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

First Wednesday of June

1 2	**3 1**	**SEC Form 17-Q dated 10 May 2022 - 1st Quarter 2022**	**0 6**	**0 1**
Month	*Day*	FORM TYPE	*Month*	*Day*

Fiscal Year

Annual Meeting

Issuer of Securities under SEC MSRD Order No. 9 series of 2016
Secondary License Type, If Applicable

M S R
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2022**
2. SEC Identification Number. **CS201518815**
3. BIR Tax Identification No. **009-133-917-000**
4. Exact name of registrant as specified in its charter. **CEMEX HOLDINGS PHILIPPINES, INC.**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**
6. Industry Classification Code: ____________ (SEC Use Only)
7. Address of issuer's principal office and postal code **34th Floor, Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City 1200**
8. Issuer's telephone number, including area code **(02) 8849-3600**
9. Former name, former address and former fiscal year, if changed since last report **– Not Applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	**Number of shares of common stock outstanding and amount of debt outstanding**
Common Shares	13,489,226,623

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [X] No [ ]

    Stock Exchange: Philippine Stock Exchange
    Securities Listed: Common Shares

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [X] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days. Yes [X] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited condensed consolidated interim financial statements as at March 31, 2022, (with comparative audited consolidated statement of financial position as at December 31, 2021), and for the three months ended March 31, 2022 and 2021, and the accompanying notes to the unaudited condensed consolidated interim financial statements of CEMEX Holdings Philippines, Inc. and its Subsidiaries are filed as part of this Form 17-Q as Appendix I.

The term “Parent Company” used in this report refers to CEMEX HOLDINGS PHILIPPINES, INC. without its Subsidiaries. Unless the context clearly indicates otherwise, any reference in this report to “the Company”, “we”, “us”, or “our” refers to the Parent Company together with its consolidated Subsidiaries.

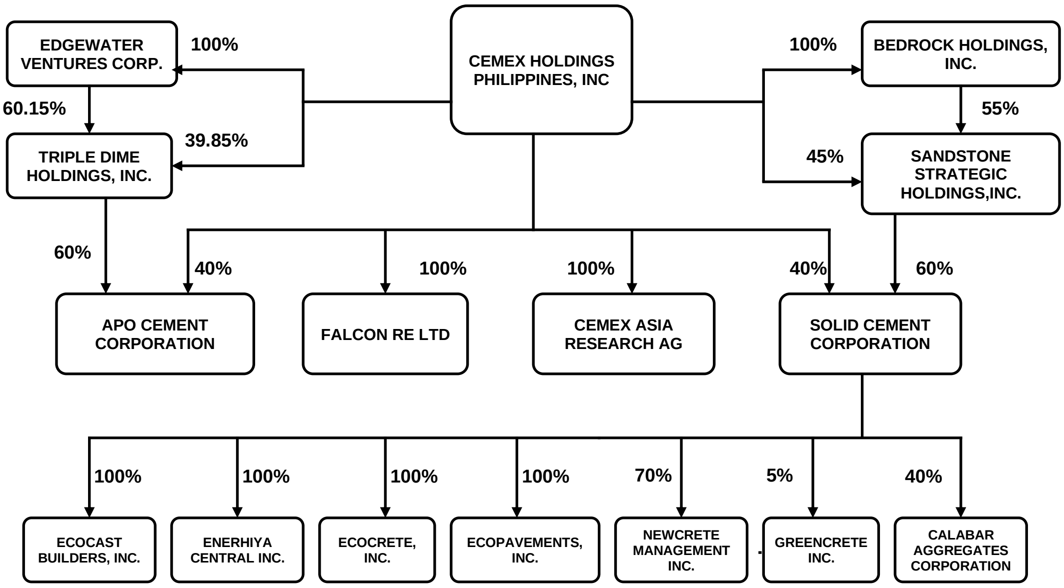
The Parent Company is a subsidiary of CEMEX ASIAN SOUTH EAST CORPORATION (“CASEC”) which was incorporated as a stock corporation under the laws of the Republic of the Philippines. CASEC is a wholly-owned indirect subsidiary of CEMEX España, S.A., of which substantially all shares are indirectly owned by CEMEX, S.A.B. de C.V. (“CEMEX”), a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, Mexico.

Unless otherwise indicated or the context otherwise requires, all references in this Report (SEC Form 17-Q) to “CEMEX Group” refer to CEMEX and its consolidated subsidiaries (other than the Company).

On January 1, 2016 the Parent Company acquired, directly and indirectly through intermediate holding companies, a 100% equity interest in each of Solid Cement Corporation (“Solid Cement”) and APO Cement Corporation (“APO Cement”). Solid has several subsidiaries. The Company also includes CEMEX Asia Research AG (“CAR”), a wholly-owned subsidiary incorporated in December 2015 under the laws of Switzerland. Pursuant to license agreements that CAR entered into with CEMEX Research Group AG (“CRG”) and CEMEX, respectively, CAR became a licensee for certain trademarks, including the CEMEX trademark, and other intangible assets forming part of the intellectual property portfolio owned and developed by CRG and CEMEX. CAR is engaged primarily in the development, maintenance and customization of these intangible assets for the Asia Region and it in turn provides non-exclusive licenses to Solid Cement and APO Cement to use the CEMEX trademark and other trademarks and intangible assets of CEMEX.

In May 2016, the Parent Company incorporated a wholly-owned subsidiary named Falcon Re Ltd. (“Falcon”) under the Companies Act of Barbados. Falcon is registered to conduct general insurance business, all risk property insurance, political risks insurance and non-damage business interruption insurance, and received its license to operate as an insurance company in July 2016. Falcon acts as a re-insurer to the extent of 10% of the risks associated with property insurance coverage and 100% of the risks associated with political violence and non-damage business interruption programs, professional liability program and cyber risks for the operating subsidiaries of the Parent Company.

The following diagram provides a summary of the Company's organizational and ownership structure as of March 31, 2022:



On July 18, 2016, the Parent Company's initial public offering ('IPO') of 2,337,927,954 common shares at P10.75 per share culminated with the listing and trading under the Main Board of the Philippine Stock Exchange of all of the outstanding shares of capital stock of the Parent Company consisting of 5,195,395,454 common shares.

During the first quarter of 2017, the remaining balance of the proceeds from the IPO were used in the first quarter of 2017 to partially repay amounts outstanding under the long-term loan with New Sunward Holding B.V. ("NSH Long-term Loan"). New Sunward Holding B.V. is a subsidiary of CEMEX.

On February 1, 2017, the Parent Company signed a senior unsecured peso term loan facility agreement with BDO Unibank, Inc. for an amount of up to the Philippine Peso equivalent of US$280 Million ("BDO Refinancing Loan"), to refinance a majority of the Parent Company's outstanding balance due under the NSH Long-term Loan. Following its availment of the BDO Refinancing Loan, the Parent Company completely repaid the NSH Long-term Loan.

On April 2, 2019, the Board of Directors approved the increase in the Parent Company's authorized capital stock ("ACS") from P5,195,395,454 divided into 5,195,395,454 Common Shares with par value P1.00 per share, of which 5,195,395,454 Common Shares are issued and fully paid-up, to P18,310,395,454 divided into 18,310,395,454 Common Shares with a par value of P1.00 per share. This increase was then authorized by the Parent Company'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, the Parent Company 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 the Parent Company'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 the Parent Company having obtained the SEC's approval of the increase in the Parent Company's ACS.

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

The offer period for the Stock Rights Offering was concluded on January 24, 2020. The total proceeds raised from the Stock Rights Offering amounted to P12,772,500,000.26.

On 27 February 2020, the SEC approved the Parent Company’s application for increase of ACS and on March 4, 2020, the 8,293,831,169 common shares comprising the Rights Shares were listed under the Main Board of the Exchange. After the Stock Rights Offering and the approval by the SEC of the Parent Company’s application for increase in authorized capital stock, the Parent Company’s issued and outstanding shares totaled 13,489,226,623 common shares at P1 par value per share or total par value of P13,489,226,623.

As at December 31, 2020, the shareholdings in the Parent Company owned by CASEC increased to 10,500,624,662 common shares at P1 par value per share. CASEC retained its shareholdings in the Parent Company as at March 31, 2022.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion and analysis of CHP’s unaudited condensed consolidated interim financial statements as at March 31, 2022 (with comparative audited consolidated statement of financial position as at December 31, 2021) and for the three months ended March 31, 2022 and 2021, and included herein, and should be read in conjunction with appendix I of this report.

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

Financial Performance
For the three months ended March 31, 2022 and 2021:

Revenues
Revenues for the three months ended March 31, 2022 and 2021 amounted to P5.2 billion. Revenues was generated mainly from sale of cement products as a result of the Company’s ordinary activities. The revenues increased by P38.2 million or 1% year-over-year due to price updates. Furthermore, domestic cement volumes decreased 6% year-over-year, impacted by a gradual recovery from Typhoon Odette and a surge in Omicron-led Coronavirus Disease 2019 (COVID-19) cases. Domestic cement prices were up by 3% sequentially due to price adjustments in first quarter of 2022.

The breakdown of revenue after elimination of transactions between consolidated entities were as follows:

	For the three months ended March 31,			
	2022		2021	
Segment	Amount*	% Sales	Amount*	% Sales
Cement sales	**P5,222**	**100%**	5,194	100%
Other businesses	**18**	**0%**	8	0%
Total	**P5,240**	**100%**	5,202	100%

**Amounts in millions*

Cost of Sales

Cost of sales for the three months ended March 31, 2022 and 2021 amounted to P3.3 billion and P3.2 billion, respectively, and corresponded to 62% and 61% of revenues, respectively. Cost of sales represents the production cost of goods sold. 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. Total cost of sales increased by P72.6 million or 2% year-over-year during the first quarter mainly due to higher fuel cost.

Gross Profit

As a result of the above conditions, gross profit for the three months ended March 31, 2022 and 2021 reached P2.2 billion and corresponded to 38% and 39% of revenues, respectively.

Operating Expenses

Operating expenses for the three months ended March 31, 2022 and 2021 amounted to P1.4 billion and P1.5 billion, respectively. Operating expenses pertain to administrative, selling, and distribution expenses. Operating expenses decreased by P133.5 million or 9% year-over-year during the first quarter and the movement was primarily due to the following items:

- Administrative and selling expenses for the three months ended March 31, 2022 and 2021 amounted to P718.4 million and P719.2 million, respectively, and these corresponded to 14% of revenues of the relevant period. On a year-over-year basis, these items reflected a minimal decrease of P0.8 million or less than 1%.
- Distribution expenses for the three months ended March 31, 2022 and 2021 amounted to P697.1 million and P829.9 million, respectively, and corresponded to 13% and 16% of revenues, respectively. The decrease of P132.8 million or 16% was supported by supply chain efficiencies.

Operating income before other income (expenses) - net

For the reasons discussed above, operating income before other income (expenses) - net for the three months ended March 31, 2022 and 2021 amounted to P573.0 million and P473.8 million, respectively, and corresponded to 11% and 9% of revenues, respectively.

Other income (expenses) - net

Other income (expenses), net for the three months ended March 31, 2022 and 2021 amounted to (P7.5 million) and P38.1 million, respectively, and corresponded to less than 1% and 1% of the revenues, respectively. The movement of P45.6 million or more than 100.0% year-over-year was mainly from the recovery in the first quarter of 2021 of a previously written-off receivable from a related party.

Financial and Other Financial Expenses - net

Financial and other financial expenses - net for the three months ended March 31, 2022 and 2021 amounted to P104.3 million and P62.6 million, respectively, and corresponded to 2% and 1% of the revenues, respectively. This account principally pertains to the costs incurred by the Company from borrowings. The increase of P41.7 million or 67% year-over-year was mainly due to a temporary pause in interest capitalization for Solid New Line Project[1], prior to resumption of its construction.

Foreign exchange loss - net
Foreign exchange gain (loss) - net for the three months ended March 31, 2022 and 2021 amounted to P96.1 million and P62.6 million, respectively, and corresponded to 2% and 1% of the revenues, respectively. The decrease of P25.1 million or 35% year-over-year was the result of declining Philippine Peso to United States Dollar exchange rate from P48.53 to USD1.00 as at March 31, 2021 to P51.74 to USD1.00 as at March 31, 2022.

Provision for Income Tax
The provision for income tax for the three months ended March 31, 2022 and 2021 amounted to P103.8 million and P172.8 million, respectively, and corresponded to 2% and 3% of the revenues, respectively. Income tax expense was lower by of P69.0 million or 40% year-over-year and the decline was mainly due to the impact of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act which was approved into law on March 26, 2021, which among others, provided for a reduction of the corporate income tax from 30% to 25% and the reduction of minimum corporate income tax from 2% to 1% from July 1, 2020 until June 30, 2023. The retroactive application of the new income tax rates also resulted in a one-time adjustment to current income tax and to account for the revaluation of the deferred income tax account.

Profit
As a result of the abovementioned concepts, profit for the three months ended March 31, 2022 and 2021 amounted to P261.3 million and P205.5 million, respectively, and corresponded to 5% and 4% of the revenues, respectively.

<u>Financial Position</u>
As at March 31, 2022 and December 31, 2021:

Cash and Cash Equivalents
Cash and cash equivalents as at March 31, 2022 and December 31, 2021, amounted to P4.6 billion and P5.8 billion, respectively, and corresponded to 7% and 9% of the total assets, respectively. The cash and cash equivalents pertain to cash in bank and short-term investments of the Company with banks and related parties. Below is the breakdown of P1.2 billion or 21% increase in cash and cash equivalents:

	Amount*
Net cash generated from operating activities	P179,424
Net cash used in investing activities	(843,645)
Net cash used in financing activities	(184,863)
Effect of exchange rate changes on cash and cash equivalents	7,472
Total movement	P1,200,460

**Amounts in millions*

For the three months ended March 31, 2022, the Company had a profit of P261.3 million. After considering the adjustments to reconcile profit to net cash flows, the operating profit before working capital changes amounted to P1.0 billion. Thereafter considering the working capital changes, interest paid/received, taxes paid, and benefits paid to employees the net cash provided by operating activities amounted to P179.4 million. The net cash used in investing activities amounted P843.6 million mainly from the advances to contractors paid. The net cash used in financing activities amounted to P184.9 million mainly for the payment made for bank loans and leases.

[1] Solid New Line Project refers to the construction and installation of a 1.5 million metric tons per year new integrated cement production line at Solid Cement's manufacturing plant in Antipolo City, Rizal

Insurance Premiums Receivable
Insurance premiums receivable as at March 31, 2022 and December 31, 2021 amounted to nil and P91.8 million, respectively, and both corresponded to less than 1% of the total assets. This item is principally related to insurance receivable from a third-party insurance company. The insurance premiums receivable represents premiums on written policies which are collectible within the Company's credit term. The movement was mainly from the receipt of collection during the first quarter of 2022.

Other Current Accounts Receivable
Other current accounts receivable as at March 31, 2022 and December 31, 2021, which pertains to receivables from contractors and employees, short-term deposits, and others, amounted to P45.5 million and P49.4 million, respectively, and corresponded to less than 1% of the total assets, respectively. The decrease of P3.9 million or 8% was mainly due to collection of a nontrade transaction.

Inventories
Inventories as at March 31, 2022 and December 31, 2021 amounted to P4.3 billion and P3.1 billion, respectively, and corresponded to 7% and 5% of the total assets, respectively. Inventories consisting of raw materials, cement and work-in-process amounted to P1.6 billion and P2.3 billion as at March 31, 2022, and December 31, 2021, respectively, and the remaining balance pertains to materials and spare parts. The increase of P1.2 billion or 39% was mainly due to purchases of petcoke and coal in the first quarter of 2022.

Derivative Assets
The total derivative assets as at March 31, 2022, and December 31, 2021 amounted to P122.4 million and P30.5 million, respectively, and corresponded to less than 1% of the total assets. As at March 31, 2022 and December 31, 2021, the current portion of the derivative assets amounted to P93.3 million and P12.5 million, respectively. This account pertains to the market value of derivative transactions entered into by the Company to hedge against the volatility of diesel fuel prices and under which the Company bears all the benefits and the risks arising from the hedge arrangement. Movement refers to mark-to-market valuation of the hedge instrument and amortization of the premium paid. The increase of P92.0 million or more than 100% was mainly due to the favorable mark-to-market valuation for the first quarter of 2022.

Advances to Contractors
In November 2018, the Company made a down payment amounting to P2.1 billion to a third party for the construction and installation of the Solid New Line Project and is presented under noncurrent assets in the consolidated statements of financial position.

On December 7, 2021, Solid Cement issued its Notice of Termination of the Construction Contract due to the delay in the implementation of construction and installation works. Solid Cement has taken measures to address contingencies which have arisen due to this termination. The unapplied down payment at the date of termination amounting to P379.4 million was recovered in full in 2021.

During the first quarter of 2022, Solid Cement entered into contracts with third parties to continue the construction and installation of the Solid New Line Project.

As at March 31, 2022 and December 31, 2021, the balance of this account amounted to P1.3 billion and P0.5 billion, respectively, and corresponded to as 2% and 1% of the total assets, respectively. The increase of P0.8 billion or more than 100% was due to the down payments or advances to the new contractors.

Property, Machinery, Equipment and Assets for the Right-of-Use - net
Property, machinery and equipment - net as at March 31, 2022 and December 31, 2021 had a balance of P21.1 billion and P21.2 billion, respectively, and corresponded to 32% and 33% of the total assets, respectively. The decrease of P113.8 million or 1% was mainly due to the depreciation for the three

months ended March 31, 2022. Furthermore, for the three months ended March 31, 2022 and 2021, P68.0 million and P32.2 million, respectively, were incurred for maintenance capital expenditures, while P133.9 million and P685.8 million, respectively, were incurred for strategic capital expenditures.

Assets for the right-of-use, net as at March 31, 2022 and December 31, 2021 amounted to P1.7 billion and P1.6 billion, respectively, and corresponded to 3% and 2% of the total assets, respectively. The increase of P182.6 million or 12% was mainly due to the additions of land, buildings, machineries, and equipment.

Deferred income tax assets – net
Deferred income tax asset - net (DTA) as at March 31, 2022 and December 31, 2021 amounted to P869.0 million and P828.9 million, respectively, and both corresponded for as 1% of the total assets. The increase in DTA of P40.0 million pertains mainly to the unrealized foreign exchange loss.

Goodwill
Goodwill as at March 31, 2022 and December 31, 2021 amounted to P27.9 billion and both corresponded to 43% of the total assets for the relevant periods. The Company's goodwill arose from the business combinations when CHP acquired its subsidiaries. As of March 31, 2022, no impairment of goodwill is recognized.

Trade Payables
Trade payables amounted as at March 31, 2022 and December 31, 2021 to P4.5 billion and P5.1 billion, respectively, and corresponded to 22% and 25% of the total liabilities, respectively. The increase of P553.5 million or 11% was mainly due to the increase in payable related to payments for raw materials, fuels, energy, hauling, and contractors.

Due to related parties
The due to related parties as at March 31, 2022 and December 31, 2021 amounted to P3.0 billion and P2.2 billion, respectively, and corresponded to 14% and 11% of the total liabilities, respectively. primarily refers to purchases of coal, raw materials, royalties, and administrative fees with related parties. The increase of P792.0 million or 36% was due to the net purchases of coal and petcoke.

Unearned Income, Other Accounts Payable, and Accrued Expenses
The unearned income, other accounts payable and accrued expenses as at March 31, 2022 and December 31, 2021 amounted to P1.2 billion and P1.3 billion and corresponded to 6% of the total liabilities for the relevant periods. This account pertains to the unearned income from reinsurance premium, accruals, taxes payable and others. The decrease of P92.1 million or 7% was mainly due to the net movement of (1) increase in output value added tax on capitalized Interest on loan extended by CHP to Solid Cement and (2) decrease in unearned reinsurance premiums because of the recognition of the earned portion for the three months ended March 31, 2022.

Lease Liabilities
As at March 31, 2022 and December 31, 2021 the current portion of finance lease liabilities amounted to P639.3 million and P404.7 million, respectively, and noncurrent portion of finance lease liabilities amounted to P1.4 billion, for the relevant periods. Total lease liabilities as a percentage of total liabilities were at 10% and 9% as at March 31, 2022 and December 31, 2021, respectively. The increase of P190.9 million or 11% was mainly due to capitalization of new leases.

Bank Loans
The total outstanding balance of the BDO Facility Agreement[2] amounted to P8.9 billion as at March 31, 2022 and December 31, 2021, for the relevant periods. As at March 31, 2022 and December 31, 2021, the current portion of the bank loan amounted to P4.5 billion and P3.4 billion, respectively, and the unamortized debt issuance cost of this bank loan amounting to P47.6 million and P54.1 million, was deducted from the total bank loan liability, respectively. The outstanding bank loan net of the unamortized debt issuance cost as a percentage of total liabilities were at 43% and 44%, as at March 31, 2022 and December 31, 2021, respectively. The decrease of P28.5 million or less than 1% was mainly due to the payments made for the three months ended March 31, 2022.

On March 9, 2022, SOLID Cement made a draw down on its short-term credit line with BDO Unibank, Inc. for the amount of P120 million to cover operational/working capital requirements. The outstanding balance was fully paid on March 25, 2022.

Contract Liabilities
Contract liabilities as at March 31, 2022 and December 31, 2021 amounted to P508.9 million and P391.4 million, respectively, and corresponded to 2% of the total liabilities, for the relevant periods. This account pertains to the advances from customers and unredeemed customer loyalty program. The increase of P117.4 million or 30% was mainly due to the receipt of advances from customers.

Retirement Benefits Liability
Retirement benefits liability as at March 31, 2022 and December 31, 2021 amounted to P576.6 million and P544.4 million, respectively, and corresponded to 3% of the total liabilities, for the relevant periods. The Company has a funded, noncontributory, defined benefit retirement plan covering substantially all its regular and permanent employee. The increase of P32.2 million or 6% was due to the provision on service cost, the related interest, and remeasurement on retirement benefits liability.

Deferred income tax liabilities – net
Deferred income tax liabilities - net (DTL) as at March 31, 2022 and December 31, 2021 amounted to P1.7 million and P1.4 million, respectively, and corresponded to less than 1% of the total liabilities, for the relevant periods. The increase in DTL of P221.6 thousand pertains to the unrealized foreign exchange gain.

Common Stock
As at March 31, 2022 and December 31, 2021, the total authorized common stock of the *Equity Attributable to Equity Holders* of CHP consisted of 18,810,395,454 shares at a par value of P1 per share and the total issued and outstanding common stock was 13,489,226,623 shares. This is accounted for as 30% and 31% of the total equity as at March 31, 2022 and December 31, 2021, respectively.

Additional Paid-in Capital
As at March 31, 2022 and December 31, 2021, the additional paid-in capital amounted to P26.2 billion and corresponded to 59% of the total equity, for the relevant periods. The subscription payments received in excess of the par value of shares issued are recognized in this account.

Other Equity Reserves
As at March 31, 2022 and December 31, 2021, the other equity reserves amounted to P737.7 million and P528.6 million, and corresponded to 2% and 1% of the total equity, respectively. The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to equity and includes the elements presented in the other comprehensive income

[2] "BDO Facility Agreement" refers to the senior unsecured peso long-term loan facility that CHP signed with BDO Unibank, Inc. on February 1, 2017 (as from time to time amended or supplemented), for an amount of up to the Philippine Peso equivalent of US$ 280 million, to refinance a majority of CHP's outstanding long-term loan with New Sunward Holding B.V. ("NSH"), a subsidiary of CEMEX. During the 1st quarter of 2017, this long-term loan with NSH was fully repaid.

(or loss) such as changes in equity during the period not resulting from the investments by owners and distributions to owners. The increase of P209.5 million or 40% was mainly due to the currency translation of foreign subsidiaries of CHP and cash flow hedges.

Retained Earnings
Retained earnings as at March 31, 2022 and December 31, 2021 amounted to P4.2 billion and P4.0 billion respectively, and corresponded to 9% of the total equity, for the relevant periods. This item includes the Company's cumulative net results of operations. The increase of P261.3 million or 7% pertains to the consolidated profit for the three months ended March 31, 2022.

Non-controlling interest
As at March 31, 2022 and December 31, 2021, non-controlling interest amounted to P117.7 thousand and P125.5 thousand, respectively, and corresponded to less than 1% of the total equity, for the relevant periods. The 6% decrease is ascribed to the portion of loss incurred by a subsidiary of CHP which is not wholly-owned.

Retained Earnings
Retained earnings as at March 31, 2022 and December 31, 2021 amounted to P4.2 billion and P4.0 billion respectively, and corresponded to 9% of the total equity, for the relevant periods. This item includes the Company's cumulative net results of operations. The increase of P261.3 million or 7% pertains to the consolidated profit for the three months ended March 31, 2022.

Non-controlling interest
As at March 31, 2022 and December 31, 2021, non-controlling interest amounted to P117.7 thousand and P125.5 thousand, respectively, and corresponded to less than 1% of the total equity, for the relevant periods. The 6% decrease is ascribed to the portion of loss incurred by a subsidiary of CHP which is not wholly-owned.

Key Performance Indicators

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 the relevant periods indicated in the tables below.

Key Financial Indicators	Formula	For the three months ended March 31, 2022	For the year ended December 31, 2021
Current Ratio	Current Assets / Current Liabilities	**0.8:1**	0.9:1
Solvency Ratio	Profit (Loss) + Depreciation and Amortization / Total Liabilities	**0.1:1**	0.1:1
Net debt* to Equity Ratio	Net debt* / Total Equity	**0.4:1**	0.3:1
Asset to Equity Ratio	Total Assets / Total Equity	**1.5:1**	1.5:1

**Net debt is computed as total liabilities less cash and cash equivalents.*

Key Financial Indicators	Formula	For the three months ended March 31, 2022	2021
Interest Rate Coverage Ratio	Operating income before other income (expenses) - net / Interest	**6.0:1**	9.25:1
Profitability Ratio	Operating income before other income (expenses) - net / Revenue	**0.1:1**	0.1:1

Aging of Accounts Receivables

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at March 31, 2022:

		Current	1 to 30 days	31 to 60 days	More than 60 days	Total
Average ECL rates		0.1%	1.5%	7.2%	31.5%	2.5%
Trade receivables - gross carrying amount	P	631,454	33,442	10,018	50,255	725,169
Allowance for ECL		878	487	725	15,817	17,907

**Amounts in Thousands*

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PART II - OTHER INFORMATION

The values presented in the other information are stated in thousands.

Insurance claims
On September 20, 2018, a landslide occurred in Sitio Sindulan, Barangay Tina-an, Naga City, Cebu, Philippines (the “Landslide”), a site located within an area covered by the mining rights of APO Land & Quarry Corporation (“ALQC”) who is a principal raw material supplier of APO Cement. The Parent Company does not own any equity stake (directly or indirectly) in ALQC or its parent company, Impact Assets Corporation. Cemex Asian South East Corporation, an indirect subsidiary of CEMEX, S.A.B. de C.V. which is a majority shareholder of the Parent Company, owns a minority 40% stake in Impact Assets Corporation.

The Landslide prompted local and national authorities to order the suspension of the mining operations of ALQC. Business continuity plans were put in place by APO Cement and implemented to address the disruption in the supply arrangement with ALQC. As a result, the Company incurred incremental costs of raw materials in production and other expenses. In addition, the Company incurred losses amounting to P83,844 on inventories which were buried during the incident. However, substantial portion of such incremental costs and losses were offset by the insurance claims recognized amounting to P662,210. Other losses as result of the landslide amounting to P71,716 were not covered by the insurance. Such loss was recognized under “Other income (expenses) - net” account in the statements of comprehensive income in 2018. As at March 31, 2022 and December 31, 2021, the outstanding claims amounted to nil, respectively. Since third quarter of 2020, local and national authorities have allowed ALQC to resume its mining operations in the affected areas.

In 2019, the Company received the outstanding amount of its insurance claims amounting to P447,053 which includes the additional claims made during the year amounting to P123,136. The collection and recognition of additional insurance claims were offset against “Costs of Sales” account in the consolidated statements of comprehensive income for the year ended December 31, 2019.

On November 19, 2018, the Parent Company 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 the Parent Company, APO Cement, ALQC, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for “Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems”. In the complaint, among other allegations, plaintiffs (i) claim that the Naga Landslide occurred as a result of the defendants’ gross negligence; and (ii) seek, among other reliefs, (a) monetary damages in the amount of approximately 4.3 billion Philippine Pesos, (b) the establishment of a 500 million Philippine Pesos 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 the Parent Company are made solidarily liable for payment of monetary damages and establishment of a rehabilitation fund. The records of the case were subsequently transferred to the Regional Trial Court of Cebu City Branch 23.

Among other defenses and based on a report by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the Parent Company, ALQC and APO Cement hold the position that the landslide occurred due to natural causes and deny liability, fault and negligence. In the event a final adverse resolution is issued in this matter, plaintiffs will have the option to proceed against any one of ALQC, APO Cement or the Parent Company 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 the Parent Company's assets alone could be exposed to execution proceedings.

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

In the event that the court's latest order is reversed on appeal thereby maintaining the inclusion of the Parent Company 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 the Parent Company 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 the Parent Company's assets alone could be exposed to execution proceedings.

As at March 31, 2022, at this stage of the overall proceedings and considering all possible defenses that could be available, while we cannot assess with certainty the likelihood of an adverse result in the overall proceedings, we believe a final adverse resolution in the overall proceeding is not probable, and, in turn, because we are not able to assess the outcome of the appeal that may still be filed by plaintiffs to challenge the latest order of the Regional Trial Court, we are not able to determine if a final adverse resolution, if any, would have a material adverse impact on the Company's consolidated results of operations, liquidity and financial condition.

Impact of COVID-19
On March 11, 2020, the World Health Organization declared as a pandemic the outbreak of the novel strain of the coronavirus identified in China in late 2019 (the "COVID-19 Pandemic"), due to its rapid spread throughout the world. On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to the COVID-19 Pandemic which resulted in the imposition of an Enhanced Community Quarantine ("ECQ") throughout Luzon starting midnight of March 16, 2020. The President announced several social distancing measures which were implemented including extension of suspension of school classes in all levels in Metro Manila, prohibition of mass gatherings or events, imposition of community quarantine measures, when necessary, restriction of mass public transport system (MRT, LRT, etc.), and most importantly, suspension of land, domestic air and domestic sea travel to and from the Metro Manila beginning March 15, 2020. While transportation was heavily regulated, on March 19, 2020, the Department of Trade and Industry issued Memorandum Circular No. 20-06 mandating that the movement of all types of cargo should be left unhampered. On March 24, 2020, the Philippine Government enacted Republic Act No. 11469, also known as the Bayanihan Act, to effectively enact measures to address the pressing problems caused by the COVID-19 Pandemic. On March 26, 2020, the Governor of the Province of Cebu announced the implementation of ECQ measures for the entire island of Cebu, effective March 30, 2020. Beginning May 16, 2020, several cities and provinces, including Metro Manila and Cebu City, were placed under modified enhanced community quarantine, while other cities and provinces, including the Province of Rizal and other cities in the Province of Cebu, were placed under general community quarantine.

Consistent with the ECQ implementation in Luzon, the Company initiated steps to temporarily suspend the production of cement products at, and distribution of cement products from, Solid Cement plant in the third week of March 2020. On May 20, 2020, after taking the corresponding measures to fully comply with government regulations, operations at Solid Cement plant were resumed and have been able to operate continuously since then. APO Cement plant has remained operational as of the date of this report in accordance with government regulations and the necessary hygiene and safety measures.

Since then, provinces and cities have been placed from time to time under different community quarantine levels with corresponding restrictions, respectively.

Subsequent to the recommendations of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) in its Resolution No. 146-F (s. 2021) dated October 28, 2021, the President of the Philippines issued Executive Order No. 151 dated November 11, 2021 adopting the Alert Level System for all areas of the Philippines through a nationwide roll-out which was designed to allow the reinvigoration of the economy through the opening of more sectors, while protecting the people's health through the continuous observance of public health protocols and interventions and the heightened implementation of lockdowns in smaller areas, also known as granular lockdowns. Restrictions and/or limitations affecting intrazonal and interzonal movement as well as the level of operations and activities undertaken by establishments and persons in areas nationwide were defined depending on the applicable Alert Level Status (ranging from 1 to 5). At any level, minimum public health standards and precautions such as the wearing of face masks and social distancing protocols may be mandated. On December 15, 2021, it was announced that all areas of the Philippines would be under Alert Level 2 until December 31, 2021.[3]

[3] The restrictions applicable under Alert Level 2 include, among others, the limitation in the operation of certain establishments to a maximum of 50% indoor venue capacity for fully vaccinated individuals and those below 18 years of age and 70% outdoor venue capacity. The activities undertaken at the Company's cement manufacturing plants were not subject to this capacity restriction.

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. During the three months ended March 31, 2022, consolidated revenues increased by 1% year-over-year, caused mainly by the price updates. This increase in revenues was partially offset by an increase in cost of sales, which increased 2% year-over-year, because of higher fuel costs. The operating expenses, namely distribution, administrative and selling expenses, decreased 9% mainly due to the supply chain efficiencies. For the three months ended March 31, 2022 and 2020, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 pandemic amounting to P9,812 and P6,776, respectively. These additional expenses were presented under "Operating expenses and cost of sales" and "Other income (expenses) - net" account in the condensed consolidated interim statements of comprehensive income for the three months ended March 31, 2022 and 2021, respectively

The various measures imposed to date by the Philippine Government and those that could be additionally implemented as a result of the COVID-19 Pandemic have and may further adversely affect the Company's workforce deployment and operations and the operations of the Company's customers, distributors, suppliers and contractors, and may negatively impact the Company's financial condition, results of operations and cash flows. The Company faces significant uncertainties arising from the impacts of the COVID-19 Pandemic that may include restrictions on access to the Company's manufacturing facilities, on its operations or workforce, or similar limitations for the Company's customers, distributors, suppliers and contractors, which could limit customer demand and/ or the Company's capacity to meet customer demand, any of which could have a material adverse effect on the Company's financial condition and results of operations. The degree to which the COVID-19 Pandemic affects the Company's financial condition and results of operations will depend on future developments of the COVID-19 situation in the country, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the emergence of COVID-19 variants ,the actions to contain the virus or treat its impact, government policy, and how quickly and to what extent normal or pre-COVID-19 economic and operating conditions can resume. The Company considers that, as the effects and duration of such pandemic may extend, there could be significant adverse effects in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable; (ii) impairment of long-lived assets including goodwill; (iii) further disruption in supply chains; and (iv) liquidity risks to meet the Company's short-term obligations.

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

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CEMEX HOLDINGS PHILIPPINES, INC.

By:

IGNACIO ALEJANDRO MIJARES ELIZONDO
President & Chief Executive Officer
Date: 10 MAY 2022

STEVE KUANSHENG WU
Treasurer and Chief Financial Officer
Date: 10 MAY 2022

Cautionary Statement Regarding Forward-Looking Statements

The information contained in this report includes forward-looking statements. These forward-looking statements and information are necessarily subject to risks, uncertainties, and assumptions, including but not limited to CEMEX Holdings Philippines, Inc.'s ("CHP") plans, objectives, expectations (financial or otherwise), and typically can be identified by the use of words such as "will", "may," "assume," "might," "should," "could," "continue," "would," "can," "consider," "anticipate," "estimate," "expect," "envision," "plan," "believe," "foresee," "predict," "potential" "target," "strategy,", "intend", and similar terms. Although CHP believes that its expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially from historical results or results anticipated by forward-looking statements due to various factors. These forward-looking statements reflect, as of the date on which such forward-looking statements are made, CHP's current expectations and projections about future events based on CHP's knowledge of present facts and circumstances and assumptions about future events, as well as CHP´s current plans based on such facts and circumstances unless otherwise indicated. These statements necessarily involve risks, uncertainties, and assumptions that could cause actual results to differ materially from historical results or those anticipated by in this report. Among others, such risks, uncertainties, and assumptions include those discussed in CHP's most recent annual report and those detailed from time to time in CHP's filings with the Philippine Securities and Exchange Commission, which are incorporated by reference, including, but not limited to: impact of pandemics, epidemics or outbreaks of infectious diseases and the response of governments and other third parties, including with respect to the novel strain of the coronavirus identified in China in late 2019 and its variants ("COVID-19"), which have affected and may continue to adversely affect, among other matters, the ability of our operating facilities to operate at full or any capacity, supply chains, international operations, availability of liquidity, investor confidence and consumer spending, as well as the availability of, and demand for, our products and services; the cyclical activity of the construction sector; CHP's and its subsidiaries (together, the "CHP Group") exposure to other sectors that impact the CHP Group's business, such as, but not limited to, the energy sector; availability of raw materials and related fluctuating prices; volatility in pension plan asset values and liabilities, which may require cash contributions to the pension plans; the impact of environmental cleanup costs and other liabilities relating to existing and/or divested businesses; our ability to secure and permit aggregates reserves in strategically located areas; the timing and amount of federal, state and local funding for infrastructure; changes in the level of spending for private residential and private nonresidential construction; changes in our effective tax rate; competition in the markets in which the CHP Group offers its products and services; general political, social, economic, health, and business conditions in the markets in which the CHP Group operates or that affect its operations and any significant economic, health, political, or social developments in those markets, including any nationalization or privatization of any assets or operations; the regulatory environment, including environmental, tax, labor, antitrust and acquisition-related rules and regulations; CHP Group's ability to satisfy its debt obligations and the ability of CEMEX, S.A.B. de C.V. ("CEMEX"), the ultimate parent company of the major shareholder of CHP, to satisfy CEMEX's obligations under its material debt agreements, the indentures that govern CEMEX's notes and CEMEX's other debt instruments; CHP Group's and CEMEX's ability to refinance their existing indebtedness; availability of short-term credit lines, which can assist the CHP Group in connection with market cycles; the impact of CEMEX's below investment grade debt rating on the CHP Group's and CEMEX's cost of capital; loss of reputation of the CHP Group's brands; CHP Group's and CEMEX's ability to consummate asset sales and fully integrate newly acquired businesses; CHP Group's ability to achieve cost-savings with its cost-reduction initiatives and implement the CHP Group's pricing initiatives for its products; the increasing reliance on information technology infrastructure for the CHP Group's operations, sales in general, sales invoicing, procurement, financial statements and other processes that can adversely affect operations in the event that the infrastructure does not work as intended, experiences technical difficulties or is subject to cyber-attacks; changes in the economy that affect demand for consumer goods, consequently affecting the demand for the CHP Group's products and services; weather conditions, including but not limited to, excessive rain and snow, and disasters such as earthquakes and floods; trade barriers, including tariffs or import taxes and changes in existing trade policies or changes to, or withdrawals from free trade agreements; availability and cost of trucks, railcars, barges and ships, as well as their licensed operators, for transport of our materials; labor shortages and constraints; terrorist and organized criminal activities as well as geopolitical events, such as war and armed conflicts, including the current war between Russia and Ukraine; declarations of insolvency or bankruptcy or becoming subject to similar proceedings; and, natural disasters and other unforeseen events (including global health hazards such as COVID-19). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from historical results, performance or achievements and/or results, performance or achievements expressly or implicitly anticipated by the forward-looking statements, or that otherwise could have an impact on the CHP Group. Any or all of CHP's forward-looking statements may turn out to be inaccurate and the factors identified above are not exhaustive. Accordingly, undue reliance on forward-looking statements should not be placed, as such forward-looking statements speak only as of the dates on which they are made. These factors may be revised or supplemented, but CHP is not under, and expressly disclaims, any obligation to update or correct the information contained in this report or any forward-looking statement that it may make from time to time, whether as a result of new information, future events or otherwise. Readers should review future reports filed by us with the Philippine Securities and Exchange Commission. Unless the context indicates otherwise, all references to pricing initiatives, price increases or decreases, refer to the CHP Group's prices for the CHP Group's products. We generated some of this data internally, and some was obtained from independent industry publications and reports that we believe to be reliable sources. We have not independently verified this data nor sought the consent of any organizations to refer to their reports in this report.

Item 1. Financial Statements.

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	Notes	**March 31, 2022 (Unaudited)**	December 31, 2021 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	*6, 14*	**P4,611,175**	P5,811,635
Trade receivables - net	*14*	**707,262**	696,868
Due from related parties	*10, 14*	**16,973**	17,161
Insurance premiums receivable	*11, 14*	**–**	91,798
Other current accounts receivable	*14*	**45,507**	49,361
Inventories		**4,299,643**	3,099,092
Derivative assets	*14,15*	**93,269**	12,540
Prepayments and other current assets		**2,205,892**	2,209,600
Total Current Assets		**11,979,721**	11,988,055
Noncurrent Assets			
Investment in an associate and other investments		**14,097**	14,097
Advances to contractors	*7*	**1,274,668**	454,805
Other assets and noncurrent accounts receivable		**434,010**	436,240
Property, machinery and equipment and assets for the right-of-use - net	*7*	**22,856,861**	22,788,019
Derivative assets – net of current portion	*14,15*	**29,179**	17,910
Deferred income tax assets - net		**868,952**	828,946
Goodwill		**27,859,694**	27,859,694
Total Noncurrent Assets		**53,337,461**	52,399,711
TOTAL ASSETS		**P65,317,182**	P64,387,766
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	*14*	**4,503,010**	P5,056,497
Due to related parties	*10, 14*	**2,988,566**	2,196,565
Unearned income, other accounts payable and accrued expenses		**1,177,272**	1,269,378
Current portion of:			
Lease liabilities	*8,14*	**639,253**	404,736
Long-term bank loan	*13,14,15*	**4,455,833**	3,376,906
Contract liabilities	*14*	**508,869**	391,422
Income tax payable		**–**	–
Total Current Liabilities		**14,272,803**	12,695,504

Forward

	Notes	March 31, 2022 (Unaudited)	December 31, 2021 (Audited)
Noncurrent Liabilities			
Long-term bank loan - net of current portion	*13,14,15*	**4,408,233**	P5,515,700
Lease liabilities - net of current portion	*8,14*	**1,359,505**	1,403,169
Retirement benefits liability		**576,618**	544,413
Deferred income tax liabilities - net		**1,666**	1,445
Other noncurrent liabilities		**20,610**	20,610
Total Noncurrent Liabilities		**6,366,632**	7,485,337
Total Liabilities		**20,639,435**	20,180,841
Equity			
Common stock	*9*	**P13,489,227**	P13,489,227
Additional paid-in capital		**26,217,799**	26,217,799
Other equity reserves	*9*	**737,743**	528,221
Retained earnings		**4,232,861**	3,971,553
Equity Attributable to Equity Holders of the Parent Company		**44,677,630**	44,206,800
Non-controlling interest		**117**	125
Total Equity		**44,677,747**	44,206,925
TOTAL LIABILITIES AND EQUITY		**P65,317,182**	P64,387,766

The accompanying notes are part of these condensed consolidated interim financial statements.

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Per Share Data)
(Unaudited)

		For the Three Months Ended March 31	
	Note	**2022**	2021
REVENUES	*4*	**P5,240,454**	P5,202,237
COST OF SALES		**(3,251,941)**	(3,179,297)
GROSS PROFIT		**1,988,513**	2,022,940
OPERATING EXPENSES			
Administrative and selling expenses		**(718,424)**	(719,201)
Distribution expenses		**(697,127)**	(829,894)
TOTAL OPERATING EXPENSES		**(1,415,551)**	(1,549,095)
OPERATING INCOME BEFORE OTHER INCOME (EXPENSES) - Net		**572,962**	473,845
Other income (expenses) - net		**(7,494)**	38,073
OPERATING INCOME AFTER OTHER INCOME (EXPENSES) - Net		**565,468**	511,918
Financial expenses and other financial expenses		**(104,297)**	(62,578)
Foreign exchange loss - net		**(96,073)**	(71,043)
PROFIT BEFORE INCOME TAX		**365,098**	378,297
INCOME TAX EXPENSE		**(103,798)**	(172,813)
PROFIT		**261,300**	205,484
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss			
Loss on remeasurement on retirement benefits liability		**(11,261)**	(8,227)
Tax effect		**2,815**	(3,983)
	9	**(8,446)**	(12,210)
Items that will be reclassified subsequently to profit or loss			
Currency translation gain of foreign subsidiaries		**120,087**	92,608
Cash flow hedges - effective portion of changes in fair value		**110,255**	17,305
Cash flow hedges - reclassified to profit or loss		**(12,374)**	–
		217,968	109,913
TOTAL OTHER COMPREHENSIVE INCOME		**209,522**	97,703
TOTAL COMPREHENSIVE INCOME		**470,822**	303,187
Non-controlling interest in comprehensive loss		**8**	8
CONTROLLING INTEREST IN CONSOLIDATED COMPREHENSIVE INCOME		**P470,830**	P303,195
Basic / Diluted Earnings Per Share	*5*	**0.02:1**	0.02:1

The accompanying notes are part of these condensed consolidated interim financial statements.

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Amounts in Thousands)
(Unaudited)

		For the Three Months Ended March 31	
	Note	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		**261,300**	P205,484
Adjustments for:			
Depreciation and amortization of property, machinery and equipment and assets for the right-of-use		**474,494**	552,186
Financial expenses, other financial expenses (income) and unrealized foreign exchange result		**172,150**	119,060
Income tax expense		**103,798**	172,813
Retirement benefits expense		**20,944**	21,108
Impairment loss on trade receivables, inventory write-down and provisions during the period		**(2,122)**	2,259
Loss (Gain) on disposal of property, machinery and equipment		**(12)**	157
Operating profit before working capital changes		**1,030,552**	1,073,067
Changes in working capital:			
Decrease (increase) in:			
Trade receivables		**(11,085)**	(196,865)
Due from related parties		**128,392**	89,960
Insurance claims and premiums receivable		**91,798**	87,569
Other current accounts receivable		**3,837**	8,336
Inventories		**(1,206,267)**	111,501
Derivative asset		**5,883**	–
Prepayments and other current assets		**(93,513)**	243,216
Increase (decrease) in:			
Trade payables		**(694,430)**	216,971
Due to related parties		**701,805**	(103,014)
Unearned income, other accounts payable and accrued expenses		**(90,657)**	(130,077)
Contract liabilities		**117,447**	115,903

Forward

		For the Three Months Ended March 31	
	Note	**2022**	2021
Cash generated from (absorbed by) operations		**(P16,238)**	P1,516,567
Interest received		**7,523**	3,241
Interest paid		**(127,162)**	(142,010)
Income taxes paid		**(43,547)**	(56,786)
Net cash provided by (used in) operating activities		**(179,424)**	1,321,012
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances to contractors	*7*	**(872,079)**	–
Decrease (Increase) in other assets and noncurrent accounts receivable		**31,099**	(44,181)
Additions to property, machinery and equipment and assets for the right of use		**(2,677)**	(622,684)
Proceeds from sale of property, machinery and equipment		**12**	977
Net cash used in investing activities		**(843,645)**	(665,888)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank loan		**120,000**	–
Payments of:			
Lease liabilities - net of interest		**(149,832)**	(194,949)
Bank loan	*13*	**(155,031)**	(535,030)
Net cash used in financing activities		**(184,863)**	(729,979)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(1,207,932)**	(74,855)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**7,472**	(187)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**5,811,635**	6,139,411
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**P4,611,175**	P6,064,369

The accompanying notes are part of these condensed consolidated interim financial statements

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)
(Unaudited)

For the Three Months Ended March 31, 2022

		Attributable to Equity Holders of the Parent Company						
		Common Stock *(see Note 9)*	**Additional Paid-in Capital**	**Other Equity Reserves** *(see Note 9)*	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
As at January 1, 2022	**P**	**13,489,227**	**26,217,799**	**528,221**	**3,971,553**	**44,206,800**	**125**	**44,206,925**
Total comprehensive income for the period:								
Profit		**–**	**–**	**–**	**261,308**	**261,308**	**(8)**	**261,300**
Other comprehensive income		**–**	**–**	**209,522**	**–**	**209,522**	**–**	**209,522**
As at March 31, 2022	**P**	**13,489,227**	**26,217,799**	**737,743**	**4,232,861**	**44,677,630**	**117**	**44,677,747**

For the Three Months Ended March 31, 2021

		Attributable to Equity Holders of the Parent Company						
		Common Stock	Additional Paid-in Capital	Other Equity Reserves	Retained Earnings	Total	Non-controlling Interest	Total Equity
As at January 1, 2021	P	13,489,227	26,217,799	(42,613)	3,246,025	42,910,438	150	42,910,588
Total comprehensive income for the period								
Profit		–	–	–	205,492	205,492	(8)	205,484
Other comprehensive income		–	–	97,703	–	97,703	–	97,703
As at March 31, 2021	P	13,489,227	26,217,799	55,090	3,451,517	43,213,633	142	43,213,775

The accompanying notes are part of these condensed consolidated interim financial statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Amounts in Thousands, Except per Share Data, Number of Shares and When Otherwise Stated)

NOTE 1 - DESCRIPTION OF BUSINESS

CEMEX Holdings Philippines, Inc. (the "Parent Company"), a subsidiary of CEMEX Asian South East Corporation (CASEC), was incorporated as a stock corporation on September 17, 2015 under Philippine laws, 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 the Parent Company 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 was incorporated as a stock corporation on August 25, 2015 under Philippine laws.

On a consolidated group basis, the Parent Company is an indirect subsidiary of CEMEX, S.A.B. de C.V. (CEMEX), a publicly traded variable stock corporation (*sociedad anónima bursátil de capital variable*) incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margáin Zozaya #325, Colonia Valle del Campestre, San Pedro Garza García, Nuevo León, Mexico.

The term "Parent Company" used in these accompanying notes to the consolidated financial statements refers to CEMEX Holdings Philippines, Inc. without its subsidiaries. The term "Company" refers to CEMEX Holdings Philippines, Inc., together with its consolidated subsidiaries.

On January 1, 2016, the Parent Company became the holding company of the consolidated entities, majority of whom are doing business in the Philippines. The Parent Company's two principal manufacturing subsidiaries, i.e., APO Cement Corporation (APO) and Solid Cement Corporation (Solid), are involved in the production, marketing, distribution and sale of cement and other cement products. APO and Solid are both stock corporations organized under the laws of the Philippines. The Parent Company holds APO directly and indirectly, through Edgewater Ventures Corporation and Triple Dime Holdings, Inc., whereas the Parent Company holds Solid and Solid's subsidiaries directly and indirectly, through Bedrock Holdings, Inc. and Sandstone Strategic Holdings, Inc.

The Company also includes CEMEX Asia Research AG (CAR), a wholly-owned subsidiary incorporated in December 2015 under the laws of Switzerland. Pursuant to license agreements that CAR entered into with CEMEX Research Group AG (CRG) and CEMEX, respectively, CAR became a licensee for certain trademarks, including the CEMEX trademark, and other intangible assets forming part of the intellectual property portfolio owned and developed by CRG and CEMEX. CAR is engaged primarily in the development, maintenance and customization of these intangible assets for the Asia Region and it in turn provides non-exclusive licenses to Solid and APO to use the CEMEX trademark and other trademarks and intangible assets of CEMEX. CRG, an entity under common control of CEMEX, was organized under the laws of Switzerland. CRG develops and manages CEMEX's research and development initiatives. Effective from January 1, 2021, CRG assigned and transferred its rights and obligations under this license agreement to another subsidiary of CEMEX that is also based in Switzerland, Cemex Innovation Holding AG (CIH).

In May 2016, the Parent Company incorporated a wholly-owned subsidiary named Falcon Re Ltd. (Falcon) under the Companies Act of Barbados. Falcon is registered to conduct general insurance business, all risk property insurance, political risks insurance and non-damage business interruption insurance, and received its license to operate as an insurance company in July 2016. Falcon acts as a re-insurer to the extent of 10% of the risks associated with the property insurance coverage and 100% of the risks associated with political violence and non-damage business interruption programs, professional liability program, and cyber risks for the operating subsidiaries of the Parent Company.

On June 30, 2016, the Philippine Securities and Exchange Commission (SEC) resolved to render effective the Registration Statement of the Parent Company and issued a Certificate of Permit to Offer Securities for Sale in favor of the Parent Company. On July 18, 2016, the Parent Company's initial public offering (IPO) of 2,337,927,954 common shares at P10.75 per share culminated with the listing and trading of shares of stocks under the Main Board of the Philippine Stock Exchange (PSE), resulting in an increase in capital stock of P2,337,928 and additional paid-in capital of P21,959,159, net of P835,639 transaction cost that is accounted for as a reduction in equity.

On April 2, 2019 and October 16, 2019, the Board of Directors (BOD) and stockholders of the Parent Company, respectively, approved the amendment of the Seventh Article of the Amended Articles of Incorporation of the Parent Company to reflect an increase in the Parent Company's authorized capital stock (ACS) from P5,195,395, consisting of 5,195,395,454 common shares with a par value of P1 per share, to P18,310,395, consisting of 18,310,395,454 common shares with a par value of P1 per share. In connection with the proposed capital increase, a stock rights offering (SRO) was pursued by the Parent Company. On December 11, 2019, the SEC issued a Notice of Confirmation of Exempt Transaction, confirming that the SRO is exempt from the registration requirements of the Revised Securities Regulation Code of the Philippines, and the board of directors of the PSE approved the Parent Company's application for listing of the shares to be offered in the SRO, subject to the fulfillment of certain listing conditions, such as but not limited to the Parent Company having obtained the SEC's approval of the increase in its ACS.

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

The offer period for the Stock Rights Offering was concluded on January 24, 2020. The total proceeds raised from the Stock Rights Offering amounted to P12,772,500,000.26.

On 27 February 2020, the SEC approved the Parent Company's application for increase of ACS and on March 4, 2020, the 8,293,831,169 common shares comprising the Rights Shares were listed under the Main Board of the Exchange. After the Stock Rights Offering and the approval by the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company's issued and outstanding shares totaled 13,489,226,623 common shares at P1 par value per share or total par value of P13,489,226,623.

As at December 31, 2020, the shareholdings in the Parent Company owned by CASEC increased to 10,500,624,662 common shares at P1 par value per share. CASEC retained its shareholdings in the Parent Company as at March 31, 2022.

The Parent Company's principal office is at 34th Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Philippines.

NOTE 2 - BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements and should be read in conjunction with the annual consolidated financial statements of the company as at and for the year ended December 31, 2021.

B) BASIS OF MEASUREMENT

The condensed consolidated interim financial statements have been prepared on the historical cost basis of accounting, except for retirement benefits liability which is measured at the present value of the defined benefit obligation less the fair value of plan assets and derivative financial asset and other investments, under "Investment in an associate and other investments", that are measured at fair value.

C) PRINCIPLES OF CONSOLIDATION

The condensed consolidated interim financial statements, includes those of the Parent Company and those of the subsidiaries in which the Parent Company exercises control by means of which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. Among other factors, control is evidenced when the Parent Company: a) holds directly or through subsidiaries, more than 50% of an entity's common stock; or b) has the power, directly or indirectly, to govern the administrative, financial and operating policies of an entity.

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

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

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Company obtains control and continue to be consolidated until the date that such control ceases.

The condensed consolidated interim financial statements of the Company are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. It is measured at its proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Parent Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Company.

If the Company loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interest;
- derecognizes the related other comprehensive income (OCI) recorded in equity and recycles the same to profit or loss or retained earnings;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained; and
- recognizes any surplus or deficit in profit or loss.

The Company has P117 and P125 non-controlling interest as at March 31, 2022 and December 31, 2021, respectively.

All intragroup transactions, balances and income and expenses are eliminated in consolidation. Each subsidiary is a legally responsible separate entity and maintains custody of its own financial resources.

D) DEFINITION OF TERMS

When reference is made to "P", it means Philippine Peso. Unless otherwise indicated, the Philippine Peso amounts in the condensed consolidated interim financial statements and the accompanying notes are stated in thousands. When reference is made to "US$" or dollar and "€" or euro, it means thousands of dollars of the United States of America (the "United States" or "U.S.") and euros of the European Union, respectively.

E) FUNCTIONAL AND PRESENTATION CURRENCY

These condensed consolidated interim financial statements of the Company are presented in Philippine Peso, the functional currency of the Parent Company and each of its subsidiaries, except for Falcon and CAR whose functional currencies are both in U.S. dollar. All values are rounded to the nearest thousands, except when otherwise stated.

F) USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and use assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and underlying assumptions are reviewed on an ongoing basis using available information. Actual results may differ from these estimates.

Judgment on the lease term to be considered in computing for lease liabilities

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Company has contracts that include extension option to lease parcels of land. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. The Company included the complete renewal period as part of the lease term for such leases of parcels of land as this is reasonably certain to be exercised considering the costs and business disruption required to replace the leased asset. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

Expected credit losses on trade receivables

During the three months ended March 31, 2022, management reassessed its estimates in respect of the allowance for impairment losses on receivables. As at March 31, 2022 and December 31, 2021, allowance for impairment losses on receivables amounted to P17,907 and P17,354, respectively (see Note 14).

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

A) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2021. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Company's consolidated financial statements.

1. Adoption of Amendments to Standards

1.1 Amendments to References to Conceptual Framework in PFRS Standards sets out amendments to PFRS Standards, their accompanying documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes:

- a new chapter on measurement;
- guidance on reporting financial performance;
- improved definitions of an asset and a liability, and guidance supporting these definitions; and
- clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Some Standards, their accompanying documents and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee (IASC)'s Framework for the Preparation and Presentation of Financial Statements adopted by the IASB in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework, and makes other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

1.2 Definition of Material (Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). The amendments refine the definition of material. The amended definition of material states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of material and its application by:

- raising the threshold at which information becomes material by replacing the term 'could influence' with 'could reasonably be expected to influence';
- including the concept of 'obscuring information' alongside the concept of 'omitting' and 'misstating' information in the definition;
- clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework;
- clarifying the explanatory paragraphs accompanying the definition; and
- aligning the wording of the definition of material across PFRS Standards and other publications.

The amendments are expected to help entities make better materiality judgments without substantively changing existing requirements.

1.3 COVID-19 - Related Rent Concessions (Amendment to PFRS 16, Leases). The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The practical expedient apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose that fact, whether they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and the amount recognized in profit or loss for the reporting period arising from application of the practical expedient. No practical expedient is provided for lessors.

2. Standards Issued But Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2021. However, the Company has not early adopted the following new or amended standards in preparing these condensed consolidated interim financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's condensed consolidated interim financial statements. The Company will adopt the following new and amendments to standards in their respective effective dates.

2.1 Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16, Property, Plant and Equipment). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, *Inventories*.

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

2.2 Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37, Provisions, Contingent Liabilities and Contingent Assets). The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract – i.e. it comprise both incremental costs and an allocation of other direct costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.

2.3 Annual Improvements to PFRS Standards 2018-2020. This cycle of improvements contains amendments to the following relevant standards:

- *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9, Financial Instruments).* The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- *Lease Incentives (Amendment to Illustrative Examples accompanying PFRS 16).* The amendment deletes from the Illustrative Example 13 the reimbursement relating to leasehold improvements to remove the potential for

confusion because the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

2.4 Classification of Liabilities as Current or Non-current (Amendments to PAS 1). To promote consistency in application and clarify the requirements on determining whether a liability is current or non-current, the amendments:

- removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
- clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or non-current.

The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

2.5 PFRS 17, Insurance Contracts, replaces the interim standard, PFRS 4 Insurance Contracts. Reflecting the view that an insurance contract combines features of both a financial instrument and a service contract, and considering the fact that many insurance contracts generate cash flows with substantial variability over a long period, PFRS 17 introduces a new approach that:

- combines current measurement of the future cash flows with the recognition of profit over the period services are provided under the contract;
- presents insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and
- requires an entity to make an accounting policy choice portfolio-by-portfolio of whether to recognize all insurance finance income or expenses for the reporting period in profit or loss or to recognize some of that income or expenses in other comprehensive income.

Under PFRS 17, groups of insurance contracts are measured based on fulfilment cash flows, which represent the risk-adjusted present value of the entity's rights and obligations to the policy holders, and a contractual service margin, which represents the unearned profit the entity will recognize as it provides services over the coverage period. Subsequent to initial recognition, the liability of a group of insurance contracts represents the liability for remaining coverage and the liability for incurred claims, with the fulfilment cash flows remeasured at each reporting date to reflect current estimates.

Simplifications or modifications to the general measurement model apply to groups of insurance contracts measured using the 'premium allocation approach', investment contracts with discretionary participation features, and reinsurance contracts held.

PFRS 17 brings greater comparability and transparency about the profitability of new and in-force business and gives users of financial statements more insight into an insurer's financial health. Separate presentation of underwriting and financial results will give added transparency about the sources of profits and quality of earnings.

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. Early application is permitted for entities that apply PFRS 9 on or before the date of initial application of PFRS 17.

Deferral of the local implementation of Amendments to PFRS 10, Consolidated Financial Statements, and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

NOTE 4 - REVENUES

Disaggregation of Revenues from Contracts with Customers
Revenues for the three months ended March 31, 2022 and 2021 are detailed by major product lines and timing of revenue recognition as follows:

	Timing of revenue recognition		**March 31, 2022**	March 31, 2022
Revenue from sale of goods				
Cement....................................	At a point in time	P	**5,222,383**	5,194,272
Admixtures and others.............	At a point in time		**5,163**	3,722
			5,227,546	5,197,994
Revenue from services				
Co-processing of alternative fuel resources........................	Over time		**12,908**	4,243
		P	**5,240,454**	5,202,237

Breakdown of cement sales per customer for the three-month period ended March 31, 2022 and 2021 is as follows:

		March 31, 2022	March 31, 2021
Retailers…………………………………………………………….........	P	**4,311,927**	4,148,699
Institutional ………………………………………………………….		**882,969**	979,486
Others ………………………………………………………………..		**27,487**	66,087
Total…………………………………………………………………	P	**5,222,383**	5,194,272

The Company does not depend on any single or few customers, and no single customer represented more than 10% of the Company's consolidated Revenue.

Contract Balances
The following table provides information about the opening and closing balances of trade receivables - net and contract liabilities from contracts with customers:

		March 31, 2022	December 31, 2021
Trade receivables - net...	P	**707,262**	696,868
Contract liabilities			
Advances from customers	P	**498,317**	354,032
Customer loyalty program...		**10,552**	37,390
	P	**508,869**	391,422

The contract liabilities comprised of unredeemed customer loyalty points and advances from customers. These will be recognized as revenue when the points are redeemed by customers or when the goods are delivered to the customer, which is expected to occur the following year. Contract liabilities as at March 31, 2022 are expected to be recognized as revenue within 12 months. The amount recognized in contract liabilities as at December 31, 2021 is expected to be recognized as revenue within 12 months from the reporting date. There is no other unperformed obligation other than those already included in contract liabilities.

Seasonality of Operations
The Company's sales are subject to seasonality. Sales are generally higher in the hot, dry months from March through May and lower during the wetter monsoon months of June through November. While these factors lead to a natural seasonality on the Company's sales, unseasonable weather could also significantly affect sales and profitability compared to previous comparable periods. Low sales are likewise experienced around the Christmas and New Year holiday period in December through early January. Consequently, the Company's operating results may fluctuate. In addition, the Company's results may be affected by unforeseen circumstances, such as production interruptions. Due to these fluctuations, comparisons of sales and operating results between periods within a single year, or between different periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of the Company's performance.

NOTE 5 – BASIC/ DILUTED EARNINGS PER SHARE

For the three months ended March 31, 2022 and 2021, basic and diluted earnings per share is computed as follows:

	March 31, 2022	March 31, 2021
Profit	**261,300**	P205,484
Add: non-controlling interest in net loss	**8**	8
Controlling interest in profit (a)	**261,308**	P205,492
Weighted average number of shares outstanding - Basic/Diluted (b)	**13,489,226,623**	13,489,226,623
Basic/Diluted EPS (a/b)	**P0.02**	P0.02

As at March 31, 2022 and 2021, the Company has no dilutive equity instruments.

NOTE 6 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at March 31, 2022 and December 31, 2021 consisted of:

		March 31, 2022	December 31,2021
Cash in banks...	P	**1,844,699**	2,222,046
Short-term investments...		**2,766,476**	3,589,589
	P	**4,611,175**	5,811,635

Cash in banks earns interest at the prevailing bank deposit rates. Short-term investments are made for varying periods of up to three months, depending on the immediate cash requirements of the Company, and earn interest ranging from less than 0.01 % to 2.0% for the three months ended March 31,2022 and interest ranging from less than 0.01 % to 1.25% for the three months ended March 31, 2021.

For the three months ended March 31, 2022 and 2021, interest income earned on cash and cash equivalents amounted to P7,523 and P3,241, respectively.

Effective January 1, 2021, the short-term investments with Lomez were transferred to Cemex Innovation Holding AG which bears interest at a rate equivalent to the Western Asset Institutional Liquid Reserves Fund (WAILRF) rate minus 10 basis points and zero interest.

As at March 31, 2022 and December 31, 2021, short-term investments include deposits of the Company with CIH (a related party) amounting to P2,766,476 and P3,589,589, respectively (see Note 10).

The Company´s exposures to credit risk, foreign currency risk, and interest rate risk related to cash and cash equivalents are disclosed in Note 14 to the condensed consolidated interim financial statements.

NOTE 7 – PROPERTY, MACHINERY, EQUIPMENT AND ASSETS FOR THE RIGHT-OF-USE - NET

The consolidated balance of this item is broken down as follows:

		March 31, 2022	December 31, 2021
Property, machinery and equipment - net…………………………………	P	**21,121,889**	21,235,651
Assets for the right-of-use - net…………………………………………		**1,734,972**	1,552,368
	P	**22,856,861**	22,788,019

Property, Machinery and Equipment - net

The movements for each class of property, machinery and equipment are as follows:

		Buildings and improvements	Machinery and equipment	Construction In-progress	Total
Gross Carrying Amount					
January 1, 2021	P	4,553,124	14,093,941	7,868,581	26,515,646
Additions………………………………….		41,776	152,632	2,522,580	2,716,988
Disposals………………………………….		(15,949)	(36,011)	–	(51,960)
Reclassification to asset held for sale….		–	(5,094)	–	(5,094)
Transfers………………………………….		36,296	47,479	(83,775)	–
December 31, 2021		**4,615,247**	**14,252,947**	**10,307,386**	**29,175,580**
Additions………………………………….		735	54,843	146,371	201,949
Transfers………………………………….		–	(54,592)	–	(54,592)
Disposals………………………………….		22,526	52,939	(75,465)	–
March 31, 2022		**4,638,508**	**14,306,137**	**10,378,292**	**29,322,937**
Accumulated depreciation and impairment					
January 1, 2021		(1,271,430)	(5,335,649)	–	(6,607,079)
Depreciation for the year………………...		(201,300)	(1,167,646)	–	(1,368,946)
Reclassification to asset held for sale		–	3,128	–	3,128
Disposals………………………………….		6,148	26,820	–	32,968
December 31, 2021		**(1,466,582)**	**(6,473,347)**	–	**(7,939,929)**
Depreciation for the period………………		(52,037)	(263,674)	–	(315,711)
Disposals………………………………….		–	54,592	–	54,592
March 31, 2022		**(1,518,619)**	**(6,682,429)**	–	**(8,201,049)**
Carrying Amounts					
December 31, 2021	P	**3,148,665**	**7,779,600**	**10,307,386**	**21,235,651**
March 31, 2022	**P**	**3,119,889**	**7,623,708**	**10,378,292**	**21,121,889**

In relation to the Solid New Line Project, the Company capitalized borrowing cost amounting to P34,662 and P94,178 for the three months ended March 31, 2022 and 2021, respectively. The average capitalization rate used to determine the amount of borrowing cost eligible for capitalization during the three months ended March 31, 2022 and 2021 is 1.56% and 4.69%, respectively.

Assets for the Right-of-Use - net

The movements in the balance of assets for the right-of-use are as follows:

		Land and Buildings	Machinery and Equipment	Total
Gross Carrying Amount				
January 1, 2021	P	1,895,072	1,603,542	3,498,614
Additions………………………………………………………...		65,115	294,356	359,471
Cancellation and remeasurement……………………………		(24,849)	(332,891)	(357,740)
December 31, 2021		**1,935,338**	**1,565,007**	**3,500,345**
Additions………………………………………………………...		83,723	249,135	332,858
March 31, 2022		**2,019,061**	**1,814,142**	**3,833,203**
Accumulated amortization				
January 1, 2021		(562,068)	(1,145,736)	(1,707,804)
Amortization for the year………………………………………		(178,374)	(382,654)	(561,028)
Lease termination………………………………………………..		14,785	306,070	320,855
December 31, 2021		**(725,657)**	**(1,222,320)**	**(1,947,977)**

Amortization for the period		(50,626)	(99,628)	(150,254)
March 31, 2022		**(776,283)**	**(1,321,948)**	**(2,098,231)**
Carrying Amounts				
December 31, 2021	P	**1,209,681**	**342,687**	**1,552,368**
March 31, 2022	P	**1,242,778**	**492,194**	**1,734,972**

NOTE 8 – LEASE LIABILITIES

The roll forward analyses of opening and closing balance of lease liabilities are as follow:

		March 31, 2022	December 31, 2021
Balance at beginning of the period	P	**1,807,905**	2,066,112
Additions		**332,771**	357,052
Accretion of interest		**27,257**	114,222
Effect of changes in exchange rates		**7,915**	21,492
Payments		**(177,089)**	(722,406)
Remeasurement due to lease termination		**–**	(28,567)
Balance at end of the period	P	**1,998,758**	1,807,905

NOTE 9 – EQUITY

Common Stock

As at March 31, 2022 and December 31, 2021 the account consists of:

	Number of Shares	Amount
Authorized - P1.00 par value per share	18,310,395,454	P18,310,395
Paid, Issued and Outstanding shares	13,489,226,623	P13,489,227
Total Common Stock	13,489,226,623	P13,489,227

On September 17, 2015, CASEC subscribed to 376,000 shares of stock of the Parent Company at P100 par value per share. Of the agreed subscription price of P37,600, only P9,400 was paid in 2015, while the remainder of P28,200 was paid in 2016. In 2016, the Parent Company's BOD approved the amendment of and increase in the authorized capital stock of the Parent Company from P150,400, divided into 1,504,000 common shares with par value of P100 per share, to P5,195,395, divided into 5,195,395,454 common shares with par value of P1 per share.

On May 20, 2016, the SEC approved the Parent Company's application for the amendment of and increase in its authorized capital stock. Accordingly, the original subscription of CASEC changed from 376,000 common shares, with par value of P100 per share, to 37,600,000 common shares, with par value of P1 per share. Furthermore, in connection with the increase in authorized capital stock, CASEC subscribed to an additional 2,819,867,500 shares at P1 par value per share or a total par value of P2,819,867 which was fully paid. During the IPO which culminated in the listing of all of the outstanding shares of stock of the Parent Company on July 18, 2016, the Parent Company issued additional 2,337,927,954 shares at P1 par value per share or a total par value of P2,337,928 at the offer price of P10.75 per share (see Note 1).

The BOD and stockholders of the Parent Company approved on April 2, 2019 and October 16, 2019, respectively, the amendment of the Seventh Article of the Amended Articles of Incorporation of the Company, to reflect an increase in the Parent Company's ACS from P5,195,395, consisting of 5,195,395,454 common shares with a par value of P1 per share, to P18,310,395, consisting of 18,310,395,454 common shares with a par value of P1 per share.

In connection with the proposed ACS increase, the Company's BOD on September 3, 2019 approved the conduct of SRO. The shares subject of the SRO will come from an increase in Parent Company's ACS.

On December 11, 2019, the SEC issued a Notice of Confirmation of Exempt Transaction, confirming that the SRO is exempt from the registration requirements of the Securities Regulation Code of the Philippines, and the board of directors of the PSE approved the Parent Company's application for listing of the shares to be offered in the SRO, subject to the fulfillment of certain listing conditions, such as but not limited to the Parent Company having obtained the SEC's approval of the increase in the company's authorized capital stock.

As at December 31, 2019, the shareholdings in the Parent Company owned by CASEC increased to 3,469,412,498 common shares at P1 par value per share or P3,469,412. As at December 31, 2019, deferred share issuance costs relating to the stock rights offering amounted to P95,105, which is presented as "Deferred share issuance cost" under "Prepayments and other current assets" account in the condensed consolidated interim financial statements.

On January 6, 2020, the Parent Company defined the final terms of the SRO which involved 8,293,831,169 common shares which was sourced from the increase in the Parent Company's ACS, offered at an offer price of P1.54 per share during an offer period from January 20 to 24, 2020. The SRO offer period was concluded resulting in the full subscription of 8,293,831,169 common shares.

On February 27, 2020, the SEC approved the Parent Company's application for increase in ACS and on March 4, 2020, 8,293,831,169 common shares, comprising the Rights Shares, were listed under the Main Board of the Exchange. After the SRO and the approval by the SEC of the Parent Company's application for increase in ACS, the Parent Company's issued and outstanding shares totaled 13,489,226,623 common shares at P1 par value per share or a total par value of P13,489,227. As at December 31, 2020, the shareholdings in the Parent Company owned by CASEC increased to 10,500,624,662 common shares at P1 par value per share.

As at March 31, 2022, CASEC owns 10,500,624,662 common shares which correspond to approximately 77.84% of the total issued and outstanding capital stock of the Parent Company.

Other Equity Reserves

The movements on components of Other equity reserves as at March 31, 2022 and December 31, 2021 is as follow:

		Cumulative translation of foreign subsidiaries	**Remeasurements on retirement benefits liability**	**Share-based compensation reserve**	**Hedge reserve**	**Total**
Balance at January 1, 2021	P	(308,618)	170,086	71,740	24,179	(42,613)
Currency translation loss of foreign subsidiaries.......................................		518,556	–	–	–	518,556
Gain on remeasurement on retirement benefits liability, net of tax		–	60,953	–	–	60,953
Share-based compensation.................		–	–	3,130	–	3,130
Cash flow hedges - effective portion of changes in fair value		–	–	–	12,374	12,374
Cash flow hedges – reclassified to profit or loss		–	–	–	(24,179)	(24,179)
Balance at December 31, 2021	P	209,938	231,039	74,870	12,374	528,221
Currency translation gain of foreign subsidiaries.......................................		**120,087**	**–**	**–**	**–**	**120,087**
Loss on remeasurement on retirement benefit liability, net of tax....................		**–**	**(8,446)**	**–**	**–**	**(8,446)**
Cash flow hedges - effective portion of changes in fair value……………		**–**	**–**	**–**	**110,255**	**110,255**
Cash flow hedges – reclassified to profit or loss		**–**	**–**	**–**	**(12,374)**	**(12,374)**
Balance at March 31, 2022	P	**330,025**	**222,593**	**74,870**	**110,255**	**737,743**

Capital Management

The Company's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flow to selective investments. The Company sets strategies for the Company with the objective of establishing a versatile and resourceful financial management and capital structure.

The Board of Directors has overall responsibility for the monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry. The Company's capital is defined as "Equity" as shown in the condensed consolidated interim statements of financial position.

The Company is not subject to externally imposed capital requirements. The Company's net debt to equity ratio at the reporting dates is as follows:

		March 31, 2022	December 31, 2021
Total liabilities	P	**20,639,435**	20,180,841
Less: cash and cash equivalents		**4,611,175**	5,811,635
Net debt (a)	P	**16,028,260**	14,369,206
Total equity (b)	P	**44,677,747**	44,206,925
Net debt to equity ratio (a/b)	P	**0.36:1**	0.33:1

NOTE 10 – RELATED PARTY TRANSACTIONS

Related party relationship exists when the other party (i) has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. A related party relationship is deemed to exist when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercise significant influence over the other party in making the financial and/or operating decisions. Another criteria recognizes a related party relationship, whether or not the ability to control exists, if any of the following conditions applies to an entity: (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity (if the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity).

The Company has an approval requirement and limits on the amount and extent of related party transactions in compliance with the Revised Securities Regulation Code Rule 68 and the SEC Memorandum Circular 10-2019 - *Rules on Material Related Party Transactions for Publicly-Listed Companies*. Transactions entered into with a related party amounting to 10% or more of the total consolidated assets based on the latest audited consolidated financial statements are considered material. All individually material related party transactions shall be reviewed and evaluated by the Audit Committee and endorsed to the BOD for approval. The material related party transaction shall require the approval of at least two-thirds (2/3) votes of the members of the BOD, with at least the majority of the independent directors voting to approve the material related party transaction. For aggregate related party transactions within 12-month period with the same related party that breaches the materiality threshold, the same review and approval procedures mentioned above is required.

Set out below are the Company's balances of related party short-term investments, due from related patties, due to related parties, and lease liabilities as at March 31, 2022 and December 31, 2021:

		March 31, 2022	December 31, 2021
Short-term investments			
Other related party [13]			
CIH (Note 6)	P	**2,766,476**	3,589,589
Due from related parties			
Ultimate Parent			
CEMEX [1]	P	**13,437**	11,295
Other related parties [13]			
Cemex Innovation Holding AG[9]		**1,087**	1,087
Beijing CXP Import & Export Co.[4]		**831**	3,418
APO Land & Quarry Corporation (ALQC) [2]		**647**	980
Sunbulk Shipping NV [8]		**641**	–
Island Quarry and Aggregates Corporation (IQAC) [3]		**158**	239
CEMEX Operaciones México, S.A. de C.V.[5]		**142**	142
Galala Six Holding, Inc[11]		**30**	–
	P	**16,973**	17,161

Due to related parties			
Ultimate Parent			
CEMEX [1]	P	**12,926**	23,916
Other related parties [13]			
CEMEX International Trading LLC[10]		**1,663,252**	191,849
CEMEX Operaciones México, S.A. de C.V.[5]		**953,903**	896,148
Cemex Innovation Holding AG.[9]		**195,538**	167,001
IQAC [3]		**131,123**	113,652
ALQC [2]		**28,307**	28,304
Beijing CXP Import & Export Co.[4]		**3,508**	12,399
Sunbulk Shipping NV [8]		**8**	–
Transenergy Grinding, Inc. [7]		–	763,257
CRG [6]		–	39
		2,988,565	2,196,565

Lease liabilities on land [12]			
ALQC	P	**781,126**	781,756
IQAC		**388,723**	391,433
	P	**1,169,849**	1,173,189

[1]The due from related party balance as at March 31, 2022 and December 31, 2021 pertains to the hedge settlement received by CEMEX on behalf of the Company which is due on demand and unimpaired, which amounted to the receivable of P13,437 and P11,295, respectively.
The due to related party balance as at March 31, 2022 and December 31, 2021 pertains to the use of CEMEX "marks" which is payable in 30 days after receipt of invoice and is unsecured and noninterest bearing which amounted to P23,916 and P12,926, respectively. On January 1, 2016, CAR entered into an agreement with CEMEX for the right to use of its "marks" and to further license the "marks" with other CEMEX group companies operating in the Asia territories.

[2]The due from related party balance, which is unimpaired, unsecured, noninterest-bearing and due on demand as at March 31, 2022 and December 31. 2021 includes:

a) The service agreements were entered by Solid and APO with ALQC wherein Solid and APO provides back-office and other support services to ALQC. Fees are calculated at cost incurred plus fixed mark-up. Outstanding receivable amounted to P545 and P696, respectively; and
b) Others pertaining to reimbursements and/or advances amounting to P102 and P284, respectively.

The due to related party balance that is unsecured, noninterest-bearing and payable upon demand as at March 31, 2022 and December 31, 2021 pertains to the purchase of raw materials which amounting to P28,289 and P28,304, respectively. Other reimbursement of P18 and nil as at March 31, 2022 and December 31, 2021, respectively.

[3]The due from related party balance as at March 31, 2022 and December 31, 2021, which is unimpaired, unsecured, noninterest-bearing and due on demand pertains to the service agreements were entered by Solid with IQAC wherein Solid provides back-office and other support services to IQAC. Fees are calculated at cost incurred plus fixed mark-up. Outstanding receivable amounted to P158 and P239, respectively.

The due to related party balance as at March 31, 2022 and December 31, 2021, respectively, includes the following:

a) unsecured payable arising from purchase of raw materials with a 30-day term and noninterest-bearing amounting to P131,097 and P101,101, respectively. Solid purchases the majority of its limestone, pozzolan and clay requirements from IQAC pursuant to a long-term supply agreement;
b) collections from housing loan on behalf of IQAC amounting to nil and P3,551, respectively, which are unsecured, noninterest-bearing and payable on demand; and
c) other reimbursements of P26 and nil, respectively.

[4]The due from related party balance as at March 31, 2022 and December 31, 2021 pertains to advances which are unimpaired, unsecured, noninterest-bearing and due on demand amounting to P831 and P3,418, respectively.
The due to related party balance as at March 31, 2022 and December 31, 2021, pertains to the outstanding liability for the purchases of materials, supplies and spare parts, which is unsecured, noninterest-bearing and payable on demand.

[5]The due from related party balance as at March 31, 2022 and December 31, 2021, which is unimpaired, unsecured, noninterest-bearing and due on demand, pertains to reimbursement of fringe benefit tax on share-based compensation amounting to P142.
The due to related party balances as at March 31, 2022 and December 31, 2021, are as follow:

a) The business support services received by the Company which is unsecured, noninterest-bearing and payable on demand. In 2009, Solid and APO entered into separate service agreements with CAPL, whereby the latter through CAPL-PHQ shall provide to Solid and APO services relating to, among others, general administration and planning; business planning and coordination; marketing control and; sales promotion and business development. In the implementation of these service agreements, CAPL-PHQ also arranged for certain services to be performed by CEMEX Central, S.A. de C.V. ("CEMEX Central") and, accordingly, CAPL-PHQ collected from each of Solid and APO as reimbursement of the fees billed by CEMEX Central for services rendered. In 2017, the arrangement between CAPL-PHQ and CEMEX Central was changed resulting in Solid and APO entering into separate service agreements directly with CEMEX Central wherein the latter shall provide to the companies those particular services previously performed by CEMEX Central through the service agreements with CAPL-PHQ. CEMEX Operaciones, S.A. de C.V., a CEMEX subsidiary organized and existing under the laws of Mexico, was merged with CEMEX Central, whereby CEMEX Operaciones was the surviving entity pursuant to an agreement with respect to such merger dated August 1, 2019. The payable balance amounted to P953,903 and P891,953, respectively;
b) unsecured payable arising from reimbursement of cost incurred for Solid's New Line Project with a 30-day term and noninterest-bearing amounting to nil and P2,937, respectively; and
c) unsecured, non-interest bearing with a 30day term payable arising from purchase of spare parts amounting nil and P1,258, respectively.

[6]The due to related party balance as at March 31, 2022 and December 31, 2021, which is unsecured, noninterest-bearing and payable on demand, reimbursable fees which amounted to nil and P39, respectively.

[7]The due to related party balance as at March 31, 2022 and December 31, 2021, pertains to the purchase of coal with a term of 30 days, noninterest-bearing and unsecured.

[8]The due from related party balance amounted to P641 and nil as at March 31, 2022 and December 31, 2021, which is unimpaired, unsecured,

noninterest-bearing and has 30-days term pertains to international freight services.
[9] The due from related party balance as at March 31, 2022 and December 31, 2021 which is unsecured, non-interest bearing and with 15-day term pertains to service agreement to support and assist in the programming, testing and deployment of new commercial solutions, methods, tools, processes, and products that Solid will develop as part of its intellectual property portfolio.
The due to related party balance as at March 31, 2022 and December 31, 2021, which is unsecured, noninterest-bearing and payable on demand, pertains to the unpaid royalties/license fees amounted to P195,538 and P167,001, respectively.
[10]The due to related party balance amounting to P1,663,252 and P191,849 as at March 31, 2022 and December 31, 2021, pertains to the purchase coal and raw materials with a 90-day term which is unsecured and noninterest-bearing.
[11]The due from related party balance as at March 31, 2022 and December 31, 2021, pertains to reimbursement is unsecured, noninterest-bearing and due on demand, amounting to P2,060 and P2,128, respectively.
[12]The balances, which are recognized under "Lease liabilities" account, are unsecured, noninterest-bearing and payable on an annual basis. These land rentals have a 30-day term and are both noninterest-bearing and unsecured. The principal manufacturing installations of APO and Solid are located on land owned by ALQC or IQAC, respectively, under long-term lease agreements.
[13]Other related parties pertain to entities under common control of CEMEX, except for IQAC and ALQC.

The main transactions entered by the Company with related parties for the three months ended March 31,2022 and 2021 are shown below:

		March 31, 2022	March 31, 2021
Transactions with ultimate parent			
Royalties and trademarks			
CEMEX[1]	P	**6,998**	6,981
Transactions with other related parties [3]			
Purchases of raw materials, supplies and/or spare parts			
Cemex International Trading, LLC[1]	P	**1,658,294**	–
Transenergy Grinding, Inc.[1]		**23,482**	250,960
IQAC[1]		**122,701**	109,932
ALQC[1]		**68,558**	41,965
Beijing CXP Import & Export Co.[1]		**17,734**	9,391
CEMEX Internacional, S.A. de C.V.[1]		–	2,201
	P		414,449
Royalties and trademarks			
Cemex Innovation Holding AG.[1]	P	**204,541**	–
CRG[1]		**–**	195,239
	P	**204,541**	195,239
Corporate services and administrative expenses			
CEMEX Operaciones Mexico, S.A. de C.V[1].	P	**49,353**	57,503
Freight services			
Sunbulk Shipping Limited [1]	P	–	20,690
Interest income			
Cemex Innovation Holding, AG[2]	P	**7,119**	7,452
Corporate services and administrative income			
ALQC[1]	P	**1,779**	1,811
IQAC[1]		**500**	594

[1] Please refer to the footnotes provided on the outstanding balances of related party receivables and payables.
[2] The amount pertains to the interest income on short-term investments (see Note 6).
[3] Other related parties pertain to entities under common control to CEMEX, except IQAC and ALQC.

NOTE 11 – INSURANCE PREMIUMS RECEIVABLE

Insurance premiums receivable, which is FALCON's premiums receivable from third party insurance company (see Note 1). Premiums receivable represents premiums on written policies which are collectible within the Company's credit term.

As at March 31, 2022 and December 31, 2021, the insurance premiums receivables amounted to nil and P91,798, respectively.

The Company´s exposure to credit risk related to the insurance claims and premiums receivable is disclosed in Note 14 to the condensed consolidated interim financial statements.

NOTE 12 – SEGMENT INFORMATION

The Company applies PFRS 8, *Operating Segment,* which are defined as the components of an entity that engage in business activities from which they may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's top management to make decisions about resources to be allocated to the segments and assess their performance; and for which discrete financial information is available. The Company's results and performance is evaluated for decision-making purposes and allocation of resources is made on a per country basis. Hence, the Company represents a single geographical operating segment. The Company's main activity is oriented to the construction industry through the production, distribution, marketing and sale of cement, ready-mix concrete and other construction materials. For the three-months period ended March 31,2022 and 2021, the cement sector represented approximately 89.8% and 90.4% respectively, of total net revenues before eliminations resulting from consolidation, and 129.6% and 129.7% of Operating EBITDA.

The main indicator used by the Company's management to evaluate performance is "Operating EBITDA", representing operating earnings before other income - net, interest, tax, depreciation and amortization, considering that such amount represents a relevant measure for the Company's management as an indicator of the ability to internally fund capital expenditures, as well as a widely accepted financial indicator to measure the Company's ability to service or incur debt. Operating EBITDA should not be considered as an indicator of the Company's financial performance, as an alternative to cash flow, as a measure of liquidity, or as being comparable to other similarly titled measures of other companies.

NOTE 13 – LONG-TERM BANK LOAN

On February 1, 2017, the Parent Company signed a Senior Unsecured Peso Term Loan Facility Agreement (Facility Agreement) with BDO Unibank, Inc. (BDO) for an amount of up to the Philippine Peso equivalent of US$280,000 to refinance a majority of the Parent Company's outstanding long-term loan with New Sunward Holding B.V. The term loan provided by BDO has a tenor of seven (7) 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. Short-term portion of the bank loan amounted to P3,341,875 and P3,376,906 as at March 31, 2022 and December 31, 2021, respectively.

The unamortized debt issuance cost of this bank loan amounting to P47,601 and P54,092 as at March 31, 2022 and December 31, 2021, respectively, was deducted from the total loan liability. Interest expense incurred as at March 31, 2022 and 2021, excluding amortization of debt issuance cost, amounted to P97,062 and P108,432, respectively, which is recognized under "Financial expenses" account in the condensed consolidated interim statements of comprehensive income.
The reconciliation of opening and closing balances of bank loan follows:

		Bank Loan	Accrued Interest	Total
Balance as at January 1, 2021……………...	P	10,706,765	69,108	10,775,873
Interest expense ……………….................		25,964	421,833	447,797
Payment of:				
Principal………………………………………		(1,840,123)	–	(1,840,123)
Interest………………………………………			(429,167)	(429,167)
Balance as at December 31, 2021………….		8,892,606	61,774	8,954,380
Interest expense………………………………		**6,491**	**97,062**	**103,553**
Payment of:				
Principal………………………………………		**(35,031)**	–	**(35,031)**
Interest………………………………………		–	**(99,706)**	**(99,706)**
Others……………………………………...		–	**(1,940)**	**(1,940)**
Balance as at March 31, 2022..……….........	P	**8,864,066**	**57,190**	**8,921,256**

Accrued interest from this bank loan amounting to P57,190 and P61,774 as at March 31, 2022 and December 31, 2021, respectively, are recognized under "Unearned income, other accounts payable and accrued expenses" account in the condensed consolidated interim statements of financial position.

The Facility Agreement also provides certain covenants. Compliance with these covenants shall be tested semi-annually. On December 8, 2017, the Parent Company entered into a Supplemental Agreement to the Facility Agreement with BDO pursuant to which, more notably, it was agreed that:

i. the commencement date for compliance with the aforementioned 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 Parent Company's ability to cover its interest expense using its Operating EBITDA (interest coverage ratio) and is measured by dividing Operating EBITDA by the financial expense for the last twelve months as of the calculation date. Operating EBITDA equals operating income before other income, net plus depreciation and amortization. On December 14, 2018, the Parent Company 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 Parent Company's ultimate parent company, CEMEX, or any affiliate of CEMEX which is not a direct or indirect subsidiary of the Parent 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, the Company signed an Amendment to the Facility and Supplemental Agreements with BDO mainly to:

i. conform the Facility Agreement with certain changes required due to PFRS 16 entering into effect;
ii. exclude from 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 that have been made or are to be made to the Company by any subsidiary of CEMEX; and
iii. allow for certain loans taken by the Company with any CEMEX subsidiary to be paid with the proceeds from any equity fundraising activity of the Parent Company without having to pay a prepayment fee to BDO under the Facility Agreement.

On June 30, 2020, the Parent Company entered into an agreement with BDO to further amend the Facility Agreement, which provides compliance with certain financial covenants to commence at the later date of June 30, 2021.

As at March 31, 2022, the Parent Company is in compliance with the applicable restrictions and covenants of the Facility Agreement.

NOTE 14 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

This note presents information on the financial risk exposure of the Company relating to credit risk, foreign currency risk, commodity price risk and liquidity risk; goals, policies and procedures of the Company to measure and manage such risks and the administration of the Company's resources.

The Company's management has overall responsibility for the development, implementation and monitoring of the conceptual framework and policies for an effective risk management.

The Company's risk management policies are intended to:

a) identify and analyze the risks faced by the Company;
b) implement appropriate risk limits and controls; and
c) monitor the risks and the compliance with the limits.

Policies and risk management systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. By means of its policies and procedures for risk management, the Company aims to develop a disciplined and constructive control environment where all employees understand their roles and obligations.

Credit Risk

Credit risk is the risk of financial loss faced by the Company if a customer or counterparty of a financial instrument does not meet its contractual obligations and originates mainly from trade receivables. As at March 31, 2022 and December 31, 2021, the maximum exposure to credit risk is represented by the balance of financial assets (excluding equity investments). Management has developed policies for the authorization of credit to customers. The exposure to credit risk is monitored constantly according to the behavior of payment of the debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behavior regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the Company's management requires cash bonds from its customers and financial counterparties with regard to financial assets, which can be called upon if the counterparty is in default under the terms of the agreement. Cash bonds received from credit customers as at March 31, 2022 and December 31, 2021 amounted to P32,324, respectively.

The Company's management has established a policy which analyzes the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery, and the review includes external ratings, when references are available, and in some cases bank references. Threshold of credit limits are established for each client, which represent the maximum credit amount that requires different levels of approval. Customers who do not meet the levels of solvency requirements imposed by the Company can only carry out transactions with the Company by paying cash in advance.

The carrying amount of financial assets below represents the maximum credit exposure without taking into account the effect of collateral and any credit enhancements. The maximum exposure to credit risk as at March 31, 2022 and December 31, 2021 is as follows:

		Gross Carrying Amount		Net Carrying Amount	
		March 31, 2022 (Unaudited)	December 31, 2021 (Audited)	**March 31, 2022 (Unaudited)**	December 31, 2021 (Audited)
Financial assets at amortized cost					
Cash and cash equivalents	P	**4,611,175**	5,811,635	**4,611,175**	5,811,635
Trade receivables		**725,170**	714,222	**707,262**	696,868
Due from related parties		**16,973**	17,161	**16,973**	17,161
Insurance claims and premiums receivable		**–**	91,798	**–**	91,798
Other current accounts receivable		**45,507**	49,361	**45,507**	49,361
Long-term time deposits, rental guaranty deposits and sublease receivable, net of current portion (under other assets and noncurrent accounts receivable)		**195,138**	193,867	**195,138**	193,867
		5,593,321	6,878,044	**5,575,413**	6,860,690
Financial assets at fair value (hedging instrument)					
Derivative assets		**122,448**	30,450	**122,448**	30,450
	P	**5,715,769**	6,908,494	**5,697,861**	6,891,140

Trade Receivables

The Company applied the simplified approach in measuring ECLs which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped by shared credit risk characteristics based on customer type and determines for each group an average ECL, considering actual credit loss experience over the last 12 months and the Company's view of economic conditions over the expected lives of the trade receivables. The ECL rate that is used to arrive at the ECL arising from the current year credit sales is computed as the percentage of prior year's credit sales that eventually became more than 365 days overdue. The ECL rate is 100% for the trade receivables that are 365 and more days past due. The Company has identified the GDP growth rate to be the most relevant macroeconomic factor that affects the ability of the customers to settle the receivables. However, it was assessed that the adjustment for forward-looking information is not material. The Company does not have trade receivable for which no allowance is recognized because of collateral.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

As at March 31, 2022		**Current**	**1 to 30 days**	**31 to 60 days**	**More than 60 days**	**Total**
Average ECL rates		**0.1%**	**1.5%**	**7.2%**	**31.5%**	**2.5%**
Trade receivables - gross carrying amount	P	**631,454**	**33,442**	**10,018**	**50,255**	**725,169**
Allowance for ECL		**878**	**487**	**725**	**15,817**	**17,907**

As at December 31, 2021		Current	1 to 30 days	31 to 60 days	More than 60 days	Total
Average ECL rates		0.1%	0.9%	6.7%	28.9%	2.4%
Trade receivables - gross carrying amount	P	553,801	94,687	12,914	52,820	714,222
Allowance for ECL		358	850	866	15,280	17,354

Other Financial Assets (excluding Equity Instruments)
Impairment on cash and cash equivalents, long-term time deposits (recognized under "Other assets and noncurrent accounts receivable" account in the condensed consolidated interim statements of financial position) has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The Company considers that these financial assets, as well as derivative assets, have low credit risk as these are held with reputable banks and financial institutions. All other debt investments and other receivables (i.e., due from related parties, insurance premiums receivable, other current accounts receivable, rental guaranty deposits and sublease receivable, net of current portion) that are measured at amortized cost are considered to have low credit risk, because they have low risk of default as the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Credit risk on these financial assets has not increased significantly since their initial recognition. Hence, the loss allowance calculated was therefore limited to 12 months expected losses. The Company has determined an insignificant amount of ECL on these financial assets because of the zero-instance of default from the counterparties and the effect of forward-looking information on macro-economic factors affecting the ability of the counterparties to settle the receivables were assessed to have an insignificant impact.

The Company sells its products primarily to retailers in the construction industry, with no specific geographic concentration of credit within the country in which the Company operates. As at March 31, 2022 and December 31, 2021, no single customer individually accounted for a significant amount of the reported amounts of sales or the balances of trade receivables.

Movements in the Allowance for ECL on Trade Receivables
Changes in the allowance for impairment losses for the three-month period ended March 31, 2022 and for the year ended December 31, 2021 are as follows:

		March 31, 2022	December 31, 2021
Balance at beginning of period	P	**17,354**	26,728
Charged to selling expenses		**691**	(8,439)
Write-off of trade receivables		**(138)**	(935)
Balance at end of period	P	**17,907**	17,354

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate in relation to changes in exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to its operational and financing activities. The objective of foreign currency risk management is to manage and control exposures within acceptable parameters while optimizing the return. The Company's revenue and costs are generated and settled mainly in Philippine Peso. For the three months ended March 31, 2022, and as at December 31, 2021 approximately less than 5% of the Company's net sales, were generated in U.S. dollars.

The Company had an exposure arising from the dollar-denominated financial obligations as compared to the currency in which the majority of the Company's revenues are generated. The Company's only revenue denominated in U.S. dollars to cover such dollar-denominated obligations are those generated by exports. As at March 31, 2022 and December 31, 2021, the Company has not implemented any derivative financing hedging strategy to address this foreign currency risk.

Foreign exchange fluctuations occur when any member of the Company incur monetary assets and liabilities in a currency different from its functional currency. These translation gains and losses are recognized in the condensed consolidated interim statements of profit or loss and other comprehensive income.

As at March 31, 2022 and December 31, 2021, a summary of the quantitative information of the exposure of the Company due to foreign currencies is provided to the top management on the basis of its risk management policy as follows:

	As at March 31, 2022	
	(in U.S. dollar)	***(in Euro)***

Cash and cash equivalents	**US$3,442**	**€–**
Due from related parties*	**300**	**–**
Trade payables	**(12,196)**	**(452)**
Due to related parties*	**(50,883)**	**–**
Lease liabilities	**(9,092)**	**–**
Net liabilities denominated in foreign currency	**(US$68,429)**	**(€452)**

**Pertains to related party transactions with entities outside the Company*

	As at December 31, 2021	
	(in U.S. dollar)	*(in Euro)*
Cash and cash equivalents	US$11,471	€–
Due from related parties*	313	–
Trade payables	(11,414)	(188)
Due to related parties*	(36,897)	–
Lease liabilities	(6,193)	–
Net liabilities denominated in foreign currency	(US$42,720)	(€188)

**Pertains to related party transactions with entities outside the Company*

The Company is also exposed to foreign currency risks on eliminated foreign currency denominated intragroup balances as follows (in U.S. dollar):

Amounts owed by	**Amounts owed to**	**March 31, 2022**	December 31, 2021
Falcon	Parent Company	**US$5,000**	US$22,000
Parent Company	CAR	**(82,060)**	(81,656)
Parent Company	Falcon	**(33,807)**	(33,803)
APO	CAR	**(3,639)**	(3,259)
Solid	CAR	**(1,671)**	(1,463)
		(US$116,177)	(US$98,181)

The most significant closing exchange rates and the approximate average exchange rates of Philippine Peso per U.S. dollar and Euro used in the consolidated financial statements were as follows:

	March 31,2022		December 31, 2021	
Currency	**Closing**	**Average**	Closing	Average
U.S. dollar	**51.74**	**51.32**	P51.00	P49.36
Euro	**57.25**	**57.28**	P58.03	P58.30

Sensitivity Analysis on Foreign Currency Risk

The following table demonstrates the sensitivity to a reasonably possible change in various foreign currencies, with all other variables held constant, of the Company's profit (loss) before income tax and equity for the three-month period ended March 31, 2022, and for the year ended December 31, 2021:

U.S. Dollar	**Strengthening (Weakening) of Philippine Peso**	**Effect on Earnings before Income Tax**	**Effect on Equity**
March 31, 2022	**+1.5%**	**P51,337**	**P38,503**
	-1.5%	**(51,337)**	**(38,503)**
December 31, 2021	+6.2%	P135,078	P101,308
	-6.2%	(135,078)	(101,308)

EUR	**Strengthening (Weakening) of Philippine Peso**	**Effect on Earnings before Income Tax**	**Effect on Equity**
March 31, 2022	**+1.3%**	**P347**	**P260**
	-1.3%	**(347)**	**(260)**
December 31, 2021	+1.4%	P154	P116

	-1.4%	(154)	(116)

Sensitivity Analysis Pertaining to Eliminated Intragroup Balances

U.S. Dollar	Strengthening (Weakening) of Philippine Peso	Effect on Earnings before Income Tax	Effect on Equity
March 31, 2022	**+1.5%**	**P87,159**	**P65,370**
	-1.5%	**(87,159)**	**(65,370)**
December 31, 2021	+6.2%	P310,442	P232,832
	-6.2%	(310,442)	(232,832)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As at March 31, 2022 and December 31, 2021, the Company is exposed to interest rate risk primarily on the floating interest rate tranche corresponding to P3,575,136 and P3,596,123, respectively, of the long-term bank loan with BDO (see Note 13) and short-term investments in Cemex Innovation Holding A.G. amounting to P2,766,476 and P3,589,589 as at March 31, 2022 and December 31, 2021, respectively.

Sensitivity analysis on Interest Rate Risk

As at March 31, 2022 and December 31, 2021, a hypothetical 1% increase in interest rate, with all other variables held constant, the Company's profit for the three months ended March 31, 2022 and 2021, would have decreased by approximately P6,065 and P8,715, respectively. Conversely, a hypothetical 1% decrease in interest rate would have the opposite effect.

Commodity Price Risk

In the ordinary course of business, the Company is exposed to commodity price risk, including the exposure from diesel fuel prices, and expose the Company to variations in prices of the underlying commodity. The Company established specific policies oriented to obtain hedge with the objective of fixing diesel fuel prices. To hedge the price of diesel fuel, the Company has entered into a commodity collar agreement in 2021. Through this contract, the Company fixed the price of diesel over a certain volume representing a portion of the estimated consumption of diesel fuel in the operations. The contract has been designated as cash flow hedges of diesel fuel consumption, and as such, changes in fair value are recognized temporarily through OCI and are recycled to profit or loss as the related diesel volumes are consumed.

The following amounts relating to items designated as hedging instruments were as follows:

	March 31, 2022		December 31, 2021	
	Notional amount	**Carrying amount**	Notional amount	Carrying amount
Commodity collar transaction	**P377,567**	**P110,256**	P541,611	P30,450

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds available to meet its obligations. The Company has fulfilled its operational liquidity needs primarily through its own operations and expects to continue to do so for both the short and long-term liabilities. Although cash flow from the Company's operations has historically covered its overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, the consolidated entities are exposed to risks from changes in foreign currency exchange rates, prices and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which they operate, any one of which may materially decrease the Company's net profit and reduce cash flows from operations. Accordingly, in order to meet its liquidity needs, the Company also relies on cost-control and operating improvements to optimize capacity utilization and maximize profitability. The Company's consolidated net cash flows (used in) provided by operating activities, as presented in its unaudited condensed consolidated interim statements of cash flows, amounted to (P179,424) and P1,321,012 for the three months ended March 31, 2022, and 2021, respectively. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	As at March 31, 2022				
	Carrying Amount	**Contractual Cash Flows**	**12 Months or Less**	**1 to 5 Years**	**More than 5 Years**
Trade payables……………	**P4,503,010**	**P4,503,010**	**P4,503,010**	**P–**	**P–**
Due to related parties………..……………	**2,988,566**	**2,988,566**	**2,988,566**	**–**	**–**
Unearned income, other accounts payable and accrued expenses*……….…………	**575,199**	**575,199**	**575,199**	**–**	**–**
Lease liabilities ………………	**1,998,759**	**4,673,392**	**729,006**	**542,498**	**3,401,888**
Bank loan……………………..	**8,864,066**	**9,288,068**	**4,740,985**	**4,547,083**	**–**
Total	**P18,929,600**	**P22,028,235**	**P13,536,766**	**P5,089,581**	**P3,401,888**

**Excluding government-related payables, unearned income from insurance premiums and other non-financial liabilities amounting to P602.1 million.*

	As at December 31, 2021				
	Carrying Amount	Contractual Cash Flows	12 Months or Less	1 to 5 Years	More than 5 Years
Trade payables……………	P5,056,497	P5,056,497	P5,056,497	P–	P–
Due to related parties………..……………	2,196,565	2,196,565	2,196,565	–	–
Unearned income, other accounts payable and accrued expenses*……….…………	527,997	527,997	527,997	–	–
Lease liabilities………………	1,807,905	4,503,893	488,185	587,025	3,428,683
Bank loan…………………..…..	8,892,606	9,066,364	3,443,457	5,622,907	–
Total	P18,481,570	P21,351,316	P11,712,701	P6,209,932	P3,428,683

**Excluding government-related payables, unearned income from insurance premiums and other non-financial liabilities amounting to P741.4 million.*

The interest payments on floating rate bank loans reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for this financial liability, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Insurance Risk Management

As mentioned in Note 1, the Parent Company incorporated Falcon to create its own reserves and reinsure in respect of the Company's property, non-damage business interruption and political risks insurance. Falcon is expected to retain 10% of the risk in connection with property insurance and 100% of the risk in connection with earthquake and wind stop loss, non-damage business interruption and political violence, cyber, and professional indemnity insurance of the Parent Company's operating subsidiaries. As a result of these arrangements, the Company self-insures these risks to the extent of Falcon's retained liability. There can be no assurance that the reserves established by Falcon will exceed any losses in connection with the Company's self-insured risks.

In addition, the Company's insurance coverage is subject to periodic renewal. If the availability of insurance coverage is reduced significantly for any reason, the Company may become exposed to certain risks for which it is not and, in some cases could not be, insured. Moreover, if the Company's losses exceed its insurance coverage, or if the Company's losses are not covered by the insurance policies it has taken up, or if Falcon is required to pay claims to its insurer pursuant to the reinsurance arrangements, the Company may be liable to cover any shortfall or losses. The Company's insurance premiums may also increase substantially because of such claim from the Company's insurers.

The foregoing risk exposure is mitigated, through making reasonable approximation after an evaluation of reported claims in the past of the Parent Company's operating subsidiaries, by retaining only insurance risk from insurance policies in which the operating subsidiaries have low probability of incurring losses.

NOTE 15 – FAIR VALUE OF FINANCIAL ASSET AND FINANCIAL LIABILITIES

The fair values of cash and cash equivalents, trade receivables, insurance premiums receivable, due from related parties, other current accounts receivable (under financial assets measured at amortized cost), trade payables, amounts due to related parties, other accounts payable and accrued expenses (under financial liabilities measured at amortized cost) reasonably approximate their carrying amounts considering the short-term maturities of these financial instruments.

The carrying amounts and fair values of financial assets and liabilities are as follow:

		March 31, 2022			December 31, 2021	
		Carrying amount	**Fair value**		Carrying amount	Fair value
Financial assets measured at amortized cost						
Long-term time and rental guaranty deposits	P	**195,138**	**195,138**	P	191,307	191,307
Sublease receivable		**6,243**	**7,607**		7,430	7,558
Financial assets at fair value (hedging instrument)						
Derivative asset		**122,448**	**122,448**		30,450	30,450
	P	**323,829**	**325,193**	P	229,187	229,315
Financial liabilities measured at amortized cost						
Bank loan	P	**8,864,066**	**9,037,132**	P	8,892,606	9,094,097

The fair values disclosed for the financial assets and financial liabilities above are categorized under level 2 of fair value hierarchy.

The estimated fair value of the Company's long-term time and rental guaranty deposits, sublease receivable, bank loan and long-term payable to a related party are either based on estimated market prices for such or similar instruments, considering interest rates currently available for the Company to negotiate debt with the same maturities, or determined by discounting future cash flows using market-based interest rates currently available to the Company. The estimated fair value of the derivative asset is determined by measuring the effect of the future economic variables according to the yield curved shown in the market as at the reporting date.

NOTE 17 – CONTINGENCIES

As at March 31, 2022, the Company is involved in various legal proceedings of minor impact 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 considers that in those instances in which obligations have been incurred, the Company has accrued adequate provisions to cover the related risks. The Company believes these matters will be resolved without any significant effect on its business, consolidated financial position or consolidated financial performance. In addition, in relation to ongoing legal proceedings, the Company is able to make a reasonable estimate 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 proceedings, the Company 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 believes that disclosure of such information on a case-by-case basis would seriously prejudice Company's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, the Company has disclosed qualitative information with respect to the nature and characteristics of the contingency but has not disclosed the estimate of the range of potential loss.

NOTE 16 – RELEVANT INFORMATION REGARDING THE IMPACT OF THE 2018 LANDSLIDE

On September 20, 2018, a landslide occurred in Sitio Sindulan, Barangay Tina-an, Naga City, Cebu, Philippines (the "Landslide"), a site located within an area covered by the mining rights of APO Land & Quarry Corporation ("ALQC") who is a principal raw material supplier of APO Cement. The Parent Company does not own any equity stake (directly or indirectly) in ALQC or its parent company, Impact Assets Corporation. Cemex Asian South East Corporation, an indirect subsidiary of CEMEX, S.A.B. de C.V. which is a majority shareholder of the Parent Company, owns a minority 40% stake in Impact Assets Corporation.

The Landslide prompted local and national authorities to order the suspension of the mining operations of ALQC.

Business continuity plans were put in place by APO Cement and implemented to address the disruption in the supply arrangement with ALQC. As a result, the Company incurred incremental costs of raw materials in production and other expenses. In addition, the Company incurred losses amounting to P83,844 on inventories which were buried during the incident. However, substantial portion of such incremental costs and losses were offset by the insurance claims recognized amounting to P662,210. Other losses as result of the landslide amounting to P71,716 were not covered by the insurance. Such loss was recognized under “Other income (expenses) - net” account in the statements of comprehensive income in 2018. As at March 31, 2022 and December 31, 2021, the outstanding claims amounted to nil, respectively. Since third quarter of 2020, local and national authorities have allowed ALQC to resume its mining operations in the affected areas.

In 2019, the Company received the outstanding amount of its insurance claims amounting to P447,053 which includes the additional claims made during the year amounting to P123,136. The collection and recognition of additional insurance claims were offset against “Costs of Sales” account in the consolidated statements of comprehensive income for the year ended December 31, 2019.

On November 19, 2018, the Parent Company 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 the Parent Company, APO Cement, ALQC, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for “Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems”. In the complaint, among other allegations, plaintiffs (i) claim that the Naga Landslide occurred as a result of the defendants’ gross negligence; and (ii) seek, among other reliefs, (a) monetary damages in the amount of approximately 4.3 billion Philippine Pesos, (b) the establishment of a 500 million Philippine Pesos 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 the Parent Company are made solidarily liable for payment of monetary damages and establishment of a rehabilitation fund. The records of the case were subsequently transferred to the Regional Trial Court of Cebu City Branch 23.

Among other defenses and based on a report by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the Parent Company, ALQC and APO Cement hold the position that the landslide occurred due to natural causes and deny liability, fault and negligence. In the event a final adverse resolution is issued in this matter, plaintiffs will have the option to proceed against any one of ALQC, APO Cement or the Parent Company 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 the Parent Company’s assets alone could be exposed to execution proceedings.

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

In the event that the court’s latest order is reversed on appeal thereby maintaining the inclusion of the Parent Company 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 the Parent Company 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 the Parent Company's assets alone could be exposed to execution proceedings.

As at March 31, 2022, at this stage of the overall proceedings and considering all possible defenses that could be available, while we cannot assess with certainty the likelihood of an adverse result in the overall proceedings, we believe a final adverse resolution in the overall proceeding is not probable, and, in turn, because we are not able to assess the outcome of the appeal that may still be filed by plaintiffs to challenge the latest order of the Regional Trial Court, we are not able to determine if a final adverse resolution, if any, would have a material adverse impact on the Company's consolidated results of operations, liquidity and financial condition.

NOTE 17 – IMPACTS OF COVID-19

On March 11, 2020, the World Health Organization declared as a pandemic the outbreak of the novel strain of the coronavirus identified in China in late 2019 (the "COVID-19 Pandemic"), due to its rapid spread throughout the world. On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to the COVID-19 Pandemic which resulted in the imposition of an Enhanced Community Quarantine ("ECQ") throughout Luzon starting midnight of March 16, 2020. The President announced several social distancing measures which were implemented including extension of suspension of school classes in all levels in Metro Manila, prohibition of mass gatherings or events, imposition of community quarantine measures, when necessary, restriction of mass public transport system (MRT, LRT, etc.), and most importantly, suspension of land, domestic air and domestic sea travel to and from the Metro Manila beginning March 15, 2020. While transportation was heavily regulated, on March 19, 2020, the Department of Trade and Industry issued Memorandum Circular No. 20-06 mandating that the movement of all types of cargo should be left unhampered. On March 24, 2020, the Philippine Government enacted Republic Act No. 11469, also known as the Bayanihan Act, to effectively enact measures to address the pressing problems caused by the COVID-19 Pandemic. On March 26, 2020, the Governor of the Province of Cebu announced the implementation of ECQ measures for the entire island of Cebu, effective March 30, 2020. Beginning May 16, 2020, several cities and provinces, including Metro Manila and Cebu City, were placed under modified enhanced community quarantine, while other cities and provinces, including the Province of Rizal and other cities in the Province of Cebu, were placed under general community quarantine.

Consistent with the ECQ implementation in Luzon, the Company initiated steps to temporarily suspend the production of cement products at, and distribution of cement products from, Solid Cement plant in the third week of March 2020. On May 20, 2020, after taking the corresponding measures to fully comply with government regulations, operations at Solid Cement plant were resumed and have been able to operate continuously since then. APO Cement plant has remained operational as of the date of this report in accordance with government regulations and the necessary hygiene and safety measures.

Since then, provinces and cities have been placed from time to time under different community quarantine levels with corresponding restrictions, respectively.

Subsequent to the recommendations of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) in its Resolution No. 146-F (s. 2021) dated October 28, 2021, the President of the Philippines issued Executive Order No. 151 dated November 11, 2021 adopting the Alert Level System for all areas of the Philippines through a nationwide roll-out which was designed to allow the reinvigoration of the economy through the opening of more sectors, while protecting the people's health through the continuous observance of public health protocols and interventions and the heightened implementation of lockdowns in smaller areas, also known as granular lockdowns. Restrictions and/or limitations affecting intrazonal and interzonal movement as well as the level of operations and activities undertaken by establishments and persons in areas nationwide were defined depending on the applicable Alert Level Status (ranging from 1 to 5). At any level, minimum public health standards and precautions such as the wearing of face masks and social distancing protocols may be mandated. On December 15, 2021, it was announced that all areas of the Philippines would be under Alert Level 2 until December 31, 2021.[1]

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. During the three

[1] The restrictions applicable under Alert Level 2 include, among others, the limitation in the operation of certain establishments to a maximum of 50% indoor venue capacity for fully vaccinated individuals and those below 18 years of age and 70% outdoor venue capacity. The activities undertaken at the Company's cement manufacturing plants were not subject to this capacity restriction.

months ended March 31, 2022, consolidated revenues increased by 1% year-over-year, caused mainly by the price updates. This increase in revenues was partially offset by an increase in cost of sales, which increased 2% year-over-year, because of higher fuel costs. The operating expenses, namely distribution, administrative and selling expenses, decreased 9% mainly due to the supply chain efficiencies. For the three months ended March 31, 2022 and 2020, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 pandemic amounting to P9,812 and P6,776, respectively. These additional expenses were presented under "Operating expenses and cost of sales" and "Other income (expenses) - net" account in the condensed consolidated interim statements of comprehensive income for the three months ended March 31, 2022 and 2021, respectively.

The various measures imposed to date by the Philippine Government and those that could be additionally implemented as a result of the COVID-19 Pandemic have and may further adversely affect the Company's workforce deployment and operations and the operations of the Company's customers, distributors, suppliers and contractors, and may negatively impact the Company's financial condition, results of operations and cash flows. The Company faces significant uncertainties arising from the impacts of the COVID-19 Pandemic that may include restrictions on access to the Company's manufacturing facilities, on its operations or workforce, or similar limitations for the Company's customers, distributors, suppliers and contractors, which could limit customer demand and/ or the Company's capacity to meet customer demand, any of which could have a material adverse effect on the Company's financial condition and results of operations. The degree to which the COVID-19 Pandemic affects the Company's financial condition and results of operations will depend on future developments of the COVID-19 situation in the country, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the emergence of COVID-19 variants ,the actions to contain the virus or treat its impact, government policy, and how quickly and to what extent normal or pre-COVID-19 economic and operating conditions can resume. The Company considers that, as the effects and duration of such pandemic may extend, there could be significant adverse effects in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable; (ii) impairment of long-lived assets including goodwill; (iii) further disruption in supply chains; and (iv) liquidity risks to meet the Company's short-term obligations.

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

NOTE 18 – RUSSIA-UKRAINE CONFLICT

The Company has no exposure to investments in Russia or Ukraine. It currently has no customers or suppliers from any of these countries. However, this event may give rise to circumstances with the potential to cause world trade disruptions and rising prices of basic commodities, including oil and power, among others. The degree to which the Russian-Ukraine conflict affects the Company's financial condition and results of operations will depend on future developments of the situation, and as of the date of this report, the Company is not able to make any reliable estimates of the impact of the conflict on the Company's operations and financial results for the rest of 2022. The Company will continue to monitor and evaluate the situation.