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 September 2018 Naga Landslide.

Insurance claims and premium receivables 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 September 2018 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 accounts receivables 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. These 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. Inventories accounted for 5.1%, 6.0% and 6.0% of the total assets as at December 31, 2019, 2018 and 2017, respectively.

Decline of 13.6% in 2019 from 2018 was mainly attributable to ₱0.6 billion decline in materials and spareparts while the increase of 7.1% in 2018 from 2017 was attributable mainly to ₱0.4 billion increase in inventory in transit.

#### *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 prepayments of insurance, ₱508.8 million, ₱529.8 million and ₱542.7 million, respectively, and prepayment of taxes, ₱645.0 million, ₱525.3 million and ₱548.9 million, respectively, and advances to suppliers, ₱367.8 million, ₱444.9 million and ₱116.8 million, respectively. These 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 which caused the decline 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. These 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 debt service reserve account with BDO.

#### *Advances to Contractors for Plant Construction*

In November 2018, the Company made a downpayment to a third party for the construction and **installation of Solid's new production line** and is presented under noncurrent assets in the consolidated statements of financial position amounting to \$40.7 million (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. These 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 depletion of advances in line with the progress of the Solid Cement plant expansion 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 Solid Cement plant expansion 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.

Property, machinery and equipment and assets for the right-of-use 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 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*

**As of December 31, 2019, the Company's goodwill** arose from the business combinations when CHP acquired its subsidiaries. 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 related to purchases of raw materials and other goods, and services provided by third parties. These 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 attributable to longer payment terms with suppliers, purchase of imported clinker and cement due to the September 2018 Naga Landslide landslide, and costs related to the initial stages of SOLID Cement plant expansion 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. Balance of payables 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 in revolving facility agreement of the Company with CEMEX Asia, B.V.

#### *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. These accounted for 0.5%, 0.6% and 0.8% of the total liabilities and equity as at December 31, 2019, 2018 and 2017, respectively.

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.

#### *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 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 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 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 CHP's unsecured peso long-term facility with BDO Unibank, Inc. 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 unamortized basis, was deducted from the total loan liability as at December 31, 2019, 2018 and 2017, respectively. Short-term portion of the bank loans amounted to ₱140.1 million each 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 authorized capital stock 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 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. These 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 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, 2020, the Company sets 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, 2020, 2019, 2018 and 2017.

Key Financial Indicators	Formula	2020	2019	2018 (As restated)	2017 (As restated)
Current Ratio	Current Asset/Current Liabilities	1.4 : 1	0.7 : 1	0.8 : 1	0.9 : 1
Solvency Ratio	Profit + Depreciation and Amortization/Total Liabilities	0.2 : 1	0.1 : 1	0.0 : 1	0.1 : 1
Net debt to Equity Ratio	Debt*/Total Equity	0.3 : 1	0.9 : 1	1.0 : 1	0.8 : 1
Asset to Equity Ratio	Total Assets/Total Equity	1.5 : 1	2.0 : 1	2.0 : 1	1.8 : 1

\*The debt is net of cash and cash equivalents.

Key Financial Indicators	Formula	2020	2019	2018 (As restated)	2017 (As restated)
Interest	Operating income before other income		1.9 : 1	1.4 : 1	2.1 : 1

Key Financial Indicators	Formula	2020	2019	2018 (As restated)	2017 (As restated)
Rate Coverage Ratio	(expenses) - net/ interest	3.6 : 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 December 31, 2020, 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 liquidity management program pursuant to which it invests excess liquidity and has certain flexibility to undertake borrowings (intragroup or with CEMEX) 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 2021

The Company has budgeted for 2021 about ₱7,030 million for capital expenditures and investments which substantially consist of the following: ₱1,350 million - maintenance and other CAPEX and ₱5,680 million - Solid Cement's new cement production line. The Company expects to fund these capital expenditures through the use of proceeds raised during the Stock Rights Offering conducted in January 2020 and revenue or cashflow from operations.

#### BANK LOAN

On February 1, 2017, CHP signed a Senior Unsecured Philippine peso Term Loan Facility with BDO Unibank, Inc. (BDO) for a loan amount of up to the Philippine peso equivalent of US\$280 million, the proceeds of which were applied to refinance its borrowings from New Sunward Holding B.V., which is an indirect subsidiary of CEMEX. 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, entered into a supplemental agreement to the facility agreement with BDO pursuant to which it was agreed that (i) the commencement date for compliance with certain financial covenants under the facility agreement would be in June 2020; (ii) debt service reserve accounts were created; and (iii) additional debt incurrence restrictions 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 Operating EBITDA (as defined in the facility agreement) and is measured by dividing Operating EBITDA by the financial expense for the last twelve months as of the calculation date. On December 14, 2018, the Company and BDO entered into another supplemental agreement to the facility agreement that provides an option, only for certain potential events of default under the facility agreement, for the Company's ultimate parent company, CEMEX or any of CEMEX's subsidiaries which is not a direct or indirect subsidiary of the Company, to pay all amounts outstanding under the facility agreement before they become due and payable prior to their maturity in certain events.

On May 15, 2019, CHP entered into an agreement with BDO to amend further the facility agreement to, among others, (i) conform the facility agreement with certain changes required due to PFRS 16

taking effect as of January 1, 2019, (ii) exclude from certain financial covenants in the facility agreement any principal and interest from certain subordinated loans and advances incurred in relation with the new cement line being built by Solid Cement that have been made or are to be made to CHP or its subsidiaries by any subsidiary of CEMEX, and (iii) allow for certain loans taken by CHP and its subsidiaries with any CEMEX subsidiary to be paid with proceeds from any equity fundraising activity conducted by us without having to pay a prepayment fee to BDO under the facility agreement. On June 30, 2020, CHP reached an agreement with BDO further amending their facility agreement so that CHP is required to comply with certain financial covenants commencing on June 30, 2021.

None of the foregoing amendments and supplements has the effect of increasing the debt level, maturity date, or interest cost under the facility agreement.

As of December 31, 2020, CHP is in compliance with the applicable restrictions and covenants of the facility agreement; however, CHP cannot give assurance that it will be able to comply with the restrictions and covenants contained in the said facility agreement, as supplemented. CHP may need to seek waivers, amendments and/or further supplement the facility agreement in the future. Even though CHP has been able to supplement the facility agreement in the past, there is no assurance that that any future waivers, amendments and/or supplements, if requested, will be obtained or entered into.

#### TREND, EVENTS OR UNCERTAINTIES AFFECTING RECURRING REVENUES AND PROFITS

The various measures imposed to date by the Philippine Government and those that will 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 coronavirus 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 actions to contain the virus or treat its impact, government policy, and how quickly and to what extent normal economic and operating conditions can resume. On March 27, 2021, the government announced that in order to slow down the surge in COVID-19 cases, stop further spread of COVID-19 variants, allow the health system to cope, and protect more lives, several cities and provinces (which included the Province of Rizal and Metro Manila) will be under enhanced community quarantine effective from March 29, 2021 until April 5, 2021. On April 3, 2021 the ECQ status was further extended to April 11, 2021 and, thereafter, revised to modified enhanced community quarantine until April 30, 2021.

The Company implemented, and continues to implement, strict hygiene protocols in all 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 of the COVID-19 Pandemic. The Company has undertaken and continues to explore temporary measures to address the adverse impact of the COVID-19 Pandemic on its workforce and operations with the objective of **re-aligning the organization's resources with the** evolving conditions in the different markets in which the Company operates. These measures include (but are not limited to) the reduction of plant production and inventory levels, the suspension, deferment or reduction in capital expenditures and budgeted operating expenses (including sales and administration expenses) and the implementation of changes in work-deployment schedules. 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 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, 2020, consolidated revenues decreased by 16% 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%, respectively, during the same period, because of reduced operations but also considering the strict control of expenditures. For the year ended December 31, 2020, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 pandemic amounting to ₱49.8 million presented under **“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 effects to meet the Company’s short-term obligations.**

Other than as disclosed elsewhere in this Management Report, CHP’s 2020 Annual Report (SEC Form 17-A) or CHP’s 2020 Consolidated Financial Statements, the Company is not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2020 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 2020 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., which in turn is indirectly owned by CEMEX, S.A.B. de C.V. (“CEMEX”), a company incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, 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 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 Corporation (“APO Cement”) and Solid Cement Corporation (“Solid Cement”), are involved in the production, marketing, distribution and sale of cement and other cement products 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. (in addition to CEMEX Asia B.V.’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 40% 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 ₱5,195,395,454 divided into 5,195,395,454 Common Shares with par value ₱1.00 per share, of which 5,195,395,454 Common Shares are issued and fully paid-up, to ₱18,310,395,454 divided into 18,310,395,454 Common Shares with a par value of ₱1.00 per share. This increase was 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 the company's** authorized capital stock.

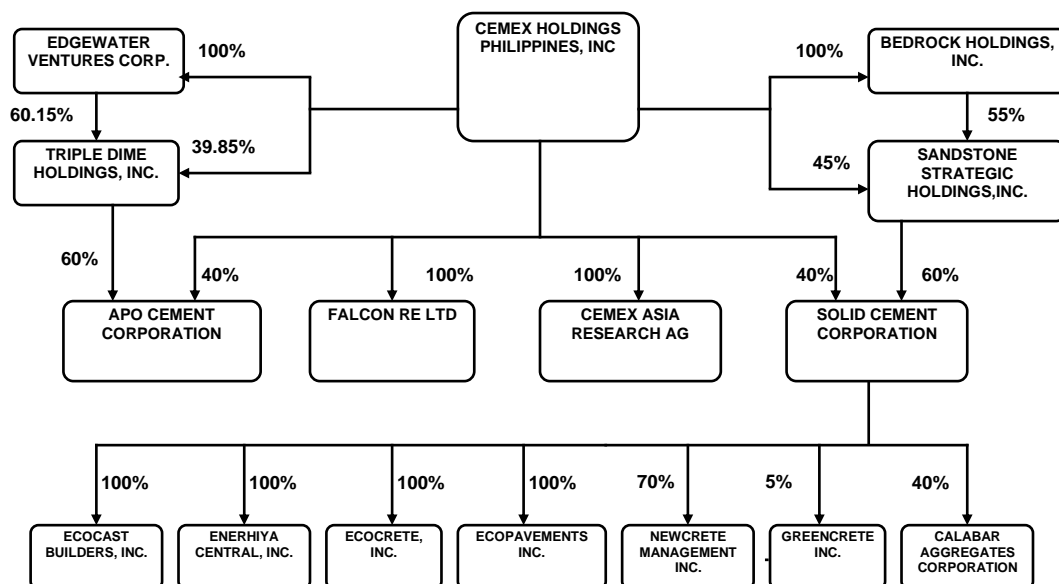
On January 6, 2020, CHP announced that the Stock Rights Offering would involve the offer of 8,293,831,169 common shares with a par value of par value ₱1.00 per share (the "Rights Shares") at an offer price of ₱1.54 per Rights Share that would be issued from CHP's **increased ACS**. The proceeds from the Stock Rights Offering would be used primarily to fund the expansion of Solid Cement's **plant, including** (i) 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 Cemex Asia B.V. ("CABV")**, as the lender, which facility agreement has been used primarily but not exclusively to fund the Solid Cement plant expansion project, including (ii) 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 (the successor to CEMEX Hungary KFT), and for other general corporate purposes.

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 27 February 2020, the SEC approved the CHP's **application for increase of ACS** and on 4 March 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** authorized capital stock, CHP's **issued and outstanding shares totaled 13,489,226,623 common** shares.

The following diagram provides a **summary of the Company's organizational and** ownership structure as of December 31, 2019:



(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. Solid Cement also owns a 100% equity interest in each of the following subsidiaries:

  - *Ecocast Builders, Inc. and Ecopavements, Inc.* Ecocast Builders, Inc. and Ecopavements, Inc. were each incorporated in the Philippines on October 16, 2014 to primarily provide its customers with materials and solutions for cement-intensive housing **and pavement projects, respectively. Ecopavement, Inc.'s Board of Directors confirmed plans to close the business operations of the company effective on December 31, 2017. During a joint special meeting of Ecopavements Inc.'s Board of Directors and Shareholders on August 31, 2018, the shortening of the corporate term of the Company to December 31, 2019 was approved.**
  - *Ecocrete, Inc.* Ecocrete, Inc. was incorporated in the Philippines on February 13, 2013 to primarily manufacture, develop and sell ready-mix concrete and other construction **related products materials. Ecocrete, Inc.'s Board of Directors confirmed plans to close the business operations of the company effective on December 31, 2017. During a joint special meeting of Ecocrete, Inc.'s Board of Directors and Shareholders on August 31, 2018, the shortening of the corporate term of the Company to December 31, 2019 was approved.**
- Falcon Re Ltd.* - Falcon Re Ltd. was incorporated in Barbados on May 9, 2016. CHP owns a direct 100% equity interest in Falcon Re Ltd., which reinsures third-party insurers of the **Company's property, non-damage business interruption and political risks insurance.**
- CEMEX Asia Research A.G.* - CEMEX Asia Research AG was incorporated in Switzerland on December 18, 2015. CHP owns a direct 100% equity interest in CEMEX Asia Research A.G., which

is the licensee for the certain licensed trademarks and intangible assets to which the Company has access through several agreements with CEMEX and its affiliate, CEMEX Research Group A.G.

**The following are brief descriptions of the Company's investment holding company subsidiaries and other subsidiaries that have not started commercial operations:**

- *Edgewater Ventures Corporation and Triple Dime Holdings, Inc.* Edgewater Ventures Corporation was incorporated in the Philippines on April 23, 1998 and Triple Dime Holdings, Inc. was incorporated in the Philippines on May 13, 1998. CHP owns a 100% equity interest in Edgewater Ventures Corporation, which is an investment holding company that owns a direct 60.15% equity interest in Triple Dime Holdings, Inc. which is also an investment holding company. CHP owns directly the remaining 39.85% equity interest in Triple Dime Holdings, Inc. Triple Dime Holdings Inc. owns a direct 60% equity interest in APO Cement.
- *Bedrock Holdings, Inc. and Sandstone Strategic Holdings, Inc.* Bedrock Holdings, Inc. was incorporated in the Philippines on October 30, 1998 and Sandstone Strategic Holdings, Inc. was incorporated in the Philippines on November 12, 1998. CHP owns a direct 100% equity interest in Bedrock Holdings, Inc., which is an investment holding company that owns a direct 55% equity interest in Sandstone Strategic Holdings, Inc., which is also an investment holding company. CHP directly owns the remaining 45% equity interest in Sandstone Strategic Holdings, Inc. Sandstone Strategic Holdings, Inc. owns a direct 60% equity interest in Solid Cement.
- *Enerhiya Central, Inc.* Enerhiya Central, Inc. was incorporated in the Philippines on February 26, 2013, to primarily sell, broker market and/or aggregate electricity to industrial, commercial and institutional clients. Enerhiya Central, Inc. has not yet started commercial operations. CHP owns an indirect 100% equity interest in Enerhiya Central, Inc. through its 100% equity interest in Solid Cement.
- *Newcrete Management Inc.* Newcrete Management Inc. 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. CHP owns an indirect 70% equity interest in Newcrete Management Inc. through its 100% 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 was incorporated in the Philippines on January 31, 1991. Calabar Aggregates Corporation 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.
- *Greencrete Inc.* Greencrete Inc. was incorporated in the Philippines on November 14, 2012. CHP owns an indirect 5% equity interest in Greencrete Inc. through its 100% equity interest in Solid Cement. Greencrete Inc. has not yet started commercial operations.

## PART 3: GENERAL BUSINESS DESCRIPTION

The Company has two cement plants with aggregate installed annual capacity<sup>8</sup> of 5.7 million tonnes of cement as of December 31, 2019. **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 Company is investing in the installation of a 1.5 million metric tons per year new integrated cement production line at Solid **Cement's plant**.

CHP and its subsidiaries do not own land. All of the principal manufacturing installations of APO Cement and Solid Cement are located on land owned by either APO Land & Quarry Corporation ("ALQC") or **Island Quarry and Aggregates Corporation ("IQAC")**. Under the lease agreements, ALQC and IQAC have various customary rights as landlord. Each of these lease agreements expires in December 2040 and is extendable for another 25 years. ALQC is an entity that is wholly-owned by Impact Assets Corporation, a corporation in which CASEC owns a 40% equity interest. IQAC is an entity that is wholly-owned by Albatross Holdings, Inc., a corporation in which CASEC owns a 40% equity interest.

As at December 31, 2020, **the Company's distribution infrastructure** utilizes 5 marine distribution terminals and 23 land distribution centers/warehouses located across the Philippines, in addition to 1 jetty/marine terminal in Cebu. 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, 2020, the Company leases 99 trucks for the distribution of bag and bulk cement, charters 23 marine vessels for the waterborne distribution of bag cement in the Philippines, and contracts 4 marine vessels for the distribution of bulk cement.

In 2020, 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.

Among the various electronic or digital platforms and automated operating systems utilized by the Company is CEMEX Go, an end-to-end integrated digital platform launched in October 2018 and developed 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. Supplemental documents like contracts and terms of reference per project can also be accessed and viewed. **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, 2020, more than 90% of orders from **the Company's** on-boarded clients were placed using this digital platform.

The Company has a customer service center which 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. This new Service Center enhances our capacity to better serve our customers across multiple communication channels.

---

<sup>8</sup> cement grinding capacity

## Principal Product - Cement

Cement is a binding agent that, when mixed with sand, stone or other aggregates and water, produces either ready-mix concrete or mortar. The Company provides its customers with high-quality branded cement products and services in both bagged and bulk formats. The Company relies on professional knowledge and experience to develop customized products that fulfill its **customers' specific requirements and** foster efficient and sustainable construction. The Company sells a large proportion of its cement in bags. Sales of cement and cement products accounted for 89.4% of consolidated net sales for 2020 before eliminations. The principal groups of related products and services are gray ordinary Portland cement, blended cement and masonry cement. The Company delivers its bagged, branded product to a large number of distribution outlets so that its cement is available to end-users in a point of sale near to where the product will be used.

The Company sells cement directly to retailers such as hardware stores. The Company also sells cement directly to institutional customers such as contractors, developers and ready-mix operators. Many of the customers resell **the Company's** products to a variety of end-users, such as households, small and large contractors and ready-mix concrete producers, while the cement products which the Company sells directly to institutional customers are used in a variety of private and public infrastructure projects. The business of the Company does not depend on any single or few customers, and no single customer represented more than 20% **of the Company's** consolidated net sales.

## Properties

(1) The Company does not own land. The **majority of the Company's property**, consisting of plant and equipment, are located in Naga City, Cebu; Antipolo City, Rizal; Batangas City, Batangas; La Paz, Iloilo City; and Tondo, Manila. The production plants and distribution infrastructure are strategically located to serve key markets in the Philippines. APO Cement production plant is located in Naga City, Cebu. Solid Cement plant is located in Antipolo City, Rizal.

The following table sets forth certain information concerning the land and floor space leased by the Company from ALQC, IQAC and other entities for the Company's cement plants, offices and other facilities as of December 31, 2020:

	Land and/or Floor Space (approx square meters)
APO Cement plant	453,884
Solid Cement plant	635,013
Marine distribution centers	60,724
Land distribution centers/warehouse	49,321
Company headquarters	2,192
Sales offices	136

Under the lease agreements of APO Cement and Solid Cement with ALQC and IQAC, respectively, each of APO Cement and Solid Cement as lessee uses the leased premises for its various business activities including the manufacture of cement and other cement products as well as the temporary storage and distribution of its products and raw materials. The term of the lease agreements is 25 years, effective from January 1, 2016, and extendable for another 25 years, unless the lessee opts not to renew. The lease between Solid Cement and IQAC (as amended) covers an approximate aggregate area of 650,013 square meters, and annual rent payments of approximately ₱28.8 million plus VAT are due for the first two years of the lease. The lease between APO cement and ALQC covers an approximate aggregate area of 453,884 square meters, and annual rental payments of approximately ₱58.2 million plus VAT are due for the first two years of the lease. For every two-year period thereafter, the annual rental fee will be reviewed and adjusted if necessary to ensure that the rental fee reflects market conditions.

For additional information relating to lease liabilities, see Note 21 of the Notes to CHP's Consolidated Financial Statements for 2020 in the accompanying Audited Financial Statements filed as part of this Information Statement.

(2) The table below summarizes fixed assets and right-of-use assets portfolio of the Company as of December 31, 2020:

<i>(In Thousand Pesos)</i>	Amount (₱)
Buildings and improvements	6,448,196
Machinery and equipment	15,697,483
Construction in progress	7,868,581
Sub-total	30,014,260
Less: Accumulated depreciation, depletion, amortization and allowance for impairment loss	(8,314,883)
Total	21,699,377

(3) **The Company’s properties are not mortgaged or encumbered.**

#### Employees

As at December 31, 2020, the Company has a total of 759 full-time employees in the Philippines, while the Corporation’s foreign subsidiaries employed a total of 5 employees. A breakdown of the employees in the Philippines is shown below:

Area	Number of Employees
Corporate and Administration	211
Cement Business (commercial sales & administration, cement operations & technology, and logistics)	543
Other Businesses	5

As of December 31, 2020, approximately 31% of the non-managerial employees of CHP’s 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 will both expire on December 31, 2021. 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 nineteen years.

#### Legal Proceedings

On September 20, 2018, a landslide occurred in Sitio Sindulan, Barangay Tina-an, Naga City, Cebu, **Philippines (the “Naga Landslide”), a site located within an area covered by the mining rights of ALOC.** ALOC is a principal raw material supplier of APO Cement. CHP does not own any equity stake (directly or indirectly) in ALOC or its parent company, Impact Assets Corporation. CASEC, an indirect subsidiary of CEMEX, S.A.B. de C.V. 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 ALOC. Business continuity plans were put in place by APO Cement and implemented to address

the disruption in the supply arrangement with ALQC. By September 30, 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, Cebu, 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”**. The records of the case were subsequently transferred to the Regional Trial Court of Cebu City Branch 23.

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 approximately ₱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.

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, which remains pending as of the date of this report. Meanwhile, 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 the event that the court’s order** dated September 30, 2019 were to be reconsidered 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.

As of the date of this report, 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 reconsiderations filed against **the court's order, 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, several of the subsidiaries of CHP are 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. CHP believes that it has made adequate provisions to cover both current and contemplated general and specific litigation risks, and CHP believes these matters will be resolved without any material significant effect on its operations, financial position and results of operations. 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, for a limited number of ongoing legal proceedings, 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 seriously 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.

CHP believes these matters will be resolved without any material significant effect on its business, consolidated financial position or consolidated financial performance.

## PART 4: MARKET INFORMATION AND RELATED STOCKHOLDER MATTERS

### (1) Market information

The common shares of CHP are traded at the Philippine Stock Exchange. For the years ended December 31, 2016, December 31, 2017, December 31, 2018, December 31, 2019, December 31, 2020, and the first quarter period of 2021, the high and low market prices for each quarter are shown below:

January to March 2016	N/A	N/A
April to June 2016	N/A	N/A
July to September 2016	₱ 12.96	₱ 10.80
October to December 2016	₱ 12.10	₱ 10.64
January to March 2017	₱ 12.00	₱ 6.99
April to June 2017	₱ 8.35	₱ 6.70
July to September 2017	₱ 7.46	₱ 5.01
October to December 2017	₱ 5.50	₱ 3.97
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

The closing market price at which CHP shares were sold on March 31, 2021 was ₱1.14.

### (2) Shareholders

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 CHP.

Based on the report prepared by CHP's **stock transfer agent**, the total number of stockholders of record as of March 31, 2021 is 27<sup>9</sup>, and the stockholders of record of CHP, including the number and percentage of total common shares outstanding held by each as of March 31, 2021, are as follows:

Title of Class	Names of Stockholders of Record	Names of Beneficial Owners and Relationship with Record Owner	No. of Shares Held	% to Total Outstanding Shares
Common Shares	PCD Nominee Corporation (Non-Filipino) <sup>(a)</sup> G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients	8,692,210,587	64.438%

<sup>9</sup> The names of the following stockholders-of-record appear twice in the registered list of stockholders, each for distinct shareholdings covered by separate stock certificates: "Ssmart Corporation" and "Elvira M. Cruz or Bernardo A. Cruz".

Common Shares	CEMEX ASIAN SOUTH EAST CORPORATION <sup>(b)</sup> 34 <sup>TH</sup> Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila		2,857,467,493 <sup>(c)</sup>	21.183% <sup>(c)</sup>
Common Shares	PCD Nominee Corporation (Filipino) <sup>(d)</sup> G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients	1,936,522,000	14.356%
Common Shares	Sysmart Corporation		1,000,000	nil
Common Shares	Cai Yu Xi		1,000,000	nil
Common Shares	Elvira M. Cruz or Bernardo A. Cruz		325,481	nil
Common Shares	Sysmart Corporation		215,200	nil
Common Shares	Bob Dy Gothong		208,600	nil
Common Shares	Tristan Q. Perper		100,000	Nil
Common Shares	Miguelito C. De Guia &/Or Milagros D. De Guia		77,889	nil
Common Shares	Myra P. Villanueva		40,000	Nil
Common Shares	Elvira M. Cruz or Bernardo A. Cruz		38,000	nil
Common Shares	Majograjo Development Corporation		10,000	nil
Common Shares	Anita Uy Mustera or Nicolas R. Mustera		2,700	nil
Common Shares	Milagros P. Villanueva		2,500	nil
Common Shares	Myrna P. Villanueva		2,500	nil
Common Shares	Jesus San Luis Valencia		1,259	nil
Common Shares	Marietta V. Cabreza		1,000	nil
Common Shares	Christine F. Herrera		1,000	nil
Common Shares	Victor Co and/or Alian Co		200	nil
Common Shares	Shareholders Association of the Philippines, Inc.		100	nil
Common Shares	Bartholomew Dybuncio Young		100	nil
Common Shares	Owen Nathaniel S. Au Itf: Li Marcus Au		10	nil
Common Shares	Joselito Tanwangco Bautista		1	nil
Common Shares	Botschaft N. Cheng Or Sevilla Ngo		1	nil
Common Shares	Alfredo Panlilio <sup>(e)</sup>		1	nil
Common Shares	Pedro Roxas <sup>(f)</sup>		1	nil

Notes:

<sup>(a)</sup> PCD Nominee Corporation is not related to CHP. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD 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.

<sup>(b)</sup> CASEC, the major 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.

<sup>(c)</sup> Based on several SEC Forms 23-B filed by CASEC in 2020, 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 5 shares held as of end of December 2020 by Sergio Mauricio Menendez Medina, Ignacio Alejandro Mijares Elizondo, Alejandro Garcia Cogollos, Antonio Ivan Sanchez and Maria Garcia Villan, respectively. As of March 31, 2021, the total number of shares owned by CASEC is 10,500,626,662 corresponding to 77.84% of the total issued and outstanding shares of CHP.

<sup>(d)</sup> See note (a)

<sup>(e)</sup> 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)*

<sup>(f)</sup> 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)*

(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

CHP adopted its Manual of Corporate Governance (the “**Manual**”) on **March 7, 2016**. This **Manual** was amended on October 25, 2016, May 10, 2017, February 6, 2018 and on March 22, 2018. The **company’s policy of corporate** governance is principally based on the Manual. The Manual lays down the principles of good corporate governance in the entire organization. The Manual provides that it is the responsibility of the Board of Directors 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, Ms. Eleanor M. Hilado and Messrs. Pedro Roxas and Alfred Panlilio. During the organizational meeting of the Board of Directors held on June 24, 2020, Mr. Roxas was designated as the Lead Independent Director, whose functions shall include, among others, serving an intermediary between the Board Chairman and other independent directors, when necessary, and shall chair meetings among non-executive directors.

The Manual embodies the policies on disclosure and transparency, and mandates the conduct of communication and training programs on corporate governance. The Manual further provides for the rights of all shareholders and the protection of the interests of minority shareholders. Any violation of the Manual is punishable by a penalty ranging from reprimand to dismissal, depending on the frequency of commission as well as the gravity thereof.

The Manual expressly provides that any material amendment or revision to the provisions defining the (i) royalty/license fee or service fee, as applicable, payable to CEMEX 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 or the service agreements with CEMEX shall require the affirmative vote of two independent directors.

The Manual 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 presented in the circulated questionnaires. The members of the Board of Directors and board committees completed their internal assessments for 2018 and 2019. 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 and the committees, the Corporation engaged the services of the Institute of Corporate Directors (“**ICD**”) to perform the evaluation exercise which was conducted in January through February 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 CHP Board. The questionnaires are for the Board, the Committees, the Chairperson, and the Individual Directors. Meanwhile, the Individual Director Interviews allowed the directors to share his or her own insights, comments, and ideas on how the CHP Board 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.

Through the Investor Relations team and the Corporate Communications team, the Company communicates with its stockholders and other stakeholders and keeps the Company's 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 2020, the relevant conference calls and webcast presentations were held on February 13, May 4, July 28 and October 29. The Corporate Communications team conducted in November 2020 the annual stakeholders' meetings with community leaders and representatives in Antipolo City, Rizal and Naga City, Cebu, which are the principal areas in which the Company operates. The Corporate Communications 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 and community programs and addressing concerns of its stakeholders.

To the best of CHP's knowledge and belief, the Company has substantially complied with the provisions of the Manual for the year 2020 and first quarter of 2021.

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

On July 28, 2020, CHP submitted to the Securities and Exchange Commission and released its Integrated Corporate Governance Report for 2019 (SEC Form I-ACGR) with the corresponding attestation on the organization's internal audit, control and compliance system.

CHP adheres to the Code of Ethics and Business Conduct of CEMEX ("Code") which was established to ensure that all employees of CEMEX worldwide abide by the same high standards of conduct in their daily interactions. This Code is designed to govern the Company's relationships with all of its stakeholders, workplace safety, health, environmental responsibility, protection of confidential information, conflicts of interest, financial controls and records, and preservation of assets. Through the organization's ethics committees, training programs, and secure internal communications channels, the Corporation ensures awareness and enforcement of this Code. Among several implementing global policies of CEMEX being observed by CHP are the Global Anti-Trust Compliance Policy, CEMEX Anti-Bribery/Anti-Corruption Policy and CEMEX Insider Trading Policy. The Code and the various implementing global policies of CEMEX are periodically evaluated and, where deemed necessary or appropriate, updated. CHP undertakes to further improve its corporate governance practices as may be required by law or the exigency of the business.

In 2020, the employees of the organization received training on various topics governed by the Code, dedicating more than 9,700 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 employees were also conducted for other functional and technical topics and focus areas.

CHP adheres to 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 Corporation; (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*.

In compliance with SEC Memorandum Circular No. 10, Series of 2019, CHP submitted on March 4, 2020 to the Securities and Exchange Commission an *Advisement Report* dated March 3, 2020 containing the terms and conditions of the Revolving Master Loan Facility Agreement dated March 3, 2020 between CHP and one of its subsidiaries, SOLID Cement Corporation.

#### *Board Committees*

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

##### (i) Audit Committee

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.

The Audit Committee reports directly to the Board of Directors.

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

The members of the Audit Committee and the Board of Directors of CHP are informed about the internal controls and procedure 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.

The Audit 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 24, 2020, 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 Larry Jose Zea Betancourt. Following the resignation of Mr. Zea as member of the Board of Directors and member of the Audit

Committee, the Board of Directors on December 2, 2020 appointed Maria Garcia Villan as member of the Audit Committee to occupy the vacancy resulting from the resignation of Mr. Zea.

(ii) Nomination Committee

The Nomination Committee will carry out, among other things, the following functions: (i) be responsible for providing 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. 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 24, 2020, the Board of Directors appointed the following board members as members of the Nomination Committee: Alfredo S. Panlilio (Chairman), Pedro Roxas, Eleanor M. Hilado and Antonio Ivan Sanchez Ugarte.



**ANNUAL MEETING OF STOCKHOLDERS FOR 2021**

**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 30, 2021 (the “Eligible Stockholder/s”) are entitled to participate in the Annual Meeting of Stockholders of the Corporation scheduled on June 2, 2021 (“the 2021 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 2021 AMS and voting 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](mailto:chp.corporatesec@cemex.com) on or before May 26, 2021 AT 5PM.

- For purposes of *determination of the meeting quorum*, only Eligible Stockholders who have registered for the meeting ON OR BEFORE May 26, 2021 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 30, 2021
- (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 ID<sup>1</sup> 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 30, 2021
- (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 30, 2021
- (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

---

<sup>1</sup> 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 ID<sup>1</sup> 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 30, 2021

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 2021 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 2021 AMS by way of Voting Ballot/Proxy forms submitted on or before May 26, 2021 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 34<sup>TH</sup> FLOOR, PETRON MEGA PLAZA BUILDING, 358 SEN. GIL J. PUYAT AVENUE, MAKATI CITY OR (ii) BY EMAIL SENT TO [chp.corporatesec@cemex.com](mailto: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 2021 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 34<sup>th</sup> 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 2021 AMS and in such a case, the vote cast will not be counted.
- (f) The Corporate Secretary and the Corporation’s stock transfer agent and Corporate Secretary will tabulate all votes received and an independent third party will validate the results.

5. The proceedings of the 2021 AMS will be recorded. 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 2021 AMS or requests for clarification on the procedure for attending the 2021 AMS through remote communication, may send the questions, comments or requests by email to [chp.corporatesec@cemex.com](mailto:chp.corporatesec@cemex.com).

7. Data of each individual stockholder’s (or that of the corporate stockholder’s Authorized Representative) will be collected, stored, processed and used exclusively for the purposes of the 2021 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**, Filipino, of legal age, and with address at 20 Bago St., Alabang Hills Village, Muntinlupa City, Metro Manila, 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. GilPuyat Avenue, Bel-air Makati, Metro Manila.

2. I am currently an independent director of CHP, having been elected during the Annual Meetings of Stockholders held on June 6, 2019 and June 24, 2020.

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/Trustee, Executive Officer 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 APR 13 2021 in Muntinlupa City.

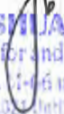
  
**ELEANOR M. HILADO**  
 Affiant

**MAKATI CITY**

**APR 13 2021**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ in Makati City, Metro Manila, affiant exhibiting to me her Philippine Passport No. P4660608B issued by DFA NCR South on 3 February 2020 and valid until 2 February 2030.

Doc. No. 215  
 Book No. 44  
 Page No. 101  
 Series of 2021.

  
**ATTY. JOSHUA P. LAPUZ**  
 Notary Public for and in Makati City  
 Appointment No. VI-66 until 12/31/2021  
 PTR No. 8531012, Jan. 4, 2019 (Reg) Dec. 31, 2021 Makati City  
 Roll No. 45790, JPB Lifetime N. 04897  
 MCLE No VI-0016505 / Jan. 14, 2019  
 G/F Fedman Suites, 199 Salcedo Street  
 Legaspi Village, Makati City

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

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **ALFREDO S. PANLILIO**, Filipino, of legal age, and with address at 302 Beata Street, Ayala Alabang Village, Muntinlupa City, Metro Manila, 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 since 2016, 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 and June 24, 2020.

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/Trustee, Executive Officer 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 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 APR 16 2021 in Makati City, Metro Manila, Philippines.

  
**ALFREDO S. PANLILIO**  
 Affiant

SUBSCRIBED AND SWORN to before me this APR 16 2021 in Makati City, Metro Manila, Philippines, affiant exhibiting to me his Passport No. P1017428A issued on November 29, 2016 at DFA Manila.

Doc. No. 3.19  
 Book No. 67  
 Page No. 15  
 Series of 2021.

  
**ATTY. GEORGE DAVID D. SITON**  
 NOTARY PUBLIC FOR MAKATI CITY  
 APPT. NO. M-387 UNTIL DEC. 31, 2021  
 ROLL NO. 68402/ MCLE COMPLIANCE NO. VI-0021936/3-2 -2014  
 IBP O.R. No. 2273859-LIFETIME MEMBER MAY. 8, 2017  
 PTR No. 8533058-JAN 04, 2021- MAKATI CITY  
 EXECUTIVE BLDG, CENTER MAKATI AVE., COR., JUPITER ST. MAKATI CITY

Count	Company	Position / Involvement	Period
1	PLDT, Inc.	Chief Revenue Officer	July 01, 2019 - present
2	Asia Netcom Philippines Corporation	Chairman, President & CEO	June 24, 2019 - present
3	Digitel Crossing, Inc.	Chairman, President & CEO	June 24, 2019 - present
4	Mabuhay Investments Corporation	Chairman, President & CEO	June 26, 2019 - present
5	Telesat, Inc.	Chairman and President	June 11, 2019 - present
6	ACeS Philippines Cellular Satellite Corporation	Chairman and President	April 24, 2020 - present
7	Bonifacio Communications Corporation	Chairman	May 28, 2019 - present
8	PLDT Clark Telecom Inc.	Chairman	May 29, 2019 - present
9	PLDT Subic Telecom Inc.	Chairman	May 29, 2019 - present
10	Digital Telecommunications Phils., Inc. (Digitel)	President and CEO	June 12, 2019 - present
11	Digitel Mobile Phils., Inc. (Sun)	President and CEO	May 27, 2019 - present
12	Talas Data Intelligence, Inc.	President and CEO	April 30, 2020 - present
13	MVP Rewards and Loyalty Solutions, Inc.	President and CEO	March 30, 2020 - present
14	PLDT Communications and Energy Ventures, Inc.	Director and President	June 23, 2020 - present
15	PLDT Global Corporation	Director	June 19, 2019 - present
16	PLDT-Maratel, Inc.	Chairman	June 14, 2019 - present
17	PLDT-Philcom Inc.	Chairman	June 11, 2019 - present
18	Asian Carriers Conference Inc	Trustee	June 3, 2019 - present
19	PLDT Smart Foundation, Inc.	Trustee	January 4, 2021 - present
20	Smart Communications, Inc.	President and CEO	August 8, 2019 - present
21	Smart Broadband, Inc.	Chairman and President	June 11, 2019 - present
22	I-Contacts Corporation	President	June 11, 2019 - present
23	Airborne Access Corporation	President	June 11, 2019 - present
24	Primeworld Digital System, Inc.	President	June 11, 2019 - present
25	Signal TV, Inc.	Director	September 23, 2020
26	Chikka Holdings Limited	Director	July 1, 2019 - present
27	Connectivity Unlimited Resources Enterprises, Inc.	Director	July 1, 2019 - present
28	WiFun, Inc.	Director	December 15, 2019 - present
29	ePLDT	Chairman	August 7, 2019 - present
30	ABM Global Solutions, Inc.	Chairman	May 29, 2019 - present
31	Curo Teknika, Inc.	Chairman	May 29, 2019 - present
32	ePDS, Inc.	Chairman	June 25, 2019 - present
33	IP Converge Data Services, Inc.	Chairman	May 29, 2019 - present
34	IPC Rack It Data Center, Inc.	Chairman	May 29, 2019 - present
35	AGN Philippines, Inc.	Director	June 20, 2019 - present
36	Bell Telecommunications Philippines, Inc.	Director	June 20, 2019 - present
37	Bow Arken Holding Company, Inc.	Director	June 20, 2019 - present
38	Brightshare Holdings, Corporation	Director	June 20, 2019 - present
39	Cobal Point Telecom, Inc.	Director	June 20, 2019 - present
40	Dominer Pointe, Inc.	Director	June 20, 2019 - present
41	Eastern Telecommunications, Inc.	Director	June 20, 2019 - present
42	Etelco, Inc.	Director	June 20, 2019 - present
43	Hi-Frequency Telecommunications, Inc.	Director	June 20, 2019 - present
44	Liberty Telecom Holdings, Inc.	Director	June 20, 2019 - present
45	Multi-Technology Investment Holdings, Inc.	Director	June 20, 2019 - present
46	New Century Telecoms, Inc.	Director	June 20, 2019 - present
47	Perchpoint Holdings, Corporation	Director	June 20, 2019 - present
48	PH Broadband Networks Holdings, Inc.	Director	June 20, 2019 - present

49	Skyphone Logistics, Inc.	Director	June 20, 2019 - present
50	Somete Logistics & Development Corporation	Director	June 20, 2019 - present
51	Telecommunications Technologies Philippines Inc.	Director	June 20, 2019 - present
52	Tori Spectrum, Inc.	Director	June 20, 2019 - present
53	Trans Digital Excel, Inc.	Director	June 20, 2019 - present
54	Two Cassandra - CCI Conglomerates, Inc.	Director	June 20, 2019 - present
55	Vega Telecom, Inc.	Director	June 20, 2019 - present
56	Vega Telecom, Inc.	Director	June 20, 2019 - present
57	PBA - Meralco Bolts	Governor	2014 - present
58	Philpop Musicfest Foundation, Inc.	Trustee	April 2014 – present
59	MVP Sports Foundation, Inc.	President	February 2011 – present
60	National Golf Association of the Philippines (NGAP)	Treasurer	2013 – present
61	Manila Golf, Inc.	Treasurer	April 2019 - present
62	Management Association of the Philippines	Governor / Member	January 2015 – December 2016 / present
63	CEMEX Holdings Philippines, Inc.	Independent Director	July 2016 – present
64	Samahang Basketbol ng Pilipinas (SBP)	President	August 2016 - present
65	Philippine Olympic Committee	First Vice President	November 27, 2020 - present
66	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**, Filipino, of legal age, and with address at 6 Ipil Road, Barangay Forbes Park, Makati City, Metro Manila, 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 since 2016, 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 and June 24, 2020.

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

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Roxas Holdings, Inc.	Chairman	1982 - Present
Roxas & Company, Inc.	Chairman	1995 - Present
Roxaco Land Corporation	Chairman	1995 - Present
Club Punta Fuego, Inc.	Chairman	1995 - Present
Fundacion Santiago	Chairman	1993 - Present
Philippine Sugar Millers Association	Chairman	1995-1997/2005 - Present
BDO Private Bank	Chairman of the Board of Audit, member of Corporate Governance & Related Party	2001 - Present
PLDT	Independent Director	2003 - Present
MERALCO	Independent Director	2010 - Present
MAPFRE Insular Insurance Corp	Independent Director	2018 - Present
Brightnote Assets Corporation	Independent Director	1999 - 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, Executive Officer 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. I disclose that I am a party to the following criminal/administrative investigation or proceeding:

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
Violation of Sec. 1 of Presidential Decree No. 1689 in relation to Paragraph 2(a) of Article 315 of the Revised Penal Code for syndicated estafa and violation of Section 3 (e) of Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act) in connection with the investments made by Meralco in its subsidiaries and affiliates and in its joint ventures with other corporations for businesses which are not related to Meralco's electric distribution business. {NOTE: All of the Directors of Meralco, including myself as Independent Director, were implicated in the said case.}	Office of the Ombudsman	The Private Respondents filed their Counter-Affidavits pursuant to the Order of the Office of the Ombudsman. Our legal counsels are confident that we have a strong case to cause the dismissal of the said case because <i>the</i> elements of syndicated estafa are not attendant. Neither has it been shown that the Board of Directors of Meralco connived with the ERC Commissioners.  The parties are awaiting further action of the Office of the Ombudsman on this matter.

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 2021 in Makati City, Metro Manila.

  
PEDRO ROXAS  
Affiant

SUBSCRIBED AND SWORN to before me this APR 21 2021 in \_\_\_\_\_, affiant exhibiting to me his Philippine Passport No. P038895B issued by DFA Manila on 24 January 2019 and valid until 23 January 2029.

Doc. No. 140  
Book No. 2A  
Page No. 97  
Series of 2021.

  
ATTY. GEORGE DAVID D. SISON  
NOTARY PUBLIC FOR MAKATI CITY  
APPT. NO. M-382 - INTD. DEC. 31, 2021  
ROLL NO. 68402 / MCLE COMPLIANCE NO. VI-0021936/3-29-2019  
IBP O.R No. 2275859 - LIFETIME MEMBER MAY. 8, 2017  
PTR No. 2533058 - JAN 04, 2021 - MAKATI CITY  
EXECUTIVE BLDG. CENTER MAKATI AVE., COR., JUPITER ST. 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 34<sup>TH</sup> 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:

- 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 34<sup>TH</sup> Floor Petron Mega Plaza, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila;
- To the best of my knowledge, none of the following **incumbent** members of the Board of Directors and Principal Executive Officers of the Corporation is currently employed in any government office of the Republic of the Philippines:

Name	Position
Pedro Roxas	Lead Independent Director
Alfredo S. Panlilio	Independent Director
Eleanor M. Hilado	Independent Director
Sergio Mauricio Menéndez Medina	Chairman of the Board of Directors
Ignacio Alejandro Mijares Elizondo	President & CEO
Alejandro Garcia Cogollos	Member of the Board of Directors
Antonio Ivan Sanchez Ugarte	Member of the Board of Directors
Maria Garcia Villan	Member of the Board of Directors
Irma D. Aure	Vice President for Human Capital and Organization
Edwin P. Hufemia	Vice President for Supply Chain
Roberto Martin Javier	Vice President for Commercial – Institutional Segment
Everardo Sánchez Banuet	Vice President for Commercial- Distribution Segment
Adrian V. Bancoro	Tax Director
Pierre Ignatius C. Co	Investor Relations Director
Ma. Virginia Del Rosario	Customer Experience Director
Jose Mauro Gallardo Valdes	Enterprise Risk Management (ERM) Manager
Kristine G. Gayem	Energy Director
Erlinda C. Lizardo	Corporate Communications Director
Dino Martin Wilson Segundo	Legal Director
Juan Carlos Soto Carbajal	Procurement Director
Steve Kuansheng Wu	Treasurer, Chief Financial Officer and BSO Head
Rolando Valentino	Internal Auditor
Jannette Virata Sevilla	Corporate Secretary and Compliance Officer

IN WITNESS WHEREOF, I have hereunto set my hands this APR 16 2021 in Makati City, Metro Manila.

*Jannette Virata Sevilla*  
**JANNETTE VIRATA SEVILLA**  
 Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this APR 16 2021 in Makati City, Metro Manila, Philippines, the affiant who is personally known to me exhibiting to me her Philippine Passport No. P4664442B issued by DFA Manila on 3 February 2020 and valid until 2 February 2030.

Doc. No. 320  
 Page No. 65  
 Book No. 65  
 Series of 2021.

**ATTY. GEORGE DAVID D. SITON**  
 NOTARY PUBLIC FOR MAKATI CITY  
 APPT. NO. M-382- UNTIL DEC. 31, 2021  
 ROLL NO. 63492/ MCLE COMPLIANCE NO. VI-0021936/3-7 -2018  
 IBP O.R. No. 2273959- LIFETIME MEMBER MAY. 8, 2017  
 PIR No. 8533058- JAN 04, 2021- 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/97190577320>  
 24 June 2020 at 2:00PM

**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. Larry Jose **Zea** Betancourt – 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 to the stockholders the incumbent members of the Board of Directors who were all in attendance and the other principal executive officers of the Corporation who were present:

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. Adrian V. Bancoro - Tax Director
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. Kristine G. Gayem – Energy Director
11. Dino Martin W. Segundo – Legal Director and Assistant Corporate Secretary
12. Jannette Virata Sevilla – Corporate Secretary and Compliance Officer

Mr. Co likewise acknowledged the presence of representatives of the external auditor of the company, R.G. Manabat & Co.

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 morning and welcome to the 2020 Annual Meeting of Stockholders of CEMEX Holdings Philippines Inc.*

*I am Sergio Menendez and I currently also serve as the President of CEMEX’s operations in Europe, Middle East, Africa & Asia, or the “EMEA” region. It is my honor to be here with you today, notwithstanding the remote set-up of the meeting. I had an opportunity to reside in the Philippines and to experience first-hand the hospitality and dedication of Filipinos many years ago when I was first assigned to CEMEX’s operations in the Philippines in 2005. My assignment to this region culminated in my serving as President of CEMEX’s Philippine operations in 2008 and 2009.*

*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 unprecedented times.*

*The COVID-19 has been one of the greatest global challenges of our time. At CEMEX, our number one priority is the health and safety of all our people. In the EMEAA region, including the Philippines, we have been introducing initiatives and procedures to improve our workplace safety and adapt to our current reality. We continue to react quickly to achieve the highest standards of personal protection, to reduce risks, and protect our employees, customers, suppliers, and others whom we work with. We also remain committed to being a responsible partner in support of our local communities.*

*During this time of pandemic, we have seen how robust public infrastructure and proper housing remain an essential need for the safety and well-being of societies around the world. Our Solid Cement Plant capacity expansion is an important project for CEMEX globally. We continue to see long-term growth opportunities in the Philippines, with the potential for urbanization and positive societal development in many areas in the country.*

*Innovation is a Strategic Priority for CEMEX, and now it has become even more relevant. As One CEMEX team, we share knowledge, best practices, and learn from the experience of our different countries. We at CEMEX are well equipped with several teams within the company supporting Innovation, dealing with a wide range of initiatives. This allows us to integrate strong urban solutions to respond to the world's current and forthcoming needs.*

*Our focus on Sustainability has been a longstanding strategic pillar of our company and is one of our strategic priorities. Worldwide, at CEMEX, we have an Ambitious Climate Action Strategy, aligned with the implementation of the Paris Agreement commitments and the fulfilment of the UN Sustainable Development Goals on Climate Action. We believe that a lower concrete carbon footprint will contribute to the development of climate-smart urban projects, sustainable buildings, and climate-resilient infrastructures.*

*I am very proud of our people, and would like to thank them, for their commitment, their work in these difficult conditions, and their service to our customers. By acting together as one team, I believe we can stay resilient in today's new reality.*

*Through all the accomplishments and challenges of CHP during the last year, we are encouraged and inspired by the support that you, our dear shareholders, extended to the company.*

*You can trust that your Board of Directors and management remain committed in navigating our company during this pandemic and creating growth opportunities for the long-term, while keeping in mind our values of health and safety, and promoting sustainability, as we play our part in supporting the Philippines and building a better nation.*

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

## **1. CALL TO ORDER**

In accordance with the Amended By-Laws of the Corporation, the President of the Corporation, Mr. Ignacio Mijares, presided over the meeting and acted as *Chairman* of the meeting (the "*Chairman*"). After his brief welcome message, Mr. Mijares, as *Chairman*, called the meeting to order.

Mr. Mijares then 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 Notice of the Annual Meeting of Stockholders together with other materials relevant for the meeting such as the Information Statement and the Annual Report/SEC Form 17-A for 2019 were distributed through the following methods: (1) by the

publication of the Notice of Meeting in the BusinessWorld and The Manila Times, in both online and print formats, on the 1<sup>st</sup> and 2<sup>nd</sup> of June 2020, (2) by disclosure to the Philippine Stock Exchange resulting in the posting of the Notice of Meeting, Information Statement and the other relevant materials on the PSE EDGE disclosure portal, and (3) by uploading the same documents on the website of the Corporation. She noted that these methods were in compliance with the Notice of the Securities and Exchange Commission dated April 20, 2020, 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. In addition to the foregoing actions, the Corporate Secretary stated that a copy of the Notice of the Annual Meeting of Stockholders with appendices was broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts.

The Notice of the Annual Meeting of Stockholders was released at least 21 days prior to the meeting date in accordance with the Revised Corporation Code and applicable SEC regulations.

Through the Notice of the Annual Meeting of Stockholder, 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*. The Corporate Secretary reiterated that as indicated in the Notice and appended *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., May 22, 2020) who registered for this meeting on or before June 19, 2020 (at 5:00pm) 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 10,669,093,398 common shares of the Corporation, representing approximately 79.09% of the total issued and outstanding shares of stock of the Corporation, and are therefore considered as present or represented in this meeting.

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

Further to the request of the *Chairman*, the Corporate Secretary discussed the meeting rules and voting procedure observed for this 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 were set forth in the Definitive Information Statement and appended to the Notice of Meeting which were 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 - JUNE 19, 2020. A sample voting ballot/proxy form was included in the Definitive Information Statement.
3. For the matters to be presented for stockholder's approval, except for the election of directors, each share entitled the registered owner (or his representative) to one vote.
4. For the purpose of this meeting, the affirmative vote of stockholders holding a majority of the shares represented in this meeting is required in order to pass and approve each of the proposed resolutions, except for (i) Item 9 on the amendment of the Amended By-laws for which the approval of shareholders holding at least a majority of the total outstanding shares of stock (at least 6,744,613,313 shares) is required and (ii) 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 which were cast for the various agenda items for today's meeting.
6. The final tally of votes and the proposed resolutions will be shown 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 into the Definitive 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 labelled "Q&A"). Questions will be read out by the Moderator and responded to during the Q&A session scheduled at the end of the meeting, with priority given to questions which might have been sent in advance of the meeting.
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 the meeting will be recorded.

**3. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD IN 2019**

The *Chairman* then proceeded to the next order of business which was the approval of the minutes of the various stockholders' meetings held in 2019, specifically:

- (a) Minutes of the Annual Meeting of Stockholders held on June 6, 2019
- (b) Minutes of the Special Meeting of Stockholders held on October 16, 2019

The Corporate Secretary stated that the subject minutes of meetings were (i) uploaded and posted on the Corporation's website several days after the meetings were held, respectively; (ii) appended to the Definitive Information Statement distributed to stockholders; and (iii) available for inspection by any stockholder at the office of the Corporate Secretary.

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 *Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of the Corporation in favor of the approval of the subject minutes of meetings, the following proposed resolutions were hereby adopted and approved:

"RESOLVED, that the stockholders of the Corporation hereby approve the Minutes of the Annual Meeting of Stockholders held on June 6, 2019."

"RESOLVED, that the stockholders of the Corporation hereby approve the Minutes of the Special Meeting of Stockholders held on October 16, 2019."

The details of the final tally of votes were:

	<b>NUMBER OF VOTES CAST</b>	<b>PERCENTAGE OF TOTAL OUTSTANDING SHARES</b>
1. Yes/Approved	10,666,499,780	79.07%
2. No/Against	0	
3. Abstain	0	
<b>Total Votes Cast</b>	10,666,499,780	79.07%

**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 2019. 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 questions or comments would be read out and responded to during the Q&A session scheduled at the end of the meeting. 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 2019 ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION AS OF 31 DECEMBER 2019**

The *Chairman* proceeded to the next item in the agenda which was the approval of the Corporation's 2019 Annual Report (SEC Form 17-A for 2019) and the audited financial statements of the Corporation as of December 31, 2019.

Mr. Mijares stated that the 2019 Annual Report including the audited consolidated financial statements and the audited separate financial statements of the Corporation as at and for the years ended December 31, 2019 and 2018 were incorporated in the Definitive Information Statement distributed to stockholders and were filed with the SEC. These were also posted on the PSE Edge and the Corporation's website.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of the Corporation in favor of the approval of the Corporation's 2019 Annual Report (SEC Form 17-A for 2019) and the audited financial statements of the Corporation for the year ended December 31, 2019, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the 2019 Annual Report and the Audited Financial Statements of the Corporation for the year ended December 31, 2019, be, as the same are hereby, approved.”

The details of the final tally of votes were:

	<b>NUMBER OF VOTES CAST</b>	<b>PERCENTAGE OF TOTAL OUTSTANDING SHARES</b>
1. Yes/Approved	10,656,470,793	79.00%
2. No/Against	5,496,367	nil
3. Abstain	4,532,620	nil
<b>Total Votes Cast</b>	<b>10,666,499,780</b>	<b>79.07%</b>

**6. RATIFICATION AND APPROVAL OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE JUNE 6, 2019 ANNUAL MEETING OF STOCKHOLDERS**

The *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 6, 2019. He noted that these included actions or decisions approved during the meetings of the Board of Directors and 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 Definitive 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 *Chairman* also mentioned 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 *Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of the Corporation 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 6, 2019 until the date of this 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 6, 2019 up to the date of the Annual Meeting of Stockholders, June 24, 2020, 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	10,656,470,793	79.00%
2. No/Against	5,496,367	nil
3. Abstain	4,532,620	nil
<b>Total Votes Cast</b>	10,666,499,780	79.07%

## 7. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The *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 2021 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 reminded the stockholders that the Corporation's Articles of Incorporation provided for 8 seats in the Board of Directors. Mr. Panlilio further confirmed that 8 individuals were nominated by CEMEX Asian South East Corporation (the majority shareholder of the Corporation) as members of the Board of Directors to serve as such for the ensuing year:

1. Alejandro **Garcia** Cogollos
2. Eleanor M. **Hilado** (independent director)
3. Sergio Mauricio **Menéndez** Medina
4. Ignacio Alejandro **Mijares** Elizondo
5. Alfredo S. **Panlilio** (independent director)
6. Pedro **Roxas** (independent director)
7. Antonio Ivan **Sanchez** Ugarte
8. Larry Jose **Zea** Betancourt

All the nominees are incumbent members of the Board of Directors.

Mr. Panlilio informed the stockholders that the nominations were submitted to the Corporate Secretary prior to May 8, 2020, which was the deadline for submission of nominations set by the Board of Directors in accordance with Article 3(E) of the Corporation's Revised Manual of Corporate Governance. He also stated for the record that no other nominations were received by the Corporate Secretary. Mr. Panlilio further explained 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.

The profiles of the nominees stating their age, qualifications and work experience were provided in advance to stockholders through the Corporation's Definitive Information Statement. In conclusion, Mr. Panlilio stated that all nominees have given their respective consent to their nomination.

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

Thereafter, a motion was made and duly seconded for the election of the 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 and confirmed as being in accordance with the cumulative voting principles under the Revised Corporation Code, the *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:

NOMINEE (in alphabetical order by surname)	No. of Votes Yes/For	No. of Votes No/Against	No. of Votes Abstain
1. Alejandro <b>Garcia</b> Cogollos	10,661,003,413	5,496,367	0
2. Eleanor M. <b>Hilado</b>	10,666,499,780	0	0
3. Sergio Mauricio <b>Menéndez</b> Medina	10,646,335,357	20,164,423	0
4. Ignacio Alejandro <b>Mijares</b> Elizondo	10,646,335,357	20,164,423	0
5. Alfredo S. <b>Panlilio</b>	10,259,520,609	406,979,171	0

6. Pedro <b>Roxas</b>	10,554,673,885	111,825,895	0
7. Antonio Ivan <b>Sanchez</b> Ugarte	10,646,335,357	20,164,423	0
8. Larry Jose <b>Zea</b> Betancourt	10,646,335,357	20,164,423	0

## 8. APPOINTMENT OF EXTERNAL AUDITOR OF THE CORPORATION FOR 2020

The *Chairman* informed the stockholders that the next proposal to be presented for approval was the re-appointment of R.G. Manabat & Co. as the Corporation's independent external auditor. The Board of Directors is recommending the re-appointment of R.G. Manabat & Co. after the Audit Committee favorably endorsed said re-appointment based on the committee's positive evaluation of the accounting firm's performance. Mr. Mijares also mentioned that the financial statements of the Corporation for the previous fiscal years ended December 31, 2016, 2017, 2018 and 2019 were audited by R.G. Manabat & Co.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of the Corporation in favor of the re-appointment of R.G. Manabat & Co as the Corporation's independent external auditor for the fiscal year 2020, 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 2020."

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,661,003,413	79.03%
2. No/Against	5,496,367	nil
3. Abstain	0	0
<b>Total Votes Cast</b>	10,666,499,780	79.07%

## 9. AMENDMENT OF THE AMENDED BY-LAWS OF THE CORPORATION

The *Chairman* proceeded to the next order of business which was the amendment of the Amended By-laws of the Corporation and requested the Corporate Secretary to elaborate on the proposed amendments.

The Corporate Secretary stated that for the consideration of the stockholders are the amendments of Sections 4, 5, 7 and 8 of Article II and Section 2 of Article III of the Corporation's latest Amended By-Laws. She confirmed that the resolutions containing the proposed amendments to the relevant provisions of the Amended By-Laws are found in the Explanatory Notes for the Agenda Items appended to the Notice of Meeting and incorporated into the Definitive Information Statement which were distributed. The Corporate Secretary clarified further that in connection with the application process for obtaining the approval of the Securities and Exchange Commission for the proposed amendments of the Corporation's Amended By-laws, authority is likewise to be granted to any one of the President, Treasurer, Corporate Secretary and Assistant Corporate Secretary to execute such documents and perform such other acts as may be necessary or appropriate in connection with said application process.

The Corporate Secretary advised the stockholders that the Board of Directors recommends the amendments primarily to allow the stockholders to vote through remote communication or in absentia, subject to the rules and regulations that may be issued by the Securities and Exchange Commission from time to time and other applicable laws and regulations, and in order to align or update certain notification periods.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of the Corporation in favor of the proposed amendments to the Amended By-Laws of the Corporation, the following proposed resolutions were hereby adopted and approved:



“RESOLVED, that Section 4 of Article II of the Amended By-Laws of the Corporation be as it is hereby amended to read as follows:

‘Section 4. Notice of Meeting – Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery **or courier service, or by postal mail, telefacsimile or electronic mail to stockholders of record entitled to vote at their respective addresses (as applicable) last known to the Secretary, or by publication in a newspaper of national circulation (if not otherwise disallowed or restricted by the Securities and Exchange Commission), or by such other manner as allowed by the Securities and Exchange Commission and other applicable laws and regulations.** For regular meetings, the notice shall be sent at least twenty one (21) days prior to the date of the meeting, while for special meetings, notice shall be sent at least seven (7) days prior to the date of the special meeting. The notice shall be deemed to have been given on the day (i) when delivered to the stockholder’s physical address, if by personal delivery or courier service, or (ii) when deposited in the Makati Central Post Office, if by postal mail, or (iii) when sent, if by telefacsimile or electronic mail, (iv) on the date of publication, if by publication in a newspaper of national circulation, or (v) as may otherwise be applicable, if by such other manner allowed by the Securities and Exchange Commission and other applicable laws and regulations. The notice shall state the place, date and **time** of the meeting, and the purpose or purposes for which the meeting is called.

**‘In case of a postponement of a meeting of stockholders, notice of such postponement and the reason thereof shall be sent to all stockholders of record entitled to vote in the manner described herein at least fourteen (14) days prior to the re-scheduled date of meeting.**

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting

**‘Notice to any meeting may be waived, expressly or impliedly, including through a stockholder’s attendance at a meeting unless the stockholder’s presence is for the express purpose of contending that the meeting is not lawfully convened.’**

“RESOLVED, FURTHER, that Section 5 of Article II of the Amended By-Laws of the Corporation be as it is hereby amended to read as follows:

‘Section 5. Quorum – Unless otherwise provided by law, in all regular or special meetings of stockholders, 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. **Stockholders who participate through remote participation or in absentia, shall be deemed present for the purpose of determining the existence of a quorum.**’

“RESOLVED, FURTHER, that Section 7 of Article II of the Amended By-Laws of the Corporation be as it is hereby amended to read as follows:

‘Section 7. Manner of Voting – At all meetings of stockholders, a stockholder **entitled to vote may vote in person, through remote communication, in absentia or be represented by proxy, subject to compliance with such rules and regulations as may be issued by the Securities and Exchange Commission from time to time and other applicable laws and regulations.** Unless otherwise provided in the proxy, such proxy shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary **at least ten (10) days prior to a regular meeting or at least four (4) days prior to a special meeting, or in accordance with such other period as may be indicated in the relevant notice for the meeting.** Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting, or by their personal presence at the meeting. **Voting shall be based on the number of shares of common stock owned by a stockholder and not per capita.**’

“RESOLVED, FURTHER, that Section 8 of Article II of the Amended By-Laws of the Corporation be as it is hereby amended to read as follows:

‘Section 8. Closing of Transfer Books or Fixing of Record Date – For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, the Board of Directors may provide that the stock and transfer books be closed for at least twenty (20) days immediately preceding **a regular meeting and at least seven (7) days immediately preceding a special meeting.**’

“RESOLVED, FURTHER, that Section 2 of Article III of the Amended By-Laws of the Corporation be as it is hereby amended to read as follows:

‘Section 2. Election and Term – The members of the Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

The 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 **entitled to vote** shall have the right to vote **(in person, through remote communication, in absentia, or be represented by proxy, subject to compliance with such rules and regulations as may be issued by the Securities and Exchange Commission from time to time and other applicable laws and regulations)** 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.’

“RESOLVED FURTHER, that the Corporation be, and it is hereby authorized to file an application with the Securities and Exchange Commission for the approval of the foregoing amendments to the Amended By-Laws of the Corporation; and

“RESOLVED FINALLY, that any one of the President, Treasurer, Corporate Secretary and Assistant Corporate Secretary of the Corporation be as they are hereby authorized to execute such documents and do and perform such further acts and deeds as may be necessary or appropriate to apply for and obtain the approval of the Securities and Exchange Commission for the aforesaid amendment and, in general, to implement the foregoing resolutions.”

The details of the final tally of votes were:

	<b>NUMBER OF VOTES CAST</b>	<b>PERCENTAGE OF TOTAL OUTSTANDING SHARES</b>
1. Yes/Approved	10,666,499,780	79.07%
2. No/Against	0	0
3. Abstain	0	0
<b>Total Votes Cast</b>	10,666,499,780	79.07%

#### **11. OTHER MATTERS**

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

The Moderator read out a question from the floor, submitted by Mr. Julius Sanvictores who is a stockholder of the Corporation. Mr. Sanvictores would like to know how the Corporation can differentiate itself, or what is its competitive advantage, from other cement companies or brands like Eagle Cement, Holcim, and PHINMA Philcement.

Mr. Mijares responded by highlighting some of the strengths of the organization which he believes underscore its competitive advantage: (i) we possess strong brands that are highly recognized in our markets, (ii) our footprint encompasses some of the fast-growing markets in the country, (iii) our strategy has been on not only reaching wholesalers or large distributors, but also servicing directly retailers; (iv) we are focused on providing the best possible experience for our customers and have been leveraging on digital technology as discussed in the President's Report, (v) we are a member of the CEMEX global network which allows us to find opportunities to realize efficiencies in our business (such as sourcing of fuel, alternative fuels and other raw materials) and to benefit from the aspiration of a CEMEX global sustainability framework, and (vi) the proven ability of our team to adapt and overcome challenges that affect its business.

#### **12. ADJOURNMENT**

When no further questions or comments were raised from the floor, the *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 we are living in today.

We will be sharing with you updates regarding our company during the past year, and we look forward to entertaining any questions you may have.

**2019: A YEAR OF RECOVERY**

2019 was a year of recovery for CEMEX HOLDINGS PHILIPPINES, INC. ("CHP").

We began the first quarter ramping up our sales and operations, following the unfortunate September 2018 landslide that affected Naga City, Cebu, near our APO Cement Plant.

We also saw a temporary slowdown in construction activity during the year, due to the delayed approval of the national budget and the impact of mid-term elections held in May.

For these reasons, we recorded around 23.6 billion pesos in net sales for 2019, an increase of 1 percent from the previous year.

Nevertheless, with our efforts to maintain efficiencies, optimize costs, and improve our customers' experience, we closed 2019 with Operating EBITDA at 4.2 billion pesos, an increase of 25 percent year-over-year and our highest in the last three years. In addition, we expanded our Operating EBITDA margin by 4 percentage points, from 14 percent in 2018 to 18 percent in 2019.

We reduced our distribution cost by 2 percentage-points of sales as a result of our initiatives to lower double-handling and optimize our supply chain.

Our cost of sales, as a percentage of sales, decreased by 2 percentage points in 2019 compared with 2018. During the year, we managed our fuel cost by using a new coal mix. Furthermore, we realized savings in our power cost from lower electricity rates.

Both our plants, Solid Cement, in Antipolo, Rizal, and APO Cement, continued to operate at above 90 percent efficiency, ranking among the best-in-class in quality index within CEMEX, for full year 2019.

APO Cement also achieved record clinker production, and consistently ranked first in reliability within the CEMEX USA and Philippines cluster for each quarter of the year.

Our net income for 2019 reached almost 1.3 billion pesos, benefitting from higher operating earnings and foreign exchange gains versus 2018.

I am pleased with what we accomplished in 2019, thanks to all the valuable contributions of our highly committed team.

**STOCK RIGHTS OFFERING**

Last April 2019, CHP Management initiated a process to increase the company's equity capital to improve its capital structure, provide balance sheet flexibility, and fund the Solid Cement Plant expansion.

Through a Stock Rights Offering or "SRO", authorized by your Board of Directors on September 3, 2019, and with your support, we successfully raised nearly 12.8 billion pesos from an offer of almost 8.3 billion common shares at 1.54 pesos per share. The offer period for these additional shares ended on January 24, 2020, and the shares were listed in the Philippine Stock Exchange last March 4, 2020.

We would like to express our sincere appreciation to everyone who supported us and participated in this exercise.

Post this capital raise, our net debt has been reduced to 7.1 billion pesos as of March 31, 2020, from 18.7 billion pesos as of December 31, 2019, leaving our balance sheet in a much stronger position.

Based on our last disclosure on June 22, 2020, on the use of proceeds, we have spent an accumulated amount of 8.7 billion pesos to fully repay debt owed by Solid Cement and APO Cement to CEMEX ASIA, B.V., fund costs and expenses associated with our Solid Cement expansion project, and settle fees, expenses, and applicable taxes related to SRO.

### COVID-19 PANDEMIC

The current COVID-19 pandemic has thrust us all into a “new normal”, which challenges us to adapt and innovate.

Around the world, governments, industries, and people are taking measures to deal with the effects of this pandemic, and CEMEX Holdings Philippines is not an exception.

As mentioned before, our focus during these challenging times is on three priorities:

- first, to protect the health and safety of our employees, their families, our customers, suppliers, and communities.
- second, to support our customers and leverage CEMEX Go for a digital, low touch experience.
- and third, to ensure the long-term business continuity of CHP.

As soon as the COVID-19 threat emerged, we activated our Rapid Response Teams to continuously monitor the situation and implement preventive measures to reduce our risks.

We applied strict hygiene protocols in our operations, modified our manufacturing, sales, and delivery processes, and intensified Health and Safety measures. This includes the implementation of flexible working arrangements, enabling distance work and skeletal-workforce schemes, in our sites and offices, in compliance with government advisories and regulations.

To adapt our operations to the “new normal” and ensure safe working conditions for all employees, CEMEX has prepared and implemented more than 50 new hygiene and safety protocols to minimize the risk of COVID-19 threats in our operations.

The protocols developed by CEMEX are based on national and international guidelines established by experts in the field, such as the World Health Organization (WHO), and in strict adherence to local health regulations. Part of the protocols implemented are for Personal Hygiene, Physical Distancing, Screening at the Workplace, and CEMEX Truck Drivers, among many others.

### THANK YOU FRONTLINERS

Our sympathy goes out to those that have been directly affected by this coronavirus.

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.

### IMPACT OF COVID-19 PANDEMIC

We saw construction activity grind to a halt during the Enhanced Community Quarantine in Luzon. At the same time, in Visayas and Mindanao, activity slowed down significantly, continuing at a limited scale in certain markets, depending on local quarantine measures.

We suspended the production and delivery of cement products in our Solid Cement Plant beginning March 19, but have since resumed operations starting 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 General Community Quarantine in the province of Rizal.

Our APO Cement Plant has remained operational year-to-date, complying with all necessary hygiene and safety measures.

CHP's operations are in strict adherence to regulations set by the government, recognizing the importance of the construction industry in supporting the maintenance and service of essential infrastructure required to face the pandemic and contribute to the economy.

We are fully capable of serving the requirements of our customers. And while the recovery of the Philippine economy remains uncertain, we continue to be optimistic about the long-term growth prospects of the country.

Our full year guidance for cement sales, volume, and capital expenditures are currently under review, as we further assess the developments involving the pandemic. We will be discussing our guidance during our second quarter results conference call and webcast, the schedule of which will be disclosed in due time.

We also remain in constant communication with BDO Unibank Inc., our creditor bank, and have no major debt maturities until 2022.

By promptly serving the needs of the market, and prudently managing our costs and expenses, we believe that we have the necessary resources and agility to face the challenges ahead.

### OUR VISION

Our vision is to build a better future for our employees, customers, shareholders, suppliers, and the communities in which we live and work.

### OUR ZERO4LIFE COMMITMENT

Health and safety remain our number one value and priority. Nothing is more important than the health and safety of our employees, contractors, and the people with whom we interact with in our day-to-day business. Quite simply, our aspiration is for everyone who encounters our operations to always return home safely to their family.

We constantly work towards our ultimate target of zero injuries at every location — our Zero4Life goal.

Our CEMEX Health & Safety Management System, or “HSMS”, provides the guiding principles and mechanisms for the effective implementation of safety programs. HSMS has been created in consultation with stakeholders across CEMEX, to provide a practical, risk-based management system. It is used to support our sites and businesses, to implement, document, maintain and continuously improve healthy, safe, reliable and efficient operations.

HSMS is anchored in the Occupational Health and Safety Management Systems or OHSAS 18001.

The company has established programs to address key health and safety risk and achieve our overall objective towards zero incidences. These programs include leadership in health and safety, root cause incident investigation, implementation of good practices in driving and contractor safety, health and safety trainings, and consistent implementation of our Health & Safety Management System.

### WE SEEK TO CREATE VALUE

We seek to create value across all aspects of our business.

### ENHANCING PROFITABILITY

Our Solid Cement Plant expansion project remains a key driver in our value creation strategy. We remain committed to supplying the Philippines with high quality cement to build the country for many years to come.

Civil works and all other works of the expansion project were also on halt during the Luzon ECQ. Given this, our expected start of operations of second-quarter 2021 is also being reviewed, as the new schedule will have to adjust for the weeks of no activity and the necessary ramp-up.

We will also be providing updates regarding our Solid Cement Plant expansion project during our next quarterly webcast.

We are reducing our expenses to mitigate the impact of the pandemic, limiting expenditures to only those that are essential.

We constantly search for opportunities to realize efficiencies in our business, like what we achieved last year with our distribution cost. Despite disruptions brought about by the pandemic situation, we

continue to have initiatives in the pipeline such as the 4.5-megawatt waste-heat-to-energy facility in our APO Cement Plant and efforts to continue optimizing our fuel mix.

### DELIVERING A SUPERIOR CUSTOMER EXPERIENCE

We are constantly being challenged by intense competition in our industry. In a market-driven digital world, creating a customer-centric organization is not only a competitive advantage, but also essential to our business strategy.

Our customer focus is a core organizational value and priority. We place our customers at the center of every action we take and every decision we make, aiming to create the best possible experience for them.

We established Customer Engagement Practices in order to capture our customer's voice through our Net Promoter Score (NPS) — a core KPI that helps us to systematically measure our customer loyalty and satisfaction.

In our Net Promoter Score (NPS) evaluation, our customers rate the likelihood of recommending us. On this assessment, we improved our customer experience by 21 percentage points in 2019 compared to 2018.

We have been leveraging innovative digital technology to transform our company's customer experience.

CEMEX is leading the industry's customer-centric digital evolution through our CEMEX Go platform.

Launched in October 2018, our end-to-end CEMEX Go commercial platform is the first step in our customers' transition from interacting with us solely through analog channels to a more streamlined, digital, and low-touch and low-contact solution.

With our CEMEX Go platform, we are uniquely positioned to protect not only our workers, but also our customers. CEMEX Go facilitates physical distancing by allowing us to continue our sales and customer service operations in a virtual and safe manner.

Across the different markets where CEMEX Go is available, the Philippines has had one of the fastest adoption rates within the CEMEX group. In 2019, more than 90% of orders were placed using this digital platform.

We enjoy a solid, wide reach in the markets where we operate, with the facilities and logistical capabilities to serve our customers. We are proud of our well-established brands, such as "APO", "Island", and "Rizal", which have a multi-decade history in the Philippines. These brands 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.

Our access to the CEMEX global portfolio of products allows us to serve the needs of the evolving Philippine market with innovative products and services, for faster and safer building solutions. CEMEX's Promptis Accelerating Admixture is the first admixture technology certified by the Department of Public Works and Highways (DPWH), approved for use in one-day concrete application in public road works.

With our customer-centric attitude, driven by innovation, and backed by the , knowledge, and expertise of the CEMEX global network, CHP is equipped to serve the present and future needs of the country.

### GLOCALIZING CSR

CHP is an active member of CEMEX Philippines Foundation, Inc.

In partnership with various socio-civic organizations and the Philippine government, CEMEX Philippines Foundation, empowers communities and uplifts the lives of its beneficiaries through sustainable programs for society and the environment.

While we operate with a global mindset, the heart of our corporate social responsibility program is rooted in the needs of our local communities.

### COVID-19 RELIEF

CEMEX is ONE with the Nation in Our Fight Against COVID-19. We continue to identify areas where we can be of most service while supporting local government units through much-needed manpower support, food, medical and sanitation supplies for front liners and community members.

### CSR PROGRAMS

Additionally, earlier in the year, the company, our employees and our valuable partners conducted relief efforts for victims of the recent Taal eruption.

Moreover, we continued our core programs that address disaster resilience, waste management, health and safety and volunteerism.

Anchored on our umbrella mission to Build the Nation Together, CEMEX not only envisions to be the trusted global builder of future cities but also the builder of self-sustaining communities.

### MANAGING WITH INTEGRITY

Our established governance and management practices are consistent with our relentless commitment to creating sustainable, long-term stakeholder value. Our values and ethical standards are the basis for our actions as we strive to achieve our strategic vision.

CHP's Manual of Corporate Governance lays down the principles of good corporate governance. CHP adheres to the Code of Ethics and Business Conduct of CEMEX which was established to ensure that all employees worldwide abide by the same high standard of conduct.

Among several global policies of CEMEX being observed by CHP are the Global Anti-Trust Compliance Policy, CEMEX Anti-Bribery/Anti-Corruption Policy and CEMEX Insider Trading Policy.

We continually work to engage and align our suppliers with our core values, aiming to ensure that our suppliers comply with our Code of Ethics and Suppliers Code of Conduct When Doing Business with Us.

### ERM

As today's business landscape has become more complex and uncertain, Enterprise Risk Management or "ERM" is fundamental to reduce the impact of adverse events and to capitalize on opportunities.

CEMEX Enterprise Risk Management (ERM) is an institutional framework deployed throughout the company to manage the main risks and opportunities that could impact the achievement of our strategic and operational objectives.

Our ERM process is based on international best practices from the Risk Management Society (RIMS) and Business Continuity Institute (BCI) and is compliant with ISO 31000 Risk management standards and ISO 22300 Business continuity management systems

Furthermore, our ERM process is conducted in compliance with our company's values, as well as our Code of Business Conduct and Ethics.

### OUR COMMITMENT TO THE PLANET

Our commitment to sustainability is one of the fundamental pillars of our business strategy, it is essential to create lasting value.

As a leading building materials company, we recognize and embrace our responsibility in the development of sustainable cities and the generation of shared value among communities.

CHP considers Climate Change mitigation as a priority and we are fully committed to supporting the transition to a low-carbon circular economy.

### CO2 REDUCTION LEVERS

In 2018, CEMEX developed a CO2 reduction roadmap to assess the carbon mitigation potential of each plant while considering local challenges, regulations, materials supply, technical limitations, and market dynamics.



This roadmap considers several levers that can deliver impact at scale, and, we have adopted some of these in the Philippines.

### IMPROVING OUR ENERGY EFFICIENCY

Cement manufacturing is an energy-intensive process.

Accordingly, we focus on identifying, promoting, and investing in energy-efficient technologies, to lower our overall fuel and power consumption across our operations.

As part of our continuous improvement and investment process, we continuously replace outdated equipment with new, energy-efficient technology to optimize and modernize our plants with the latest available new technologies.

Our plants, Solid and APO, are the only cement plants in the country certified with ISO 50001 Energy Management System standards. Our compliance to these standards is being audited by an independent third-party audit firm.

### ENVIRONMENTAL MANAGEMENT

We use CEMEX's Environmental Management System, or "EMS", to evaluate and facilitate consistent and complete implementation of risk-based environmental management tools across our operations.

CEMEX EMS consists of key mechanisms for environmental performance enhancement, environmental impact assessment, stakeholder engagement, and incident response.

### OUR PEOPLE

The engine of our value generation, and our most important asset, is our people. Their quality, diversity, adaptability, and "malasakit" make us stronger, differentiate us from our competitors, and enable us to remain industry leaders.

We are proud and protective of our workforce; they live our values every day. Together, we are building a better future for our families, our customers, and the communities in which we live and work.

I would like to take this opportunity to thank and recognize our people for their hard work and valuable efforts in this complex past months.

The new coronavirus pandemic has presented us with great challenges, but, like in the past, we will find ways to overcome them by working as a team, always committed to helping our customers, to create lasting value for all our stakeholders.

### CLOSING REMARKS

In closing, while there is still much uncertainty regarding the COVID-19 pandemic and its impact looking forward, we stand ready to continue operating in accordance with official government policies and guidelines.

Our focus remains on the variables which we can control.

Working together, we are building a stronger, more competitive, and more successful company — seeking to produce better results and create greater value for all our stakeholders.

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.

# # #