COVER SHEET

CS201518815
S.E.C. Registration Number

CEMEX HOLDINGS PHILIPPINES, INC.

34th Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City

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

JANNETTE VIRATA SEVILLA	**8849-3600**
Contact Person	Company Telephone Number

First Wednesday of June

1 2	**3 1**	**SEC Form 17-Q AMENDED dated 16 December 2022 - 3rd 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

MSR
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

STAMPS

Remarks = pls. use black ink for scanning purposes

HOLDINGS PHILIPPINES

16 December 2022

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City

Attention: Mr. VICENTE GRACIANO P. FELIZMENIO, JR.
Markets and Securities Regulation Department

Re: Submission of *Amended* SEC Form 17-Q (Quarter Report) for 3rd Quarter 2022 for CEMEX HOLDINGS PHILIPPINES, INC. ("CHP")

Gentlemen:

We respectively submit an Amended SEC Form 17-Q for Quarter ended September 30, 2022 (3rd Quarter 2022) dated 16 December 2022 (the "Amended SEC Form 17-Q"), which revises the SEC Form 17-Q for the same quarter that was submitted by CHP last 14 November 2022.

The amendment only affects the *Interim Statements of Comprehensive Income Table* included in the unaudited condensed consolidated interim financial statements which were attached as Appendix 1 of the Quarter Report, specifically the data on "Foreign exchange gain (loss)" and "Financial and other financial expenses – net".

In the original submission:

- the 2022 figures corresponding to "Foreign exchange gain (loss)" and "Financial and other financial expenses – net" were **interchanged**
- "Foreign exchange gain (loss)" item appeared on the row above "Financial and other financial expenses – net" item

In this Amended SEC Form 17-Q, the *Statements of Comprehensive Income Table* appearing in the accompanying interim financial statements was revised to correct the 2022 figures for "Foreign exchange gain (loss)" and "Financial and other financial expenses – net" and to change the arrangement of the items. The affected section of the table reads below (*amounts in thousands; changes underscored for ease of reference*):

	For the Nine Months Ended September 30		For the Three Months Ended September 30	
	2022	2021	2022	2021
Financial and other financial expenses - net	**(188,748)**	(194,633)	**(40,584)**	(79,681)
Foreign exchange gain (loss) - net	**(1,502,167)**	(447,045)	**(788,857)**	(331,928)

No other data or information in CHP's original submission was revised.

Very truly yours,

Jannette Virata Sevilla
Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

AMENDED 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 **September 30, 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 September 30, 2022 (with comparative audited consolidated statement of financial position as at December 31, 2021), and for the nine months ended September 30, 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.

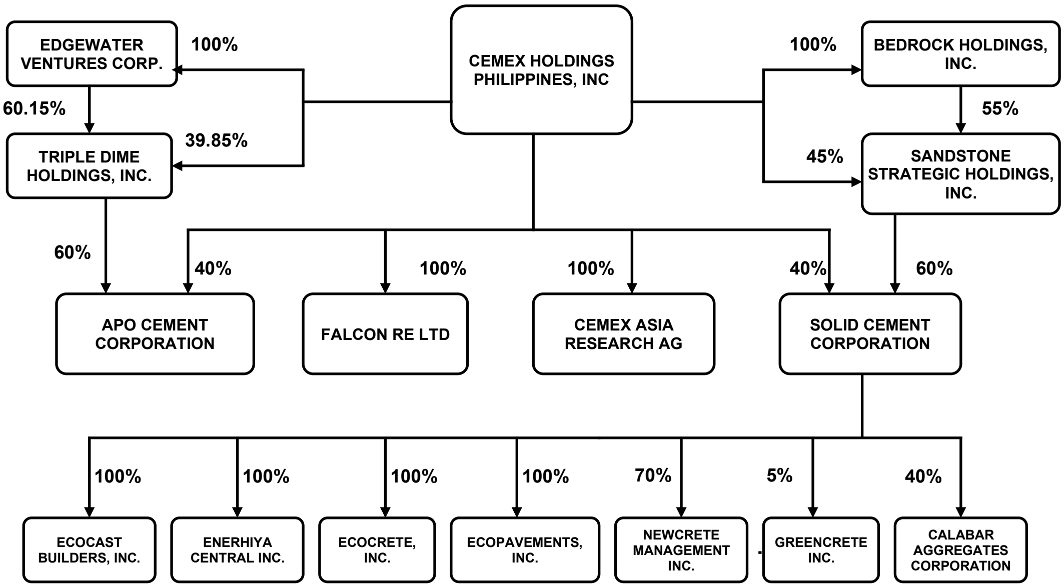
The term "CHP" or "Parent Company" used in this report refers to CEMEX HOLDINGS PHILIPPINES, INC. without its Subsidiaries. Unless the context clearly indicates otherwise, any reference in this report to "the Company", "we", "us", or "our" refers to the Parent Company together with its consolidated Subsidiaries.

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. ("CEMEX España"), 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.

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 of 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, and is a part of the subsidiaries that consolidate at 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 reinsurer 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 September 30, 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 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. was an indirect subsidiary of CEMEX that, effective as of December 1, 2020, merged with and into CEMEX España, with CEMEX España being the surviving corporation.

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 ("2017 BDO Facility Agreement"), to refinance a majority of the Parent Company's outstanding balance due under the NSH Long-term Loan. Following its availment of the 2017 BDO Facility Agreement, 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 P1.00 per share (the "Rights Shares") at an offer price of P1.54 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 CEMEX Asia B.V. ("CABV"), as lender (as successor by assignment 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 February 27, 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 ACS, 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 of December 31, 2020, the shareholdings in the Parent Company owned by CASEC was 10,500,624,662 common shares at P1 par value per share.

During the month of September 2022, CASEC increased its shareholdings in the Parent Company to 10,507,954,662 common shares at P1 par value per share.

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

The following is a discussion and analysis of the unaudited condensed consolidated interim financial statements as at September 30, 2022 (with comparative audited consolidated statement of financial position as at December 31, 2021) and for the nine months ended September 30, 2022 and 2021, and included herein, and should be read in conjunction with appendix I of this report.

<u>Financial Performance</u>
For the nine months ended September 30, 2022 and 2021:

Revenues
Revenues for the nine months ended September 30, 2022 and 2021 amounted to P15.8 billion and P16.3 billion, respectively. Revenues were generated mainly from sale of cement products as a result of the Company's ordinary activities. Revenues decreased by P0.5 billion or 3% year-over-year due to lower volume and spot sales of raw materials completed in 2021.

Domestic cement volume decreased by 11% year-over-year for the first nine months of 2022. The decline in volume was mainly due to lower-than-expected cement demand and an impact from our price increase implemented in July 2022. Our domestic cement price for the first nine months of 2022 was up by 9% year-over-year as price updates were made to reflect input cost inflation.

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

	For the nine months ended September 30,			
	2022		2021	
Segment	Amount*	Percentage	Amount*	Percentage
Cement sales	**P15,757**	**100%**	P16,251	100%
Other businesses	**49**	**0%**	57	0%
Total	**P15,806**	**100%**	P16,308	100%

**Amounts in millions*

Cost of Sales

Cost of sales for the nine months ended September 30, 2022 and 2021 amounted to P10.0 billion and P9.8 billion, respectively, and corresponded to 63% and 60% of revenues, respectively. Cost of sales represents the production cost of goods sold. Costs arose from power and fuel consumption, raw materials and supplies used during production, depreciation, and other expenses directly attributable to the manufacturing of finished goods. Despite lower cement volume sold, our total cost of sales increased by P190.5 million or 2% year-over-year mainly due to higher fuel cost driven by elevated global energy prices.

Gross Profit

As a result of the above conditions, gross profit for the nine months ended September 30, 2022 and 2021 reached P5.8 billion and P6.5 billion and corresponded to 37% and 40% of revenues, respectively.

Operating Expenses

Operating expenses for the nine months ended September 30, 2022 and 2021 amounted to P4.4 billion and P4.7 billion, respectively, and corresponded to 28% and 29% of revenues, respectively. Operating expenses pertain to administrative, selling, and distribution expenses. Operating expenses decreased by P235.7 million or 5% year-over-year and the movement was primarily due to the following items:

- Administrative and selling expenses for the nine months ended September 30, 2022 and 2021 amounted to P2.2 billion, respectively, and corresponded to 14% and 13% of revenues, respectively. On a year-over-year basis, these items reflected a minimal decrease of P19.6 million or 1% due to lower central service and license fees attributed by the decrease in revenues.
- Distribution expenses for the nine months ended September 30, 2022 and 2021 amounted to P2.2 billion and P2.5 billion, respectively, and corresponded to 14% and 15% of revenues, respectively. The decrease of P216.1 million or 9% was mainly due to lower cement volume moved, 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 nine months ended September 30, 2022 and 2021 amounted to P1.4 billion and P1.8 billion, respectively, and corresponded to 9% and 11% of revenues, respectively.

Other income (expenses) - net
Other income (expenses), net for the nine months ended September 30, 2022 and 2021 amounted to (P54.0 million) and P27.3 million, respectively, and corresponded to less than 1% of revenues for the relevant periods. The line item has a net unfavorable movement of P81.3 million or more than 100% year-over-year which is attributable to the following items:

- The other income, net, in 2021, mainly pertains to the one-off income corresponding to the recovery of a previously written-off receivable from a related party, and;
- The other expenses, net, in 2022, mainly pertain to incremental expenses related to the Coronavirus Disease 2019 and due to the repairs and incremental costs from the impact of Typhoon Odette (International Name: Rai) which struck the Philippines in mid-December 2021.

Foreign exchange loss - net
Foreign exchange loss - net for the nine months ended September 30, 2022 and 2021 amounted to P1.5 billion and P0.4 billion, respectively, and corresponded to 10% and 3% of revenues, respectively. The increase of P1.1 billion or more than 100% year-over-year was attributable to unfavorable movement in the Philippine Peso to United States Dollar exchange rate. This mainly relates to the intragroup deposits between CHP and its foreign subsidiaries. These intragroup deposits are essentially neutral on a net equity basis. Majority of these foreign exchange losses are unrealized (non-cash expenses).

Provision for Income Tax
The provision for income tax for the nine months ended September 30, 2022 and 2021 amounted to P465.7 million and P336.7 million, respectively, and corresponded to 3% and 2% of revenues, respectively. The increase of P129.0 million or 38% year-over-year was mainly due to an increase in current income tax expense (CIT) in 2022 compared to 2021 when there was the recognition of additional deferred tax assets from operating losses and a one-time benefit from an adjustment in CIT pursuant to the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act).

Profit (Loss)
As a result of the abovementioned concepts, profit (loss) for the nine months ended September 30, 2022 and 2021 amounted to (P818.8 million) and P897.2 million, respectively, and corresponded to 5% and 6% of revenues, respectively.

Financial Position
As at September 30, 2022 and December 31, 2021:

Cash and Cash Equivalents
Cash and cash equivalents as at September 30, 2022 and December 31, 2021, amounted to P3.0 billion and P5.8 billion, respectively, and corresponded to 5% 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 P2.8 billion or 49% decrease in cash and cash equivalents:

	Amount*
Net cash generated from operating activities	P179,975
Net cash used in investing activities	(1,576,257)
Net cash used in financing activities	(1,455,055)
Effect of exchange rate changes on cash and cash equivalents	5,866
Total movement	(P2,845,471)

**Amounts in thousands*

For the nine months ended September 30, 2022, the Company had a loss of P818.8 million. The Company's operating profit before working capital changes, after taking into account the adjustments to reconcile profit to net cash flows, amounted to P3.1 billion. After factoring in working capital changes, interest paid/received, taxes paid, and benefits paid to employees, the net cash provided by the operating activities amounted to P180.0 million. The net cash used in investing activities amounted to P1.6 billion mainly from the advances to contractors paid and additions to property, plant and equipment. The net cash used in financing activities amounted to P1.5 billion mainly for the payment made for bank loans.

Trade Receivables - net
Trade receivables - net as at September 30, 2022 and December 31, 2021 amounted to P647.9 million and P696.9 million, respectively, and corresponded to 1% of the total assets for the relevant periods. As at September 30, 2022 and December 31, 2021, the allowance for expected credit losses (ECLs) amounted to P24.0 million and P17.4 million, respectively. The trade receivables - net mainly pertain to receivables from customers. The decrease of P49.0 million or 7% was mainly due to the lower volume of cement sold on credit by the Company.

Related Party Balances
Due from related parties as at September 30, 2022 and December 31, 2021 amounted to P9.0 million and P17.2 million, respectively, and corresponded to less than 1% of the total assets for the relevant periods. The due to related parties as at September 30, 2022 and December 31, 2021 amounted to P3.6 billion and P2.2 billion, respectively, and corresponded to 17% and 11% of the total liabilities respectively. The related party balances pertain to service fees, advances between related parties, sale/purchase of goods, central service and license fees, among others.

The due from related parties decreased by P8.2 million or 48% was primarily due to collection of hedge-related transactions. On the other hand, due to related parties increased by P1.4 billion or 65% due to higher price of fuels purchased for 2022.

Insurance Claims and Premiums Receivable
Claims from insurance as at September 30, 2022 and December 31, 2021 amounted to P12.8 million and nil, respectively, and corresponded to less than 1% of the total assets for the relevant periods. The insurance premiums receivable as at September 30, 2022 and December 31, 2021 amounted to P211.1 million and P91.8 million, respectively, and corresponded to less than 1% of the total assets for the relevant periods. The insurance premiums receivable refers to Falcon's premiums receivable from third party insurance company. Premiums receivable represents premiums on written policies which are collectible within the Company's credit term. The increase of P132.1 million or more than 100% was due to the renewal of policies last April 2022.

Other Current Accounts Receivable
Other current accounts receivable as at September 30, 2022 and December 31, 2021, which pertains to receivables from contractors and employees, short-term deposits, and others, amounted to P68.4 million and P49.4 million, respectively, and corresponded to less than 1% of the total assets for the relevant periods. The increase of P19.0 million or 39% pertains mainly to the refundable security deposit paid to a third-party supplier.

Inventories
Inventories as at September 30, 2022 and December 31, 2021 amounted to P5.7 billion and P3.1 billion, respectively, and corresponded to 9% and 5% of the total assets, respectively. Inventories consisting of work in progress, materials and spare parts amounted to P4.8 billion and P2.2 billion as at September 30, 2022 and December 31, 2021, respectively, and the remaining balance pertains to raw materials, and finished goods. The increase of P2.6 billion or 84% was attributable to higher prices of purchased fuels and higher cost of fuel and power, as well as resulting to a higher cost of goods manufactured.

Derivative Assets
The total derivative assets as at September 30, 2022, and December 31, 2021 amounted to P39.9 million and P30.5 million, respectively, and corresponded to less than 1% of the total assets for the relevant periods.

This account pertains to the premiums paid and the market value of derivative transactions entered into by the Company to hedge against the volatility of diesel and commodity and under which the Company bears all the benefits and the risks arising from the hedge arrangement. The increase of P9.4 million or 31% was mainly due to the favorable mark-to-market valuation, as well as additional hedge transactions entered by the Company in 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 this down payment 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 September 30, 2022 and December 31, 2021, the balance of this account amounted to P1.0 billion and P0.5 billion, respectively, and corresponded to 1% and less than 1% of the total assets for the relevant periods. The increase of P505.8 million or more than 100% was due to the net movement from the advances made to the new contractors and depletion of advances in line with the progress of the Solid New Line Project.

Property, Machinery, Equipment and Assets for the Right-of-Use - net
Property, machinery and equipment - net as at September 30, 2022 and December 31, 2021 had a balance of P21.6 billion and P21.2 billion, respectively, and corresponded to 33% of the total assets for the relevant periods. The increase of P383.6 million or 2% was mainly due to the capitalization of new fixed assets and additions to construction in progress. Furthermore, for the nine months ended September 30, 2022 and 2021, P338.5 million and P163.6 million, respectively, were incurred for maintenance capital expenditures, while P1.0 billion and P1.7 billion, respectively, were incurred for strategic capital expenditures.

Assets for the right-of-use, net as at September 30, 2022 and December 31, 2021 amounted to P1.8 billion and P1.6 billion, respectively, and corresponded to 3% and 2% of the total assets, respectively. The increase of P226.4 million or 11% was mainly due to the newly capitalized leases.

Deferred income taxes - net
Deferred income tax asset, net (DTA) as at September 30, 2022 and December 31, 2021 amounted to P733.3 million and P828.9 million, respectively, and corresponded to 1% of the total assets for the relevant periods. Deferred income tax liabilities, net (DTL) as at September 30, 2022 and December 31, 2021 amounted to P3.6 million and P1.4 million, respectively, and corresponded to less than 1% of the total liabilities for the relevant periods.

The decrease in DTA of P95.7 million or 12% pertains mainly to the deferred tax on net loss carry over reversals and derecognition of minimum corporate income tax, both from previous years. The increase in DTL of P2.2 million or more than 100% was due to the deferred tax on unrealized foreign exchange gain.

Goodwill
Goodwill as at September 30, 2022 and December 31, 2021 amounted to P27.9 billion and 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 in 2016. As of September 30, 2022, no impairment of goodwill is recognized.

Trade Payables
Trade payables amounted as at September 30, 2022 and December 31, 2021 to P4.8 billion and P5.1 billion, respectively, and corresponded to 23% and 25% of the total liabilities, respectively. The decrease of P258.9 million or 5% was due to the decrease in payable related to payments for raw materials, spare parts and other trade transactions.

Unearned Income, Other Accounts Payable, and Accrued Expenses
The unearned income, other accounts payable and accrued expenses as at September 30, 2022 and December 31, 2021 amounted to P1.3 billion and both 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 increase of P60.8 million or 5% was due to higher taxes payable, accruals made for the utilities, salaries, wages and other employee benefits and this was partially offset by the recognition of reinsurance income.

Lease Liabilities
As at September 30, 2022 and December 31, 2021 the current portion of finance lease liabilities amounted to P559.2 million and P404.7 million, respectively, and noncurrent portion of finance lease liabilities amounted to P1.6 billion and P1.4 billion, respectively. Total lease liabilities as a percentage of total liabilities were at 10% and 9% as at September 30, 2022 and December 31, 2021, respectively. The increase of P344.2 million or 19% was primarily due to capitalization of new leases and the accretion of interest, net of actual lease payments for the nine months ended September 30, 2022.

Bank Loans
As at September 30, 2022 and December 31, 2021 the current portion of bank loans amounted to P0.2 billion and P3.4 billion, respectively, and the noncurrent portion of bank loans amounted to P7.7 billion and P5.5 billion, respectively. As at September 30, 2022 and December 31, 2021, the unamortized debt issuance cost amounting to P83.1 million and P54.1 million, respectively, was deducted from the total bank loan liability for the relevant periods. The outstanding bank loan net of the unamortized debt issuance cost as a percentage of total liabilities was at 38% and 44%, respectively, for the relevant periodsThe decrease of P1.0 billion or 11% was due to the payments made for the nine months ended September 30, 2022.

On July 28, 2022, CHP signed a 5-year senior unsecured Peso term loan facility agreement (the "2022 Facility Agreement") with BDO Unibank, Inc ("BDO") to repay approximately P6.68 billion of CHP's outstanding indebtedness under the 2017 BDO Facility Agreement. The main terms and conditions of the 2022 Facility Agreement are summarized as follows:

a) The final maturity will be in August 2027;
b) the interest on the loan will accrue at a floating rate;
c) the loan will amortize in quarterly payments beginning in November 2024; and
d) the financial and non-financial covenants under the 2022 Facility Agreement are substantially similar to those under the 2017 BDO Facility Agreement.

On March 9, 2022 and September 12, 2022, Solid Cement made a draw down on its short-term credit line with BDO for the amounts of P120.0 million and P185.0 million, respectively, to cover operational/working capital requirements and the outstanding balances for the relevant periods were fully paid on March 25, 2022 and September 29, 2022, respectively.

On September 28, 2022, Solid Cement executed another short-term loan with BDO for P160.0 million to cover operational/working capital requirements which was settled on October 28, 2022.

Retirement Benefits Liability
Retirement benefits liability as at September 30, 2022 and December 31, 2021 amounted to P577.4 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 all its regular and permanent employee. The increase of P33.0 million or 6% was mainly due to the provision on service cost, the related interest, less the benefits paid for the nine months ended September 30, 2022.

Common Stock
As of September 30, 2022 and December 31, 2021, the total authorized common stock of the *Equity Attributable to Equity Holders* of the Parent Company 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 September 30, 2022 and December 31, 2021, respectively.

Additional Paid-in Capital
As at September 30, 2022 and December 31, 2021, the additional paid-in capital amounted to P26.2 billion, respectively, 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 September 30, 2022 and December 31, 2021, the other equity reserves amounted to P1.8 billion and P0.5 billion, respectively, and corresponded to 3% 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 (or loss) such as changes in equity during the period not resulting from the investments by owners and distributions to owners. The increase of P1.3 billion or more than 100% was mainly due to the currency translation of the financial statements of the foreign subsidiaries.

Retained Earnings
Retained earnings as at September 30, 2022 and December 31, 2021 amounted to P3.2 billion and P4.0 billion, respectively, and corresponded to 7% and 9% of the total equity for the relevant periods. This item includes the Company’s cumulative net results of operations. The decrease of P818.8 million or 21% pertains to the consolidated loss for the nine months ended September 30, 2022.

Non-controlling interest
As at September 30, 2022 and December 31, 2021, non-controlling interest amounted to P106.4 thousand and P125.5 thousand, respectively, and corresponded to less than 1% of the total equity for the relevant periods. The 15% decrease ascribed to the portion of loss incurred by a subsidiary of the Parent Company 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 of the relevant periods indicated in the tables below.

Key Financial Indicators	Formula	For the nine months ended September 30, 2022	For the year ended December 31, 2021
Current Ratio	Current Assets / Current Liabilities	**1.1:1**	0.9:1
Solvency Ratio	Profit (Loss) + Depreciation and Amortization / Total Liabilities	**0.0:1**	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 nine months ended September 30, 2022	2021
Interest Rate Coverage Ratio	Operating income before other income (expenses) - net / Interest	**10.1:1**	15.1:1
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 September 30, 2022:

		Current	1 to 30 days	31 to 60 days	More than 60 days	Total
Average ECL rates		0.1%	2.9%	6.1%	3.2%	1.8%
Trade receivables - gross carrying amount	P	599,114	24,766	12,432	683,487	1,319,799
Allowance for ECL		827	718	758	21,721	24,024

**Amounts in Thousands*

PART II - OTHER INFORMATION

The values presented in the other information are stated in thousands except where otherwise expressly indicated.

Impact of 2018 Landslide and 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. 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.

Since third quarter of 2020, local and national authorities have allowed ALQC to resume its mining operations in the affected areas. As at September 30, 2022 and December 31, 2021, the outstanding amounts for insurance claims amounted to nil, respectively.

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 P4.3 billion, (b) the establishment of a P500 million rehabilitation fund, and (c) the issuance of a Temporary Environment Protection Order against ALQC while the case is still pending. In the complaint, ALQC, APO Cement and 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 an order dated April 28, 2022, the Regional Trial Court declared that it will not give due course to plaintiffs' Notice of Appeal on the grounds that it was filed out of time.

In the event that the court's latest orders are reversed in due course by a higher court 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 of the date of this report, the Parent Company and APO Cement have not been notified of the filing by the plaintiffs of a motion for reconsideration of the court's order dated April 28, 2022.

As of September 30, 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. However, since we are unable to state definitively at this time what the final outcome of the proceedings will be, 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[1] then extended to January 15, 2022. Thereafter, due to the surge of the Omicron COVID-19 variant, the Alert Levels in Metro Manila, Cebu City, Cebu Province (including Naga City), and the Province of Rizal (including Antipolo City) were increased to Alert Level 3 beginning on January 16, 2022. The Alert Levels for these areas started to be downgraded at their respective pace in the month of February 2022. The Alert Levels for Metro Manila, Cebu City, and the Province of Rizal (including Antipolo City) have been at Alert Level 1 since March 1, March 16, and April 1, 2022, respectively. The Province of Cebu (including Naga City) has been at Alert Level 2 since March 1, 2022.

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.

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. For the nine months ended September 30, 2022, and 2021, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 pandemic amounting to P26,730 and P32,913, 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 nine months ended September 30, 2022, and 2021, respectively. 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. It will continue to place 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.

Russia-Ukraine Conflict

The Company has no exposure to investments in Russia or Ukraine. It currently has no business, investments, customers, or suppliers from any of these countries. However, this event has given rise and may continue to give rise to circumstances with the potential to further cause world trade disruptions and rising prices of basic commodities, including oil and power, among others.

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:

LUIS GUILLERMO FRANCO CARRILLO
President & Chief Executive Officer
16 DEC 2022

STEVE KUANSHENG WU
Treasurer and Chief Financial Officer
16 DEC 2022

Appendix I of Form 17-Q

Item 1. Financial Statements.

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

	Notes	**September 30, 2022** (Unaudited)	December 31, 2021 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	*6, 13*	**P2,966,164**	P5,811,635
Trade receivables - net	*4, 13*	**647,888**	696,868
Due from related parties	*10, 13*	**8,993**	17,161
Insurance claims and premiums receivable	*13*	**223,852**	91,798
Other current accounts receivable	*13*	**68,380**	49,361
Inventories		**5,704,492**	3,099,092
Derivative asset	*13,14*	**34,831**	12,540
Prepayments and other current assets		**2,394,939**	2,209,600
Total Current Assets		**12,049,539**	11,988,055
Noncurrent Assets			
Investment in an associate and other investments		**14,097**	14,097
Advances to contractors		**960,575**	454,805
Other assets and noncurrent accounts receivable		**437,787**	436,240
Property, machinery and equipment and assets for the right-of-use - net	*7*	**23,397,991**	22,788,019
Derivative asset – net of current portion		**5,043**	17,910
Deferred income tax assets - net		**733,254**	828,946
Goodwill		**27,859,694**	27,859,694
Total Noncurrent Assets		**53,408,441**	52,399,711
		P65,457,980	P64,387,766
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	*13*	**P4,797,556**	P5,056,497
Due to related parties	*10, 13*	**3,626,932**	2,196,565
Unearned income, other accounts payable and accrued expenses	*13*	**1,330,197**	1,269,378
Current portion of:			
Lease liabilities	*8,13*	**559,209**	404,736
Long-term bank loan	*13,14*	**160,000**	3,376,906
Contract liabilities	*4*	**405,008**	391,422
Income tax payable		**21,606**	–
Total Current Liabilities		**10,900,508**	12,695,504

Forward

	Notes	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Noncurrent Liabilities			
Long-term bank loan - net of current portion	*12,13,14*	**P7,714,633**	P5,515,700
Lease liabilities - net of current portion	*8,13*	**1,592,868**	1,403,169
Retirement benefits liability		**577,422**	544,413
Deferred income tax liabilities - net		**3,587**	1,445
Other noncurrent liabilities		**20,610**	20,610
Total Noncurrent Liabilities		**9,909,120**	7,485,337
Total Liabilities		**20,809,628**	20,180,841
Equity			
Common stock	*9*	**13,489,227**	13,489,227
Additional paid-in capital		**26,217,799**	26,217,799
Other equity reserves	*9*	**1,788,421**	528,221
Retained earnings		**3,152,799**	3,971,553
Equity Attributable to Equity Holders of the Parent Company		**44,648,246**	44,206,800
Non-controlling interest	*2*	**106**	125
Total Equity		**44,648,352**	44,206,925
		P65,457,980	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 Nine Months Ended September 30		For the Three Months Ended September 30	
	Notes	**2022**	2021	**2022**	2021
REVENUES	*4*	**P15,806,820**	P16,308,455	**P5,132,152**	P5,414,362
COST OF SALES		**(9,998,711)**	(9,808,216)	**(3,426,807)**	(3,335,332)
GROSS PROFIT		**5,808,109**	6,500,239	**1,705,345**	2,079,030
OPERATING EXPENSES					
Distribution expenses		**(2,243,743)**	(2,459,798)	**(772,514)**	(787,413)
Administrative and selling expenses		**(2,172,502)**	(2,192,126)	**(724,695)**	(735,712)
TOTAL OPERATING EXPENSES		**(4,416,245)**	(4,651,924)	**(1,497,209)**	(1,523,125)
OPERATING INCOME BEFORE OTHER INCOME (EXPENSES) - Net		**1,391,864**	1,848,315	**208,136**	555,905
Other income (expenses) - net		**(53,999)**	27,282	**(25,216)**	(9,633)
OPERATING INCOME AFTER OTHER INCOME (EXPENSES) - Net		**1,337,865**	1,875,597	**182,920**	546,272
Financial and other financial expenses - net		**(188,748)**	(194,633)	**(40,584)**	(79,681)
Foreign exchange gain (loss) - net		**(1,502,167)**	(447,045)	**(788,857)**	(331,928)
PROFIT BEFORE INCOME TAX		**(353,050)**	1,233,919	**(646,521)**	134,663
PROVISION FOR INCOME TAX		**(465,723)**	(336,702)	**94,447**	(41,117)
PROFIT		**(818,773)**	897,217	**(552,074)**	93,546
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Gain (Loss) on remeasurement on retirement benefits liability		**(15,909)**	(3,805)	**2,054**	7,723
Tax effect		**3,977**	(5,089)	**(514)**	(1,931)
	9	**(11,932)**	(8,894)	**1,540**	5,792
Items that will be reclassified subsequently to profit or loss					
Currency translation gain (loss) of foreign subsidiaries		**1,263,428**	524,112	**583,392**	384,414
Cash flow hedges - effective portion of changes in fair value		**7,622**	10,871	**(83,665)**	(16,017)
		1,271,050	534,983	**499,727**	368,397
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX		**1,259,118**	526,089	**501,267**	374,189
TOTAL COMPREHENSIVE INCOME, NET OF TAX		**440,345**	1,423,306	**(50,807)**	467,735
Non-controlling interest comprehensive loss		**19**	19	**5**	5
CONTROLLING INTEREST IN CONSOLIDATED COMPREHENSIVE INCOME		**P440,364**	P1,423,325	**P(50,802)**	P467,740
Basic / Diluted Earnings Per Share	*5*	**P(0.06)**	P0.07	**P(0.04)**	P0.03

The accompanying notes are part of these the 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 Nine Months Ended September 30, 2022

	Common Stock ***(See Note 9)***	**Additional Paid-in Capital**	**Other Equity Reserves**	**Retained Earnings**	**Total Controlling Interest**	**Non-controlling Interest**	**Total Equity**
As at January 1, 2022	**P13,489,227**	**P26,217,799**	**P528,221**	**P3,971,553**	**P44,206,800**	**P125**	**P44,206,925**
Transactions with the owners of the Company							
Share-based compensation	**–**	**–**	**1,082**	**–**	**1,082**	**–**	**1,082**
Total comprehensive income:							
Profit for the period	**–**	**–**	**–**	**(818,754)**	**(818,754)**	**(19)**	**(818,773)**
Other comprehensive income for the period	**–**	**–**	**1,259,118**	**–**	**1,259,118**	**–**	**1,259,118**
As at September 30, 2022	**P13,489,227**	**P26,217,799**	**P1,788,421**	**P3,152,799**	**P44,648,246**	**P106**	**P44,648,352**

For the Nine Months Ended September 30, 2021

	Common Stock	Additional Paid-in Capital	Other Equity Reserves	Retained Earnings	Total Controlling Interest	Non-controlling Interest	Total Equity
As at January 1, 2021	P13,489,227	P26,217,799	(P42,613)	P3,246,025	P42,910,438	P150	P42,910,588
Transactions with the owners of the Company							
Share-based compensation	–	–	3,130	–	3,130	–	3,130
Total comprehensive income:							
Profit for the period	–	–	–	897,236	897,236	(19)	897,217
Other comprehensive income for the period	–	–	526,089	–	526,089	–	526,089
As at September 30, 2021	P13,489,227	P26,217,799	P486,606	P4,143,261	P44,336,893	P131	P44,337,024

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 Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit	**(P818,773)**	P897,217
Adjustments for:		
Depreciation and impairment of property, machinery and equipment and amortization of assets for the right-of-use	**1,403,852**	1,494,579
Financial expenses, other financial expenses (income) and unrealized foreign exchange results	**2,008,056**	502,073
Income tax expense	**465,724**	336,702
Retirement benefit expense	**42,565**	63,324
Loss (gain) on disposal of property, machinery and equipment	**5,844**	4,023
Share-based compensation expense	**1,082**	3,130
Impairment loss on trade receivables and inventory (reversal of) provisions during the period, net	**20,128**	(53,279)
Gain on remeasurement of lease liability and assets for the right-of-use from lease termination	**7,453**	(28,567)
Operating profit before working capital changes	**3,135,931**	3,219,202
Changes in working capital:		
Decrease (increase) in:		
Trade receivables	**42,172**	10,155
Due from related parties	**975,167**	541,007
Insurance claims and premiums receivable	**(132,054)**	(96,031)
Other current accounts receivable	**8,320**	8,072
Inventories	**(2,593,914)**	(565,157)
Derivative asset	**(5,692)**	–
Prepayments and other current assets	**(373,973)**	58,255
Increase (decrease) in:		
Trade payables	**(362,282)**	810,223
Due to related parties	**(29,924)**	436,432
Unearned income, other accounts payable and accrued expenses	**65,989**	(286,012)
Contract liabilities	**13,586**	76,549
Net cash generated from operations	**743,326**	4,212,695
Interest received	**23,608**	2,858
Interest paid	**(377,343)**	(408,008)
Income taxes paid	**(153,672)**	(159,306)
Benefits paid to employees	**(55,944)**	(20,618)
Net cash provided by operating activities	**179,975**	3,627,621

	For the Nine Months Ended September 30	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to contractors	**(P872,079)**	**–**
Additions to property, machinery and equipment	**(707,101)**	(P1,515,844)
Increase in other assets and noncurrent accounts receivable	**2,343**	338,100
Proceeds from sale of property, machinery and equipment	**580**	6,613
Net cash used in investing activities	**(1,576,257)**	(1,171,131)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loan	**7,098,622**	**–**
Payments of:		
Bank loan	**(8,137,740)**	(1,805,093)
Lease liabilities - net of interest	**(415,937)**	(438,900)
Net cash provided by (used in) financing activities	**(1,455,055)**	(2,243,993)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(2,851,337)**	212,497
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**5,866**	3,126
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5,811,635**	6,139,411
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P2,966,164**	P6,355,034

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

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 Ltd. ("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 P1.00 per share (the "Rights Shares") at an offer price of P1.54 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's cement 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 under a revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid, as the borrower, and CEMEX Asia, B.V. ("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 under a master loan agreement dated October 1, 2014, as amended and restated from time to time, between APO, 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 February 27, 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 ACS, 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 of 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.

During the month of September 2022, CASEC increased its shareholdings in the Parent Company to 10,507,954,662 common shares at P1 par value per share.

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

These condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. These 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 P106 and P125 non-controlling interest as at September 30, 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 nine months ended September 30, 2022, management reassessed its estimates in respect of the allowance for impairment losses on receivables. As at September 30, 2022 and December 31, 2021, allowance for impairment losses on receivables amounted to P24,024 and P17,354, respectively (see Note 13).

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 (the "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, 2020. 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 nine months ended September 30, 2022 and 2021 are detailed by major product lines and timing of revenue recognition as follows:

	Timing of revenue recognition		**September 30, 2022**	September 30, 2021
Revenue from sale of goods				
Cement	At a point in time	P	**15,757,297**	16,250,856
Admixtures and others	At a point in time		**5,610**	2,453
Rewards (non-cement) and gypsum	At a point in time		**9,543**	34,287
			15,772,450	16,287,596
Revenue from services				
Co-processing of alternative fuel resources	Over time		**34,370**	20,859
		P	**15,806,820**	16,308,455

Breakdown of cement sales per customer for the nine-month period ended September 30, 2022 and 2021 is as follows:

		September 30, 2022	September 30, 2021
Retailers	P	**12,757,863**	12,912,451
Institutional		**2,905,345**	3,155,190
Others		**94,089**	183,215
Total	P	**15,757,297**	16,250,856

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:

		September 30, 2022	December 31, 2021
Trade receivables - net	P	**647,888**	696,868
Contract liabilities			
Advances from customers	P	**357,540**	354,032
Customer loyalty program		**47,468**	37,390
	P	**405,008**	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 September 30, 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 nine months ended September 30, 2022 and 2021, basic and diluted earnings per share is computed as follows:

	September 30, 2022	September 30, 2021
Profit	**(P818,773)**	P897,217
Add: non-controlling interest loss	**19**	19
Controlling interest in profit (a)	**(818,754)**	897,236
Weighted average number of shares outstanding - Basic/Diluted	**13,489,226,623**	13,489,226,623
Basic/Diluted EPS (a/b)	**(P0.06)**	P0.07

[1] The weighted average number of shares takes into account the effect of the bonus element related to the issuance of stock rights.

NOTE 6 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents consisted of:

		September 30, 2022	December 31, 2021
Cash in banks	P	**1,893,154**	2,222,046
Short-term investments		**1,073,010**	3,589,589
	P	**2,966,164**	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 3.02% and less than 0.01 % to 1.25% for the nine months ended September 30, 2022 and December 31, 2021, respectively.

For the nine months ended September 30, 2022 and 2021, interest income earned on cash and cash equivalents amounted to P23,608 and P22,224, respectively.

Effective January 1, 2021, the short-term investments with Lomez were transferred to CIH which bears interest at a rate equivalent to the Western Asset Institutional Liquid Reserves Fund (WAILRF) rate minus 10 basis points and zero interest. Beginning January 1, 2022, the 10 basis points spread applied to investments using the WAILRF rate was removed.

As at September 30, 2022 and December 31, 2021, short-term investments include deposits of the Company with CIH (a related party) amounting to P1,073,010 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 13 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:

		September 30, 2022	December 31, 2021
Property, machinery and equipment……………………………	P	**21,619,232**	21,235,651
Assets for the right-of-use……………………………………………		**1,778,759**	1,552,368
	P	**23,397,991**	22,788,019

Property, Machinery and Equipment
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…………………………………		7,203	82,689	418,186	508,078
Transfers…………………………………..		69,915	101,657	(171,572)	–
Disposals…………………………………		–	(63,611)	–	(63,611)
September 30, 2022		**4,692,365**	**14,373,682**	**10,554,000**	**29,620,047**
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………………		(104,345)	(531,645)	–	(635,990)
Disposals…………………………………		–	59,189	–	59,189
September 30, 2022		**(1,570,927)**	**(6,945,803)**	–	**(8,516,730)**
Carrying Amounts					
December 31, 2021	P	3,148,665	7,779,600	10,307,386	21,235,651
September 30, 2022	**P**	**3,121,438**	**7,427,879**	**10,554,000**	**21,103,317**

In relation to Solid's construction of new production line, the Company capitalized borrowing cost amounting to P249,201 and P197,997 for the nine months ended September 30, 2022 and 2021, respectively. The average capitalization rate used to determine the amount of borrowing cost eligible for capitalization during the nine months ended September 30, 2022 and 2021 is 3.66% and 4.77%, respectively.

Assets for the Right-of-Use
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……………………………………………………...		460,183	249,135	709,318
Lease Termination………………………………………….....		(21,093)		(21,093)
Cancellation and remeasurement…………………………….		(1,643)	(5,863)	(7,505)
September 30, 2022		**2,372,785**	**1,808,280**	**4,181,065**
Accumulated amortization				
January 1, 2021		(562,066)	(1,145,738)	(1,707,804)
Amortization for the year……………………………………….		(178,374)	(382,654)	(561,028)
Lease termination……………………………………………….		14,785	306,070	320,855
December 31, 2021		**(725,656)**	**(1,222,322)**	**(1,947,977)**
Amortization for the period……………………………………..		(159,215)	(310,467)	(469,682)
Lease Termination..		15,352		
September 30, 2022		**(869,518)**	**(1,532,789)**	**(2,402,306)**
Carrying Amounts				
December 31, 2021	P	1,209,681	342,687	1,552,368
September 30, 2022	P	**1,503,267**	**275,491**	**1,778,759**

NOTE 8 – LEASE LIABILITIES

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

		September 30, 2022	December 31, 2021
Beginning balance	P	**1,807,905**	2,066,112
Additions..		**706,315**	357,052
Accretion of interest		**97,178**	114,222
Effect of changes in exchange rates.....................................		**66,822**	21,492
Payments..		**(513,115)**	(722,406)
Termination...		**(5,792)**	–
Remeasurement due to lease termination		**(7,236)**	(28,567)
Ending balance	P	**2,152,077**	1,807,905

NOTE 9 – EQUITY

Common Stock

As at September 30, 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 ("ACS") 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 ACS. 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 ACS, 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 a further 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 the 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 of 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 of September 30, 2022, CASEC owns 10,507,954,662 common shares which correspond to approximately 77.90% 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 September 30, 2022 and December 31, 2021 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		**1,263,428**	**–**	**–**	**–**	**1,263,428**
Share-based compensation				**1,082**		**1,082**
Loss on remeasurement on retirement benefit liability, net of tax		**–**	**(11,932)**	**–**	**–**	**(11,932)**
Cash flow hedges - effective portion of changes in fair value		**–**	**–**	**–**	**19,996**	**19,996**
Cash flow hedges – reclassified to profit or loss		**–**	**–**	**–**	**(12,374)**	**(12,374)**
Balance at September 30, 2022	P	**1,473,366**	**219,107**	**75,952**	**19,996**	**1,788,421**

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:

		September 30, 2022	December 31, 2021
Total liabilities	P	**20,809,628**	20,180,841
Less: cash and cash equivalents		**2,966,164**	5,811,635
Net debt		**17,843,464**	14,369,206
Total equity		**44,648,352**	44,206,925
Net debt to equity ratio	P	**0.40:1**	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 September 30, 2022 and December 31, 2021:

		September 30, 2022	December 31, 2021
Short-term investments			
Other related party [20]			
CIH (Note 6)	P	**1,073,010**	3,589,589
Due from related parties			
Ultimate Parent			
CEMEX [1]	P	**3,371**	11,295
Other related parties [20]			
Beijing CXP Import & Export Co.[4]		**3,361**	3,418
Sunbulk Shipping Limited[8]		**730**	–
CEMEX Operaciones México, S.A. de C.V.[5]		**725**	142
Island Quarry and Aggregates Corporation (IQAC) [3]		**493**	239
APO Land & Quarry Corporation (ALQC) [2]		**272**	980
Galala Six Holding, Inc[11]		**42**	–
CIH[9]		**–**	1,087
	P	**8,993**	17,161
Due to related parties			
Ultimate Parent			
CEMEX [1]	P	**224,903**	23,916
Other related parties [13]			
CEMEX International Trading LLC[10]		**1,611,611**	191,849
CEMEX Operaciones México, S.A. de C.V.[5]		**1,021,602**	896,148
CIH[9]		**580,833**	167,001
IQAC[3]		**153,499**	113,652
ALQC[2]		**20,553**	28,304
Beijing CXP Import & Export Co.[4]		**13,931**	12,399
Transenergy, Inc.[7]		–	763,257
CRG [6]		–	39
	P	**3,626,932**	2,196,565
Lease liabilities on land [17]			
ALQC	P	**861,413**	781,756
IQAC		**536,308**	391,433
	P	**1,397,721**	1,173,189

[1]The due from related party balance as at September 30, 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 P3,371 and P11,295, respectively.
The due to related party balance as at September 30, 2022 and December 31, 2021 pertains to the following:

a) use of CEMEX "marks" which is payable in 30 days after receipt of invoice and is unsecured and noninterest bearing which amounted to P20,777 and P23,916, 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.
b) Hegde related transaction amounting P12,959 and nil, respectively.

[2]The due from related party balance, which is unimpaired, unsecured, noninterest-bearing and due on demand as at September 30, 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 P194 and P696, respectively; and
b) Others pertaining to reimbursements and/or advances amounting to P78 and P284, respectively.

The due to related party balance that is unsecured, noninterest-bearing and payable upon demand as at September 30, 2022 and December 31, 2021 pertains to the purchase of raw materials which amounting to P20,553 and P28,304, respectively.

[3]The due from related party balance as at September 30, 2022 and December 31, 2021, which is unimpaired, unsecured, noninterest-bearing and due on demand includes

a) 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 P220 and P239, respectively.
b) Others pertaining to reimbursements and/or advances amounting to P273 and P284, respectively.

The due to related party balance as at September 30, 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 P153,495 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

[4]The due from related party balance as at September 30, 2022 and December 31, 2021 pertains to advances which are unimpaired, unsecured, noninterest-bearing and due on demand amounting to P3,361 and P3,418, respectively.

The due to related party balance as at September 30, 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 September 30, 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 P725 and P142, respectively.

The due to related party balances as at September 30, 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. Effective from January 1, 2022, the business support services will be provided by CEMEX, S.A.B. de C.V. to Solid and APO, respectively, pursuant to separate service agreements, the terms and conditions of which are substantially similar to those under the previous service agreements. The payable balance amounted to P1,212,769 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 September 30, 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 September 30, 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 P730 and nil as at September 30, 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 September 30, 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 September 30, 2022 and December 31, 2021, which is unsecured, noninterest-bearing and payable on demand, pertains to the unpaid royalties/license fees amounted to P580,833 and P167,001, respectively.

[10]The due to related party balance amounting to P1,611,611 and P191,849 as at September 30, 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 September 30, 2022 and December 31, 2021, pertains to reimbursement is unsecured, noninterest-bearing and due on demand, amounting to P42 and nil, 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 and Galala Six Holding, Inc..

The main transactions entered by the Company with related parties for the nine months ended September 30,2022 and 2021 are shown below:

		September 30, 2022	September 30, 2021
Transactions with ultimate parent			
Royalties and trademarks			
CEMEX[1]……	P	**20,878**	21,844
Transactions with other related parties [4]			
Royalties and trademarks			
CIH[1] ……	P	**575,491**	587,191
Transactions with other related parties [4]			
Purchases of raw materials, supplies and/or spare parts			
Cemex International Trading, LLC[1] ……	P	**4,135,928**	437,163
IQAC[1] ……		**318,175**	206,957
ALQC[1] ……		**202,429**	133,821
Beijing CXP Import & Export Co.[1] ……		**39,112**	35,718
Transenergy, Inc.[1] ……		**23,482**	1,142,778
CEMEX Internacional, S.A. de C.V.[1] ……		**–**	11,077
	P	**4,719,126**	1,967,514
Central service fees			
CEMEX[1]		**191,777**	–
CEMEX Operaciones Mexico, S.A. de C.V[1]. ……	P	**–**	143,146
Gross premiums written			
Torino Re Ltd [3]……	P	**89,944**	103,896
Freight services			
Sunbulk Shipping Limited [1]……	P	**–**	431,591
Interest income			
CIH [2]……	P	**22,143**	19,366
Corporate services and administrative income			
IQAC[1] ……	P	**1,624**	1,630
ALQC[1] ……		**1,500**	5,621
	P	**3,124**	7,251

[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] The amount refers to gross premiums written on property insurance.
[4] Other related parties pertain to entities under common control to CEMEX, except IQAC and ALQC.

NOTE 11 – 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 nine-months period ended September 30,2022 and 2021, the cement sector represented approximately 89.70% and 90.27% respectively, of total net revenues before eliminations resulting from consolidation, and 132.98% and 129.00% 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 12 – BANK LOAN

Parent Company – BDO Facility Agreement

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 nil and P3,376,906 as at September 30,2022 and December 31,2021.

The unamortized debt issuance cost of this bank loan amounting to P83,076 and P54,092 as at September 30, 2022 and December 31, 2021, respectively, was deducted from the total loan liability. Interest expense incurred for the nine-month ended September 30, 2022 and 2021, excluding amortization of debt issuance cost, amounted to P267,813 and P421,833, respectively, which is recognized under "Financial expenses" account in the condensed consolidated interim statements comprehensive income.

The reconciliation of opening and closing balances of bank loan and the related accrued interest are as follow:

		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
Refinanced loan………………………………		**6,633,622**	**–**	**6,633,622**
Interest expense………………………………		**21,144**	**267,813**	**288,957**
Payment of:				
Principal……………………………………		**(7,832,739)**	**–**	**(7,832,739)**
Interest……………………………………..		**–**	**(284,906)**	**(284,906)**
Balance as at September 30, 2022…….......	P	**7,714,633**	**44,681**	**7,759,314**

Accrued interest from this bank loan amounting to P44,681 and P61,774 as at September 30, 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.

On July 28, 2022, the Parent Company signed a facility agreement with BDO for a 5-year senior unsecured term loan for a principal amount of up to P6.69 billion (the "2022 Facility Agreement"). The proceeds of the loan to be extended pursuant to the 2022 Facility Agreement will be used to repay approximately P6.68 billion of outstanding indebtedness under the facility agreement dated February 1, 2017 (as amended and supplemented, the "2017 Facility Agreement") between the Parent Company, as borrower, APO and Solid, as assignors, and BDO, as lender. Following this repayment, approximately P1.11 billion principal amount maturing in February 2024 will remain outstanding under the 2017 Facility Agreement. The main terms and conditions of the 2022 Facility Agreement are summarized as follows: final maturity in August 2027; interest on the loan will accrue at a floating rate; the loan will amortize in quarterly payments beginning in November 2024; and financial and non-financial covenants under the 2022 Facility Agreement are substantially similar to those under the 2017 Facility Agreement.

As of September 30, 2022, the Parent Company is in compliance with the applicable restrictions and covenants of the Facility Agreement.

Solid-BDO Loan

On March 9, 2022 and September 12, 2022, Solid made a draw down on its short-term credit line with BDO for the amounts of P120.0 million and P185.0 million, respectively, to cover operational/working capital requirements and the outstanding balances for the relevant periods were fully paid on March 25, 2022 and September 29, 2022, respectively.

On September 28, 2022, Solid executed another short-term loan with BDO for P160.0 million to cover operational/working capital requirements which was settled on October 28, 2022.

NOTE 13 – 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, interest rate 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 September 30, 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 September 30, 2022 and December 31, 2021 amounted to P32,324.

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 September 30, 2022 and December 31, 2021 is as follows:

		Gross Carrying Amount		Net Carrying Amount	
		September 30, 2022	December 31, 2021	**September 30, 2022**	December 31, 2021
Financial assets at amortized cost					
Cash and cash equivalents	P	**2,966,164**	5,811,635	**2,966,164**	5,811,635
Trade receivables		**671,912**	714,222	**647,888**	696,868
Due from related parties		**8,993**	17,161	**8,993**	17,161
Insurance claims and premiums receivable		**223,852**	91,798	**223,852**	91,798
Other current accounts receivable		**68,380**	49,361	**68,380**	49,361
Long-term time and rental guaranty deposits		**212,368**	193,867	**212,368**	193,867
		4,151,669	6,878,044	**4,127,645**	6,860,690
Financial assets at fair value (hedging instrument)					
Derivative asset		**39,874**	30,450	**39,874**	30,450
	P	**4,191,543**	6,908,494	**4,167,519**	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 September 30, 2022		**Current**	**1 to 30 days**	**31 to 60 days**	**More than 60 days**	**Total**
Average ECL rates		**0.1%**	**2.9%**	**6.1%**	**3.2%**	**1.8%**
Trade receivables - gross carrying amount	P	**599,114**	**24,766**	**12,432**	**683,487**	**1,319,799**
Allowance for impairment losses		**827**	**718**	**758**	**21,721**	**24,024**

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 impairment losses		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 asset, 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 claims and premiums receivable, other current accounts receivable and rental guaranty deposits) 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 September 30, 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 Impairment Losses on Trade Receivables
Changes in the allowance for impairment losses for the nine-month period ended September 30, 2022 and for the year ended December 31, 2021 are as follows:

		2022	2021
Beginning balance of allowance for impairment losses	P	**17,354**	26,728
Charged to selling expenses		**6,808**	(8,439)
Write-off of trade receivables		**(138)**	(935)
Ending balance of allowance for impairment losses	P	**24,024**	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 nine-month period ended September 30, 2022 and for the year ended 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 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 September 30, 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 comprehensive income.

As at September 30, 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 September 30, 2022	
	(in U.S. dollar)	***(in Euro)***
Cash and cash equivalents	**US$4,088**	**€–**
Due from related parties*	**140**	**–**
Trade payables	**(13,233)**	**(915)**
Due to related parties*	**(48,636)**	**–**
Lease liabilities	**(6,852)**	**–**
Net liabilities denominated in foreign currency	**(US$64,493)**	**(€915)**

**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)	–
Due to related parties*	(36,897)	(188)
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**	**September 30, 2022**	December 31, 2021
Parent Company	CAR	**(US$97,520)**	(US$81,656)
Falcon	Parent Company	**22,688**	22,000
Parent Company	Falcon	**(49,517)**	(33,803)
APO	CAR	**(7,225)**	(3,259)
Solid	CAR	**(4,478)**	(1,463)
		(US$136,052)	(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:

	September 30,2022		December 31, 2021	
Currency	**Closing**	**Average**	Closing	Average
U.S. dollar	**P58.63**	**P53.71**	P51.00	P49.36
Euro	**P57.10**	**57.49**	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 nine-month period ended September 30, 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**
September 30, 2022	**+15.00%**	**P565,245**	**P423,934**
	-15.00%	**(565,245)**	**(423,934)**
December 31, 2021	+6.20%	P135,078	P101,308
	-6.20%	(135,078)	(101,308)

EUR	**Strengthening (Weakening) of Philippine Peso**	**Effect on Earnings before Income Tax**	**Effect on Equity**
September 30, 2022	**+1.00%**	**P489**	**P367**
	-1.00%	**(489)**	**(367)**
December 31, 2021	+1.40%	P154	P116
	-1.40%	(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**
September 30, 2022	**+15.00%**	**P1,192,419**	**P894,314**
	-15.00%	**(1,192,419)**	**(894,314)**
December 31, 2021	+6.20%	P310,442	P232,832
	-6.20%	(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 September 30, 2022 and December 31, 2021, the Company is exposed to interest rate risk primarily on the floating interest rate tranche corresponding to P7,797,709 and P3,596,123, respectively, of the long-term bank loan with BDO and short-term investments in CIH amounting to P1,073,010 and P3,589,589, as at September 30, 2022 and December 31, 2021, respectively.

Sensitivity analysis on Interest Rate Risk

As at September 30, 2022 and December 31, 2021, a hypothetical 1% increase in interest rate, with all other variables held constant, the Company's profit for the nine months ended September 30, 2022 and 2021, would have decreased by approximately P50,435 and P3,673, 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 derivative commodity swap agreement in 2020. 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 as at September 30, 2022 and December 31, 2021 were as follows:

	September 30, 2022		December 31, 2021	
	Notional amount	**Carrying amount**	Notional amount	Carrying amount
Commodity collar transaction	**P517,243**	**P19,996**	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 provided by operating activities, as presented in its unaudited condensed consolidated interim statements of cash flows, amounted to P179,977 and P3,627,621 for the nine months period ended September 30, 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 September 30, 2022				
	Carrying Amount	**Contractual Cash Flows**	**12 Months or Less**	**1 to 5 Years**	**More than 5 Years**
Trade payables……………	**4,797,556**	**4,797,556**	**4,797,556**	**P–**	**P–**
Due to related parties………..……………	**3,626,933**	**3,626,933**	**3,626,933**	**–**	**–**
Unearned income, other accounts payable and accrued expenses*……….…………	**697,345**	**697,345**	**697,345**	**–**	**–**
Bank loan (current)…………...	**160,000**	**160,667**	**160,667**	**–**	**–**
Bank loan …………………….	**7,714,633**	**8,830,900**	**291,953**	**8,538,947**	**–**
Lease liabilities………………	**2,152,077**	**5,269,994**	**655,067**	**634,009**	**3,980,918**
Total	**19,148,544**	**23,383,395**	**10,229,521**	**9,172,956**	**3,980,918**

**Excluding government-related payables, unearned income from insurance premiums and other non-financial liabilities amounting to P632.85 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 risks 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 14 – FAIR VALUE OF FINANCIAL ASSET AND FINANCIAL LIABILITIES

The fair values of cash and cash equivalents, trade receivables, insurance claims and premiums receivable, amounts due from related parties, other current accounts receivable (under financial assets measured at amortized cost), trade payables, amounts due to related parties, unearned income, 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:

		September 30, 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	**212,368**	**212,368**	P	191,307	191,307
Sublease receivable		**3,808**	**3,879**		7,430	7,558
Financial assets at fair value (hedging instrument)						
Derivative asset		**39,874**	**39,874**		30,450	30,450
	P	**256,050**	**256,121**	P	229,187	229,315
Financial liabilities measured at amortized cost						
Bank loan	P	**7,797,709**	**6,942,097**	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, 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 15 – CONTINGENCIES FROM LEGAL PROCEEDINGS

As at September 30, 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 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. 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 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. 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.

Since third quarter of 2020, local and national authorities have allowed ALQC to resume its mining operations in the affected areas. As at September 30, 2022 and December 31, 2021, the outstanding amounts for insurance claims amounted to nil, respectively.

On November 19, 2018, the Parent Company and APO 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, 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 P4.3 billion, (b) the establishment of a P500 million rehabilitation fund, and (c) the issuance of a Temporary Environment Protection Order against ALQC while the case is still pending. In the complaint, ALQC, APO 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 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 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'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 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 an order dated April 28, 2022, the Regional Trial Court declared that it will not give due course to plaintiffs' Notice of Appeal on the grounds that it was filed out of time.

In the event that the court's latest orders are reversed in due course by a higher court thereby maintaining the inclusion of the Parent Company and APO 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 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's or the Parent Company's assets alone could be exposed to execution proceedings.

As of the date of this report, the Parent Company and APO have not been notified of the filing by the plaintiffs of a motion for reconsideration of the court's order dated April 28, 2022.

As of September 30, 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. However, since we are unable to state definitively at this time what the final outcome of the proceedings will be, 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's 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's cement plant were resumed and have been able to operate continuously since then. APO's 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] then extended to January 15, 2022. Thereafter, due to the surge of the Omicron COVID-19 variant, the Alert Levels in Metro Manila, Cebu City, Cebu Province (including Naga City), and the Province of Rizal (including Antipolo City) were increased to Alert Level 3 beginning on January 16, 2022. The Alert Levels for these areas started to be downgraded at their respective pace in the month of February 2022. The Alert Levels for Metro Manila, Cebu City, and the Province of Rizal (including Antipolo City) have been at Alert Level 1 since March 1, March 16, and April 1, 2022, respectively. The Province of Cebu (including Naga City) has been at Alert Level 2 since March 1, 2022.

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. For the nine months ended September 30, 2022, and 2021, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 pandemic amounting to P26,730 and P32,913, 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 nine months ended September 30, 2022, and 2021, respectively. 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. It will continue to place 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.

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.

NOTE 18 – RUSSIA-UKRAINE CONFLICT

The Company has no exposure to investments in Russia or Ukraine. It currently has no business, investments, customers, or suppliers from any of these countries. However, this event has given rise and may continue to give rise to circumstances with the potential to further cause world trade disruptions and rising prices of basic commodities, including oil and power, among others.