

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

Held at the Mayuree 1 Grand Ballroom,  
DUSIT THANI MANILA, Ayala Centre, Makati City, Philippines  
on 6 June 2019 at 9:00AM

**DIRECTORS PRESENT:**

1. Joaquin Miguel **Estrada** Suarez - Chairman of the Board of Directors
2. Alfredo S. **Panlilio** – Independent Director
3. Pedro **Roxas** – Independent Director
4. Ignacio Alejandro **Mijares** Elizondo - President and Chief Executive Officer
5. Alejandro **Garcia** Cogollo – Director
6. Antonio Ivan **Sanchez** Ugarte - Director
7. Larry Jose **Zea** Betancourt – Director

**ALSO PRESENT:**

Jannette Virata Sevilla – Corporate Secretary

**INTRODUCTION**

*[The proceedings formally started after the hotel representative advised the attendees of the hotel safety rules.]*

Mr. Chito Maniago, the Corporate Communications & Public Affairs Director of the Corporation, acted as host of the proceedings. Following the National Anthem, he introduced to the stockholders the members of the Board of Directors, the Corporate Secretary & Compliance Officer, as well as the other executive officers of the Corporation who were present:

1. Steve Wu - Treasurer & Chief Financial Officer and BSO Director
2. Alejandro Garcia - Vice President for Planning and Administration
3. Roberto Martin Z. Javier - Vice President for Commercial (Institutional Segment)
4. Edwin Hufemia - Vice President for Supply Chain
5. Everardo Sanchez - Vice President for Commercial (Distribution Segment)
6. John Benette Mamanun - Investor Relations Director
7. Adrian V. Bancoro - Tax Director
8. Maria Virginia Lacson-del Rosario - Customer Experience Director
9. Rolando Valentino - Internal Auditor
10. Jose Mauro Gallardo - Enterprise Risk Management (ERM) Manager
11. Kristine G. Gayem – Energy Director
12. Dino Martin W. Segundo – Legal Director and Assistant Corporate Secretary

Mr. Maniago likewise acknowledged the presence of Ms. Eleanor M. Hilado, who is nominated as one of the 3 independent directors of the Corporation. Representatives of the external auditor of the company, R.G. Manabat & Co, were also present.

Thereafter, the Chairman of the Board of Directors, Mr. Joaquin Estrada, delivered the following welcome message:

*Fellow shareholders, our Board of Directors, management and staff, guests, good morning and welcome to the 2019 Annual Meeting of Stockholders of CEMEX Holdings Philippines Inc.*

*On behalf of the CHP Board and Management, let me express our sincerest gratitude to all of you for joining us in this year's meeting. We are excited for this opportunity to share with you the milestones and initiatives that the company has undertaken in the past year and our plans to attain greater and sustainable growth in the coming years.*

*Our outlook for the Philippines remains very positive as we continue to see many areas for growth in the country. It is thus imperative for us to execute our strategy in a timely and efficient manner to help capture these opportunities presented before us.*

*Looking back at what transpired last year, I believe we achieved several key targets in our strategy despite the challenges we faced, daunting as they were. We are encouraged by our positive results during the first quarter of this year particularly with the improvements in our financial performance.*

*I am happy to say that one of our key initiatives, the Solid Expansion project, is very much under way and we continue to monitor its progress to help ensure that we meet our timelines. Related to this, we also take this opportunity during this meeting to take on important items that will support our expansion and help shape the future of our company.*

*Through all the accomplishments and challenges we faced last year, we were always encouraged and inspired by the support that you, our dear shareholders, provided and extended to the company. We thank you for these and we look forward to working with all of you as we embark on more undertakings for the company. Trust that your Board of Directors and management will always be committed to create growth opportunities for the company and will play our part in the overall growth and development of the country.*

*Thank you and a pleasant good morning 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, acted as *Chairman* of the meeting and called the meeting to order.

The *Chairman* 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 notices of this annual stockholders' meeting (together with proxy forms and the Information Statement in CD format) were delivered starting May 14, 2019 to the stockholders of record of the Corporation as of May 10, 2019, which is the record date fixed by the Board of Directors for determination of the stockholders entitled to notice of, and to vote at, this annual stockholders' meeting.

As of the record date, the total outstanding shares of capital stock of the Corporation consisted of 5,195,395,454 common shares. The Corporate Secretary further certified that based on the preliminary results of the meeting's registration process obtained prior to the start of the meeting, there were present/represented in the meeting, in person or by proxy, stockholders holding a total of 3,561,501,709<sup>1</sup> common shares which correspond to approximately 68.55% of the total outstanding shares of capital stock of the Corporation, and that there was a quorum to transact business in the meeting.

Finally, the Corporate Secretary informed the stockholders that the Corporation engaged the services of the accounting firm of R.G. Manabat & Co to verify, canvass and validate the voting during today's annual stockholders' meeting.

Based on the certification by the Corporate Secretary on the delivery of notice of meeting and the existence of the quorum and in the absence of an objection, the President of the Corporation, as *Chairman* of the meeting, declared the meeting duly convened and open for business.

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<sup>1</sup> The final results of the meeting's registration process show that stockholders holding a total of 3,633,074,997 common shares which correspond to approximately 69.93% of the total outstanding shares of capital stock of the Corporation were present/represented in the meeting.

Further to the request of the *Chairman*, the Corporate Secretary elaborated on voting and meeting guidelines to be observed during the meeting:

1. For the matters to be presented for stockholder's approval, except for the election of directors, each share entitles the registered owner (or his representative) to one vote.
2. The affirmative vote of stockholders holding a majority of the outstanding shares of stock of the Corporation present or represented in the meeting shall be needed to pass and approve each proposed resolution, except for (i) the election of directors which shall be based on plurality of votes (item 7), (ii) Item 9 of the Agenda (Amendment of the Seventh Article of the Amended Articles of Incorporation to increase the authorized capital stock) for which we shall need the approval of shareholders holding at least 2/3 of the total outstanding shares of stock (at least 3,463,596,970 shares), and (3) Item 10 of the Agenda (Amendment of Section 1 of the Article III of the Amended By-laws of the Corporation to include an express authority of the Board of Directors) for which we shall need approval of shareholders holding at least a majority of the total outstanding shares of stock (at least 2,597,697,728 shares).
3. For the election of directors, a stockholder (or his representative) may either vote such number of shares for as many individuals as there are directors to be elected or he may cumulate said shares and vote such cumulative number of shares to one nominee or distribute them among as many nominees as he shall see fit. The election of directors shall be by plurality of votes.
4. The Corporate Secretary stated that copies of the ballot were distributed to stockholders during the registration process for the meeting. She also noted that some stockholders had provided to the Corporation their accomplished proxies with votes prior to the meeting.
5. The accomplished proxies and ballots reflecting stockholders' votes on each of the items in the agenda were endorsed for counting and tabulation by R.G. Manabat & Co. The Corporate Secretary mentioned that as each item on the agenda is taken up, the votes received and tabulated preliminarily prior to the start of the meeting will be noted; however the minutes of the meeting will reflect the final tally of votes received.
6. Only shareholders as of the record date or their representatives holding duly executed proxies shall be allowed to vote and speak in today's meeting. The Corporate Secretary requested shareholders who wish to take the floor to proceed to where the microphones are situated and wait to be acknowledged by the *Chairman* of the meeting before speaking. As soon as acknowledged, the stockholder must introduce himself/herself and inform the body of the number of shares held or represented.

The Corporate Secretary requested that concerns be raised by way of a question so that these can be properly addressed. She cautioned however that questions from the floor should pertain to the specific item in the agenda or proposal being discussed, and that questions which are not relevant to the agenda shall be considered "out of order". She likewise assured the stockholders that in case due to time constraints there are questions which could not be entertained on the floor, the Investor Relations group will be available for consultation after the meeting.

Finally, the Corporate Secretary reminded the attendees to observe proper decorum and due courtesy during the meeting.

### **3. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS HELD ON JUNE 6, 2018**

The President of the Corporation, as *Chairman* of the meeting, then proceeded to the next order of business which was the approval of the minutes of the Annual Meeting of Stockholders held on June 6, 2018. The Corporate Secretary stated that: (i) a copy of the subject minutes of meeting was delivered to the stockholders together with the Definitive Information Statement, (ii) a copy of the same was uploaded on the Corporation's website, and (iii) said minutes of meeting were 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 meeting was dispensed with, and there being no objection made to such motion despite opportunity being given by the *Chairman*, stockholders holding a majority of the outstanding shares of stock of the Corporation approved the minutes of the Annual Meeting of Stockholders of June 6, 2018, and accordingly resolved to adopt and approve the following resolution:

“RESOLVED, that the stockholders of the Corporation hereby approve the Minutes of the Annual Meeting of Stockholders held on June 6, 2018.”

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	3,576,629,297	68.84%
2. No/Against	-	
3. Abstain	56,445,700	1.09%
<b>Total Votes Cast</b>	<b>3,633,074,997</b>	<b>69.93%</b>

#### **4. REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

The President of the Corporation, as *Chairman* of the meeting, moved on to the next item in the agenda and presented to the stockholders the President’s Report which highlights the operating and financial performance of the Corporation in 2018. A copy of the President’s Report is attached as Annex “A” of these minutes.

Following the conclusion of his report, the *Chairman* invited the stockholders to raise questions on the matter.

Questions were raised by several stockholders, and explanations or clarifications were made by the President regarding various topics. In response to questions on possible dividends being declared by the Corporation, the President reiterated that there were no plans at this time to declare dividends especially in light of the need to devote company resources for the expansion of SOLID cement plant’s capacity in order to meet the growing demand in the country’s cement market. In response to the question on the impact to the Corporation of the impending acquisition by a unit of San Miguel Corporation of Holcim Philippines, Inc., the President reiterated his favorable outlook on the industry. A few stockholders asked questions on the proposal to increase the capital of the Corporation to Php18Billion and to implement capital raising such as a potential stock rights offering, and its impact on CHP’s stock price. The President responded that while he could not predict the effect on CHP’s stock price, he explained that the actual size and price for any capital market exercise were not yet defined or finalized by the Board of Directors.

A stockholder raised a question on how confident management is that the initiatives that it is undertaking, including the expansion of its SOLID cement plant, will yield positive results for the company given that the Corporation has lost market share in recent years. The President acknowledged that the Corporation faced various challenges since its IPO in 2016 including the increase in imported cement, and explained that management has had to find a balance between maintaining sales volume and generating revenue. However, he shared that the first quarter financial performance was encouraging and that he was confident that this performance would be sustained in the coming quarters, barring unavoidable circumstances, and emphasized that the plant expansion project remains a strategic investment to serve the attractive Philippine cement market. The President also assured the stockholders that the Corporation will continue to find ways to improve operational efficiencies and profitability which should contribute to further enhance the fundamentals of the Corporation.

After a lengthy discussion, the President’s Report was duly noted by the stockholders.

#### **5. APPROVAL OF THE 2018 ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION AS OF 31 DECEMBER 2018**

The President of the Corporation, as *Chairman* of the meeting, proceeded to the next item in the agenda which was the approval of the 2018 Annual Report (SEC Form 17-A for 2018) and the audited financial statements of the Corporation as of December 31, 2018. The *Chairman* stated that copies of

the 2018 Annual Report, the audited consolidated financial statements and the audited separate financial statements of the Corporation for fiscal year 2018 were filed together with the Definitive Information Statement. These were also posted on the PSE Edge and the Corporation's website.

Upon motion duly made and seconded, and there being no objection made to such motion despite opportunity being given by the *Chairman*, stockholders holding a majority of the outstanding shares of stock of the Corporation approved the 2018 Annual Report (SEC Form 17-A for 2018) and the audited financial statements of the Corporation for year ended December 31, 2018, and accordingly resolved to adopt and approve the following resolution:

“RESOLVED, that the 2018 Annual Report and the Audited financial statements of the Corporation for the year ended December 31, 2018, 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	3,561,755,897	68.56%
2. No/Against	2,117,000	nil
3. Abstain	69,202,100	1.34%
<b>Total Votes Cast</b>	<b>3,633,074,997</b>	<b>69.93%</b>

**6. RATIFICATION AND APPROVAL OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE JUNE 6, 2018 STOCKHOLDERS' ANNUAL MEETING**

The President of the Corporation, as *Chairman* of the meeting, then stated that the next item in the agenda 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, 2018. The *Chairman* 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 there being no objection made to such motion despite opportunity being given by the *Chairman*, stockholders holding a majority of the outstanding shares of stock of the Corporation voted in favor of the confirmation, ratification and approval of all actions of the Board of Directors and Management taken since the annual meeting of stockholders held on June 6, 2018, and accordingly resolved to adopt and approve the following resolution:

“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, 2018 up to the date of this meeting be, as they are hereby, confirmed, ratified, and 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	3,561,755,897	68.56%
2. No/Against	2,117,000	nil
3. Abstain	69,202,100	1.34%
<b>Total Votes Cast</b>	<b>3,633,074,997</b>	<b>69.93%</b>

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

The President of the Corporation, as *Chairman* of the meeting, 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 2020 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) as members of the Board of Directors to serve as such for the ensuing year:

1. Joaquin Miguel **Estrada** Suarez
2. Alejandro **Garcia** Cogollos
3. Eleanor M. **Hilado** (independent director)
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

Mr. Panlilio informed the stockholders that the nominations were submitted to the Corporate Secretary prior to the close of business hours on April 17, which was the deadline for submission of nominations set by the Board of Directors in accordance with 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 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 and thereafter declared that the Chair was open to entertain a motion.

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. There being no objections made to the motion despite opportunity being given by the *Chairman*, the *Chairman* declared the following individuals duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified, based on the affirmative votes cast in favor of the 8 nominees:

NOMINEE (in alphabetical order by surname)	No. of Votes Yes/For	No. of Votes No/Against	No. of Votes Abstain
1. Joaquin Miguel <b>Estrada</b> Suarez	3,571,477,543	5,147,600	56,449,854
2. Alejandro <b>Garcia</b> Cogollos	3,571,876,543	4,748,600	56,449,854
3. Eleanor M. <b>Hilado</b>	3,576,625,143	-	56,449,854
4. Ignacio Alejandro <b>Mijares</b> Elizondo	3,571,876,543	4,748,600	56,449,854
5. Alfredo S. <b>Panlilio</b>	3,574,512,143	2,117,000	56,445,854
6. Pedro <b>Roxas</b>	3,573,594,543	3,030,600	56,449,854
7. Antonio Ivan <b>Sanchez</b> Ugarte	3,571,876,543	4,748,600	56,449,854
8. Larry Jose <b>Zea</b> Betancourt	3,571,876,543	4,748,600	56,449,854

**8. APPOINTMENT OF EXTERNAL AUDITOR OF THE CORPORATION FOR 2019**

The President of the Corporation, as *Chairman* of the meeting, 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 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. He mentioned that the financial statements of the Corporation for the previous fiscal years ended December 31, 2016, 2017 and 2018 were audited by R.G. Manabat & Co.

Upon motion duly made and seconded, and there being no objection made to such motion despite opportunity being given by the *Chairman*, stockholders holding a majority of the outstanding shares of stock of the Corporation voted in favor of the re-appointment of R.G. Manabat & Co as the Corporation's external auditor for the fiscal year 2019 and accordingly resolved to adopt and approve the following resolution:

“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 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	3,574,512,297	68.80%
2. No/Against	2,117,000	nil
3. Abstain	56,445,700	1.09%
<b>Total Votes Cast</b>	<b>3,633,074,997</b>	<b>69.93%</b>

**9. AMENDMENT OF SEVENTH ARTICLE OF THE AMENDED ARTICLES OF INCORPORATION OF THE CORPORATION IN ORDER TO INCREASE THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION**

The President of the Corporation, as *Chairman* of the meeting, proceeded to the next order of business which was the amendment of the Amended Articles of Incorporation of the Corporation for the purpose of increasing the authorized capital stock of the Corporation from Php 5,195,395,454.00 divided into 5,195,395,454 common shares with a par value of One Peso per share to Php 18,310,395,454 PESOS divided into 18,310,395,454 common shares with a par value of One Peso per share. The Chairman pointed out that the background information and the rationale for this proposed amendment has been discussed earlier during the President's report.

Since no questions were raised despite opportunity being given by the *Chairman*, the *Chairman* entertained a motion duly seconded to approve the proposal to amend the SEVENTH Article of the Corporation's Amended Articles of Incorporation increasing the authorized capital stock as discussed:

“RESOLVED, that Article VII of the Amended Articles of Incorporation of the Corporation be as it is hereby amended to read as follows:

‘SEVENTH: That the authorized capital stock of the Corporation is Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four Pesos (Php 18,310,395,454) in lawful money of the Philippines, divided into Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four (18,310,395,454) common shares with par value of One Peso (PhP 1.00) per share. x x x’

“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 amendment to the Amended Articles of Incorporation of the Corporation.”

After the *Chairman* conferred with the Corporate Secretary, the *Chairman* informed the stockholders that based on the tally of votes, it appeared that shareholders owning approximately 64.69%<sup>2</sup> of the total outstanding capital stock have voted in favor of this matter. The *Chairman* noted that this is less than the 2/3 affirmative vote requirement, and accordingly stated that the proposed resolutions to amend the Corporation's Articles of Incorporation in order to increase the authorized capital stock could not be passed and adopted during this meeting.

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	3,361,278,436	64.70%
2. No/Against	271,796,561	5.24%
3. Abstain	-	-
<b>Total Votes Cast</b>	<b>3,633,074,997</b>	<b>69.93%</b>

#### **10. AMENDMENT OF SECTION 1 OF ARTICLE III OF THE AMENDED BY-LAWS OF THE CORPORATION**

The President of the Corporation, as *Chairman* of the meeting, proceeded to the next order of business which was the amendment of Section 1 of the Article III of the Amended By-laws of the Corporation to include the express authority of the Board of Directors to, for and on behalf of the Corporation, guarantee the obligations of, and provide financial support to, any of its subsidiaries and affiliates. The rationale for the amendment is to give the Corporation flexibility to provide financial assistance or support to its subsidiaries and/or affiliates.

Upon motion duly made and seconded, and there being no objection made to the motion despite opportunity being given by the *Chairman*, stockholders holding at least a majority of the the total outstanding shares of stock of the Corporation voted in favor of the amendment and accordingly resolved to adopt and approve the following resolutions:

“RESOLVED, that Section 1 of the Article III of the Amended By-laws of the Corporation be as it is hereby amended to read as follows:

‘Section 1. Powers of the Board. – Unless otherwise provided by law, the corporate powers of the Corporation shall be exercised, all business conducted and all property of the Corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such powers as may be granted by law, the Board of Directors shall also have the following powers:

x x x

(h) For and on behalf of the Corporation, to guarantee the obligations of, and provide financial support to, any of its subsidiaries and affiliates; and

(i) To implement these By-laws and to act on any matter not covered by these By-laws, provided such matter does not require the approval or consent of the stockholders under the Corporation Code.’

“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 amendment to the Amended By-laws of the Corporation.”

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<sup>2</sup> The final tally of votes resulted in votes cast in favor of the proposal to increase the authorized capital stock of the Corporation corresponding to 3,361,278,436 shares equivalent to 64.70% of the total issued and outstanding shares of the Corporation.



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	3,247,616,069	62.51%
2. No/Against	269,391,214	5.19%
3. Abstain	116,067,714	2.24%
<b>Total Votes Cast</b>	<b>3,633,074,997</b>	<b>69.93%</b>

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

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

A stockholder inquired about any alternative plans of the Corporation given that the proposal to increase authorized capital stock of the Corporation did not muster the necessary affirmative votes. The *Chairman* responded that the increase in authorized capital stock was the first step to allow the Corporation to potentially conduct a capital market transaction, and he expects that the newly-constituted Board of Directors will continue to review the various plans or options available to the Corporation and to decide on the next steps. He assured the stockholders that the appropriate disclosure on the next steps will be made in due time while reiterating that the expansion project at the Solid cement plant continues to progress. In response to a stockholder's question about whether or not government has taken measures to address cement imports or the smuggling of cement into the Philippines, the *Chairman* shared that one of the ways he believed the government is addressing the impact of imported cement is through the current safeguard measures investigation of the Tariff Commission. Finally, when queried on what were the targets of the company for 2019, the *Chairman* referred to the guidance for sales volume that was made when the first quarter of 2019 results were announced which is a growth rate falling within a range of 8 to 10%, and the guidance for distribution expenses decreasing by around 2 percentage points. The *Chairman* reiterated his positive outlook for the Corporation and looked forward to announcing the second quarter results of 2019.

When no further questions or comments were raised from the floor, the *Chairman* entertained a motion to adjourn.

#### **12. ADJOURNMENT**

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**

*Good morning fellow shareholders and thank you for joining us today. We value your time and effort to be with us in this meeting, especially as we had to move the original date to celebrate yesterday's Feast of the Ramadan with our Muslim brothers and sisters.*

*We shall be sharing with you our story of accomplishments and challenges in the past year and as in the past, we look forward to engaging with you and entertaining any questions and insights you may have.*

*Let me start by saying that our company operates in an environment of high demand for construction, from residential to infrastructure.*

*Government figures show that total construction gross value grew by 15% in 2018. In the private sector, demand is driven by both the residential and industrial segments. Meanwhile, government infrastructure and capital outlays spending continued throughout 2018, ending 41% higher than in 2017.*

*The outlook remains positive as private and public investments flow in for construction activities.*

*Our results last year reflected this reality. It also showed that the initiatives we have put in place yielded a positive impact. In 2018, we gave a guidance of sales volumes to grow by 10% to 11% and working capital to improve by around 1.2 to 1.4 billion pesos. In addition, we also said we would undertake debottlenecking efforts to improve our supply chain capability by half a million tonnes.*

*We are happy to say that our debottlenecking efforts were successful and we increased our supply chain throughput by 500,000 tonnes.*

*Our target volume and working capital improvements were on track in the first nine months of 2018 as our volumes at that point were up by 10%. But as you all know, an unfortunate and unexpected natural disaster struck Naga City in Cebu, where our APO plant is located. This not only affected our operations and sales, but also made us devote time and resources to assist the many families that were affected by the incident.*

*But we, together with the community and Authorities, persevered and showed our ability to cope and overcome challenges. Our commitment to get our feet back from this most unfortunate event allowed us to slowly bring our operations back to normality. By working closely with the various stakeholders, the community and the government, we were able to again have our APO plant fully operational before the end of the year.*

*Thus, despite the challenges, we still closed 2018 with our sales up by 7%. Our EBITDA ended lower at 2.8 billion pesos but we estimate our EBITDA to have been close to the 2017 level if we take out the impact of the Naga landslide.*

*Meanwhile, our net income was affected by the decline in EBITDA, but more significantly by unrealized foreign exchange losses and the utilization of our deferred tax assets.*

*Our operational and financial performance are, however, off to a good start in 2019.*

*When we entered the year, we saw the impact of the Naga landslide still affecting our volumes. But slowly, we were also able to recover the markets that were impacted by the landslide and we achieved a new record of monthly sales volume in March. In all, we closed the quarter with volumes close to last year's level. But, with improved prices from the same period of last year, we achieved a 6% increase in revenues.*

*We also presented specific targets at the start of this year and I am happy to report that we have been on track in all of these targets pertaining to lowering our distribution costs, lowering our clinker utilization and using more cost efficient fuel.*

*As a result, our operating margins improved together with our net income which grew by 145% during the first quarter compared to the same period of last year.*

*The positive economic backdrop, together with the initiatives we put in place, places us in a good position to continue improving our profitability and achieving growth together with the market.*

*For this purpose, we continue to rollout our strategy, focused on these core objectives. To achieve these, we have been implementing four main strategies that we believe would support sustainable growth in the coming years.*

*Last year, we started reviewing our supply chain processes recognizing this to be one opportunity area that could yield margin improvements for the company, particularly as we saw our distribution costs go up as a percent of sales with rising fuel prices.*

*Through various initiatives, our distribution costs started to go down. As of the first quarter this year, distribution costs as a percentage of sales was limited to 15% from an average of 19% for the full year 2018. This is in line with our target of reducing this number by 1 to 2 percentage points from last year.*

*Meanwhile, we have managed to consistently keep our plants operating at high levels of efficiency. In fact, in the entire CEMEX network, which includes 56 cement plants globally, our APO and Solid Cement plants are two of only three plants in the CEMEX group that operated at above 90% operational efficiency and above 90% in quality index, while recording zero lost-time injuries throughout 2018.*

*Health and safety are and will remain our top priorities.*

*We constantly work towards our ultimate target of zero injuries or our Zero4Life commitment. In 2018, we again recorded zero employee lost time injuries, marking 3 straight years that Cemex Holdings Philippines achieved this feat. Our entire management and staff are involved in promoting and monitoring health and safety practices in the company and this top-down responsibility to health and safety has definitely produced very positive results.*

*We also continue to implement sustainable practices in our operations with the use of waste-heat-to-energy facilities and the increase in alternative fuels used in our plants, with its corresponding positive impact to the environment. We are proud to say that our two cement plants are currently the only ones in the country that are certified under ISO 50001, which is the global standard for energy management.*

*Our involvement in community service and development also forms an integral component in our Sustainability efforts. We undertake various programs pertaining to human development with trainings, safety awareness, youth education and health promotion. We also have separate programs to care for our Environment.*

*We continue to fortify our customer-focused culture in the company. In October 2018, we launched CEMEX Go in the Philippines. CEMEX Go is an industry-leading, end-to-end integrated digital platform that our customers can use for ordering, invoicing, tracking and other processes in the customer journey.*

*As a testament to the efficacy of this platform, in as short as 4 months since its launch, more than 90% of registered customers' orders were already being done through this powerful platform.*

*Many companies will say that customers always come first. But to be able to improve customer experience, we must be able to measure this experience. So in 2018, we started tracking customer satisfaction and their feedback, by implementing the Net Promoter Score or NPS. This method, which is used by various companies worldwide, basically measures how likely our customers will refer our products to others. From the baseline number we established in 2018, we have improved our score by 12 percentage points during the first quarter of this year.*

*Finally, our Solid Cement plant 235 Million USD expansion is already under way and moving forward. In October 2018, we engaged CBMI Construction Co., Ltd, a global leader in building cement plants, for the equipment procurement, construction and commissioning of the 1.5 million metric tons per year new integrated cement production line at SOLID's cement plant in Antipolo City, Rizal. Last April 2019, we also had our ceremonial groundbreaking at the plant witnessed by key local and national government officials.*

*This expansion is very strategic for our growth. Our current facilities are operating at high levels of utilization and the expansion would help us capture the growing demand in the country in the coming years. The expansion being in Luzon would also increase the volume that we serve inland which generally carries lower distribution costs. It would also help optimize our distribution network, as we will be able to focus our APO cement plant's production in the Visayas and Mindanao area.*

*We estimate the new line to start operations by the end of 2020.*

*The company continues to explore ways to support our strategy. One of the initiatives we have announced is the proposal to increase the company's authorized capital stock from 5.2 billion shares to 18.3 billion shares through an amendment in the company's Articles of Incorporation. This change would provide us additional means to raise funds, including, but not limited to, by way of a rights offering, subject to the final decision and approval of the Board of Directors*

*We would be looking to potentially raise up to 250 million US dollars to fund the Solid Cement Plant expansion, improve the company's capital structure, and provide balance sheet flexibility.*

*The first step is for the company to secure the approval from the shareholders for the increase in its authorized share capital, which at present, are all issued and outstanding. Rest assured that the direction of the Board is for any capital raising transaction to be fair, transparent and equitable to all shareholders.*

*We hope that we can get your support for this important undertaking.*

*There are bright prospects that lay ahead of us and I believe it is in our hands to maximize these opportunities. And the way we are approaching our next steps is to be dynamic and agile to changes. Consistent with the theme that we chose for our annual report, our company needs to be "ahead of the curve."*

*Our expansion project, the continuous improvement in our operations, and the use of digital solutions are all aligned with being ahead of the continuously evolving environment.*

*Last year, I remember saying that we need to be dynamic, and be willing to innovate. We have been doing these and we believe it's the right approach. As we continue this exciting journey together with the challenges that we face along the way, we draw great inspiration and motivation from the trust and support that you all provide us.*

*Thank you very much once again and good morning to all.*