SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q (AMENDED)

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

1. For the quarterly period ended **March 31, 2020**
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 and for the three months ended March 31, 2020 and the consolidated statement of financial position as at December 31, 2019 and unaudited statement of profit or loss and other comprehensive income for the three months ended March 31, 2019, and the related notes to the unaudited condensed consolidated interim financial statements of CEMEX Holdings Philippines, Inc. and its Subsidiaries as at March 31, 2020 are filed as part of this Form 17-Q as Appendix I.

The term “Parent Company” used in this report refers to CEMEX Holdings Philippines, Inc. without its Subsidiaries. The term “Company” refers to the Parent Company together with its consolidated Subsidiaries.

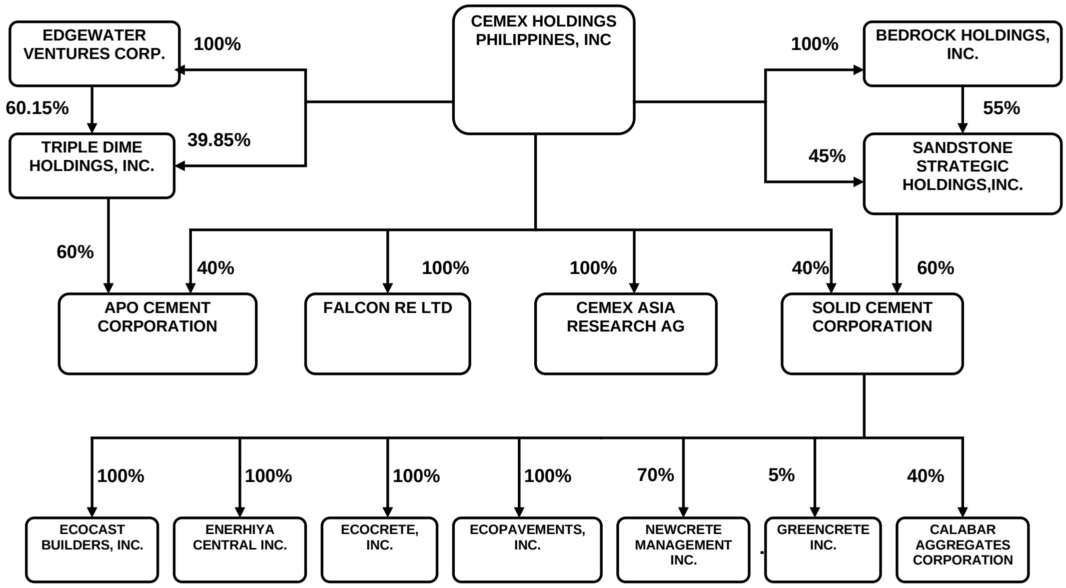
On a consolidated group basis, the Parent Company is an indirect subsidiary of CEMEX, S.A.B. de C.V. (“CEMEX”), a company incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo León, Mexico.

The Company presents comparative unaudited condensed consolidated interim financial statements for the three months ended March 31, 2020 and unaudited condensed consolidated interim financial statements for the three months ended Mach 31, 2019.

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

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

The following diagram provides a summary of the Company's organizational and ownership structure as of March 31, 2020:



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

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

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

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

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 par value 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 to fund the expansion of Solid Cement's plant, including (i) to pay outstanding amounts owed by Solid Cement under a revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid Cement, as the borrower, and Cemex Asia B.V. ("CABV"), as the lender (the "Solid Expansion Facility Agreement"), which facility agreement has been used primarily but not exclusively to fund the Solid Cement plant expansion project, including (ii) to pay outstanding amounts owed by APO Cement under a master loan agreement dated October 1, 2014, as amended and restated from time to time, between APO Cement, as borrower, and CABV, as lender (the successor to CEMEX Hungary KFT) (the "APO Operational Facility Agreement"), and for other general corporate purposes.

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

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

After the Stock Rights Offering and the approval by the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company's issued and outstanding shares totaled 13,489,226,623 common shares.

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

The following is a discussion and analysis of our unaudited condensed consolidated interim financial condition and results of operations as at and for the three months ended March 31, 2020, the consolidated financial condition as at December 31, 2019, and unaudited condensed consolidated interim results of operations for the three months ended March 31, 2019, and certain trends, risks and uncertainties that may affect our business.

<u>Financial Performance</u>

For the three months ended March 31, 2020 and 2019:

Revenue
Revenue for the three-month period ended March 31, 2020 and 2019 amounted to P5.6 billion and P6.2 billion, respectively. The breakdown of revenue after elimination of transactions between consolidated entities for the three months ended March 31, 2020 and 2019 were as follows:

	For the three months ended March 31, 2020		**For the three months ended March 31, 2019**	
Segment	***Amount****	***% Sales***	***Amount****	***% Sales***
Cement sales	P5,628	100.0%	P6,236	100.0%
Other business	2	0.0%	1	0.0%
Total	**P5,630**	**100.0%**	**P6,237**	**100.0%**

Amounts in millions

For the three months ended March 31, 2020, our domestic gray cement volumes decreased by 4% year-over-year during the first quarter of 2020. An 8% increase in volumes during the first two months of the year was offset by the effects of the Enhanced Community Quarantine in Luzon, and other quarantine measures around the country during the second half of March 2020. Our domestic gray cement prices were 6% lower year-over-year during the first quarter of 2020, reflecting declines during the second half of 2019 due to competitive dynamics.

Cost of Sales
Cost of sales for the three-month period ended March 31, 2020 and 2019 amounted to P3.3 billion and P3.9 billion, respectively. As a percentage of revenue, cost of sales decreased by 5 percentage points year-on-year. Our operations in the first quarter of 2019 incurred higher costs related to the scheduled kiln maintenance of Solid Cement Plant, higher sales from cement imports, and consumption of purchased clinker in cement production, carried over as a result of the Naga landslide.

Gross Profit
As a result of the above conditions, gross profit for the three months ended March 31, 2020 and 2019 reached P2.4 billion and P2.3 billion, respectively. Gross profit as a percentage of revenue for the three months ended March 31, 2020 and 2019 were at 41.8% and 37.1%, respectively.

Operating Expenses
Operating expenses amounted to P1.8 billion and P1.7 billion, respectively, for the three months ended March 31, 2020 and 2019. Operating expenses were composed of administrative, selling, and distribution expenses. Administrative and selling expenses amounted to P767.5 million and P735.6 million or 13.6% and 11.8% of revenue for the first three months of 2020 and 2019. These include, among others: a) license fees amounting to P204.0 million and P240.7 million, respectively; b) salaries and wages amounting to P199.0 million and P185.2 million, respectively; and c) administrative services amounting to P191.9 million and P159.1 million, respectively. Distribution expenses amounted to P1.1 billion and P953.0 million, respectively, for the three months ended March 31, 2020 and 2019, which accounted for 18.9% and 15.3%, respectively, of revenue.

Other expenses included in operating expenses covered insurance, utilities and administrative supplies, taxes and licenses, depreciation, advertising, travel expenses and others.

Movements in operating expenses was primarily due to increase in both selling and administrative expenses and distribution expenses during the first quarter of 2020. Selling and administrative expenses increased by P31.9 million mainly due to higher depreciation and amortization charges, as well as one-off expenses related to the Stock Rights Offering. Distribution expenses increased by P112.9 million due to a) higher sales sourced from cement imports in first quarter 2019, an effect of the Naga landslide incident; and b) higher lease amortization charges in the first quarter of 2020.

Operating Income Before Other Income, Net
For the reasons discussed above, profit from operations amounted to P520.8 million and P624.6 million, respectively, for the three months ended March 31, 2020 and 2019. These comprised 9.3% and 10.0% of revenue for the three months ended March 31, 2020 and 2019, respectively.

Financial and Other Financial Expenses - Net
Net financial expenses for the three months ended March 31, 2020 and 2019 amounted to P279.5 million and P355.2 million, respectively. This includes interest expense, interest income, interest cost on pension and bank charges. Decline in 2020 was primarily attributable to the higher capitalized borrowing costs for the Solid Cement plant expansion project.

Foreign Exchange Loss, Net
Net foreign exchange loss of P66.4 million and P17.3 million were reported for the three months ended March 31, 2020 and 2019, respectively. Increase in foreign exchange loss refers to an unfavorable movement in the foreign exchange rate during the first quarter of 2020 compared to a favorable movement in the same period in 2019. In 2020, the Company also recorded realized foreign exchange losses from the redenomination of its loan with CABV.

Other Income, Net
Net other income for the three-month period ended March 31, 2020 and 2019 was P12.1 million and P6.4 million, respectively. The increase was mainly due to sales of scrap and income from waste processing.

Income Tax Expense
As a result of operations, our income tax expense for the three months ended March 31, 2020 and 2019 amounted to P97.9 million and P89.9 million, respectively. The increase was due to lower deferred tax benefits whose movements were mainly affected by timing differences for items such as unrealized foreign exchange gains or losses, contract liabilities from loyalty points, impairment losses, lease liabilities and others.

Profit
As a result of the abovementioned concepts, profit for the three months ended March 31, 2020 and 2019 amounted to P89.1 million and P168.6 million, respectively.

Financial Position

As at March 31, 2020 and December 31, 2019:

Cash and Cash Equivalents
Cash and cash equivalents amounted to P6.3 billion and P1.4 billion as at March 31, 2020 and December 31, 2019, respectively. As at March 31, 2020, cash and cash equivalents of P6.3 billion include P1.9 billion cash on hand and in banks and P4.4 billion short-term investments which were readily convertible to cash. As at December 31, 2019, cash and cash equivalents of P1.4 billion include P1.2 billion cash on hand and in banks and P215.2 million short-term investments which were readily convertible to cash. Net increase in cash and cash equivalents was mainly from the proceeds from the Stock Rights Offering, net of payments of loans from related parties.

Trade Receivables - Net
Trade receivables amounted to P1.1 billion and P893.0 million as at March 31, 2020 and December 31, 2019, net of allowance for impairment losses amounting to P20.4 million and P23.8 million, respectively, which mainly pertain to receivables from customers. Trade receivables - net increased by 24.6% due to lower collection rate from the impact of the COVID 19 pandemic.

Due from Related Parties
Related party balances amounted to P29.2 million and P27.7 million as at March 31, 2020 and December 31, 2019, respectively. Movements primarily refer to sale of goods, invoicing of administrative fees, and advances between related parties, among others. Please see Note 10 in the attached unaudited condensed consolidated interim financial statements as at and for the three months ended March 31, 2020 and the consolidated financial position as at December 31, 2019 and unaudited statement of profit or loss and other comprehensive income for the three months ended March 31, 2019.

Insurance Claims and Premium Receivables
Insurance premiums receivable, which amounted to P90.5 million and P437.0 million as at March 31, 2020 and December 31, 2019, respectively, is related to non-damage business interruption insurance receivable from third party insurance company. Premiums receivable represents premiums on written policies which are collectible within the Company's credit term. Claims from insurance amounted to P2.2 million and P8.5 million as at March 31, 2020 and December 31, 2019. Decrease in premiums receivable was mainly from collection of December 31, 2019 receivables, net of premiums during the first quarter of 2020 on written policies which are collectible within the Company's credit term.

Other Current Accounts Receivable
Other accounts receivables amounted to P24.3 million and P65.2 million as at March 31, 2020 and December 31, 2019, respectively. Movements primarily refer to receivable from contractors, short-term deposits, loan receivables, receivable from employees and others.

Inventories
Inventories amounted to P3.0 billion as at March 31, 2020 and December 31, 2019. Inventories consisting of raw materials, cement and work in process amounted to P2.2 billion and P1.9 billion as at March 31, 2020 and December 31, 2019, respectively, and the remaining balance pertains to spare parts. Inventories are measured at cost or net realizable value, whichever is lower.

Prepayments and Other Current Assets
Other current assets amounted to P1.5 billion and P1.7 billion as at March 31, 2020 and December 31, 2019, respectively which pertains primarily to prepayments of insurance, P341.6 million and P508.8 million, respectively, prepayment of taxes, P823.6 million and P645.0 million, respectively. Movement was primarily due to amortization of prepayments of insurance.

Investment in an Associate and Other Investments
Investments in Associates cover minority equity investments in Greencrete Inc. and Calabar Aggregates Corporation.

Other Assets and Noncurrent Accounts Receivable
Other assets amounting to P882.5 million and P837.2 million as at March 31, 2020 and December 31, 2019, respectively, primarily consisted of long-term prepayments amounting to P27.9 million, long-term performance deposits of P266.3 million and P259.9 million, respectively, and debt reserve account and guarantee bonds used in operations amounting to P481.1 million and P480.8 million, respectively. The rest mainly referred to noncurrent portion of the unamortized transportation allowances of employees and other long-term prepayments. Increase were related to transportation allowance of employees and advances to suppliers.

Property, Machinery, Equipment and Assets for the Right-of-Use
Property, machinery and equipment had a balance of P19.1 billion and P18.0 billion as at March 31, 2020 and December 31, 2019, respectively. For the three months ended March 31, 2020 and for the year ended December 31, 2019, P49.2 million and P659.4 million, respectively, were incurred for maintenance capital expenditures and P1.5 billion and P3.2 billion, respectively, for strategic capital expenditures.

Assets for the right-of-use amounted to P1.9 billion and P2.0 billion as at March 31, 2020 and December 31, 2019, respectively. For the three months ended March 31, 2020 and for the year ended December 31, 2019, additions to assets for the right-of-use amounted to P70.7 million and P362.4 million, respectively.

Advances to Contractors
In November 2018, the Company made a downpayment amounting to P2.1 billion to a third party for the construction and installation of Solid Cement's new production line and is presented under noncurrent assets in the consolidated statements of financial position. As at March 31, 2020, and December 31, 2019, the balance of this account amounted to P1.5 billion and P1.6 billion, respectively. Movement was due to the depletion of advances in line with the progress of the Solid Cement plant expansion project.

Deferred Income Tax Assets - Net
The Company's deferred income tax asset amounted to P1.1 billion and P1.0 billion as at March 31, 2020 and December 31, 2019, respectively, which mainly represented pension, unrealized foreign exchange losses and future tax benefits from operating losses. Deferred tax liability amounted to P1.6 million each as at March 31, 2020 and December 31, 2019.

Goodwill
The Company's goodwill arose from the business combinations when the Parent Company acquired its subsidiaries.

Trade Payables
Trade payables as at March 31, 2020 and December 31, 2019 amounted to P4.3 billion and P4.8 billion, respectively. Movements were related to purchases of raw materials and other goods, and services provided by third parties.

Due to Related Parties
Short-term payable to related parties had a balance of P1.6 billion and P2.7 billion as at March 31, 2020 and December 31, 2019, respectively. Long-term payable to related parties amounted to nil and P5.4 billion as at March 31, 2020 and December 31, 2019, respectively. Movement primarily refers to repayment of the Solid Expansion Facility Agreement and the APO Operational Facility Agreement with CABV.

Contract Liabilities, Unearned Income, Other Accounts Payable, Accrued Expenses, and Income Tax Payable
Contract liabilities, unearned income, other payables and accruals which amounted to P1.9 billion as at March 31, 2020 and December 31, 2019, pertained mainly to accruals, contract liabilities (which include advances from customers and unredeemed customer loyalty points), unearned income from insurance premium, provisions, and income tax payable.

Lease Liabilities
Current portion of finance lease liabilities amounted to P531.3 million and P525.4 million as at March 31, 2020 and December 31, 2019, respectively. Noncurrent portion of finance lease liabilities amounted to P1.6 billion as at March 31, 2020 and December 31, 2019.

Retirement Benefit Liability
Retirement benefit liability amounting to P824.1 million and P794.2 million as at March 31, 2020 and December 31, 2019, respectively, pertains to the provision recognized by the Company associated with employees' defined benefit pension plans.

Long-term Bank Loan
The total outstanding balance of the BDO Refinancing Loan amounted to P11.4 billion as at March 31, 2020 and December 31, 2019. The unamortized debt issuance cost of this long-term bank loan, amounting to P99.5 million and P106.0 million, was deducted from the total loan liability as at March 31, 2020 and December 31, 2019, respectively. Short-term portion of the bank loan amounted to P140.1 million as at March 31, 2020 and December 31, 2019.

Other Noncurrent Liabilities
Other noncurrent liabilities of P20.6 million as at March 31, 2020 and December 31, 2019, pertains to provision for asset retirement obligation.

Common Stock
As at March 31, 2020 and December 31, 2019, the total authorized capital stock of the Parent Company consisted of 13,489,226,623 and 5,195,395,454 common shares at a par value of P1 per share, respectively and the total issued and outstanding capital stock was 13,489,226,623 and

5,195,395,454 common shares at a par value of P1 per share, respectively. Increase in common stock was due to the Stock Rights Offering.

Other Equity Reserves

The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to stockholders' equity which included share-based compensation, remeasurement of retirement benefits liability (net of tax) and cumulative currency translation of foreign subsidiaries.

Retained Earnings

Retained earnings of P2.4 billion and P2.3 billion as at March 31, 2020 and December 31, 2019 respectively, included the Company's cumulative net results of operations.

Key Performance Indicators

The Company sets certain performance measures to gauge its operating performance periodically and to assess its overall state of corporate health. Listed below are the major performance measures, which the Company has identified as reliable performance indicators. Analyses are employed by comparisons and measurements on a consolidated basis based on the financial data as at the relevant periods indicated in the tables below.

Key Financial Indicators	Formula	For the three-month period ended March 31, 2020	For the year ended December 31, 2019
Current Ratio	Current Assets/Current Liabilities	1.4 : 1	0.7 : 1
Solvency Ratio	Profit (Loss) + Depreciation and Amortization/Total Liabilities	0.0 : 1	0.1 : 1
Net debt to Equity Ratio	Debt*/Total Equity	0.4 : 1	0.9 : 1
Asset to Equity Ratio	Total Assets/Total Equity	1.5 : 1	2.0 : 1

**Debt is net of cash and cash equivalents.*

Key Financial Indicators	Formula	For the period ended March 31, 2020	For the period ended March 31, 2019
Interest Rate Coverage Ratio	Operating income before other income-net/Interest	2.2 : 1	1.8 : 1
Profitability Ratio	Operating income before other income-net/Revenue	0.1: 1	0.1 : 1

Aging of Accounts Receivables

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at March 31, 2020:

	Current	1 to 30 days	31 to 60 days	More than 60 days	Total
Average expected credit loss rates	**0.1%**	**0.1%**	**0.2%**	**14.0%**	**1.8%**
Trade receivables – gross carrying amount	**P394,901**	**P405,878**	**P193,721**	**P138,571**	**P1,133,071**
Allowance for impairment losses	**354**	**349**	**357**	**19,357**	**20,417**

PART II - OTHER INFORMATION

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"). ALQC 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. CASEC, 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 2019, the Company received the outstanding amount of its insurance claims amounting to P447.1 million which includes the additional claims made in during the year amounting to P123.1 million. The collection and recognition of additional insurance claims were offset against "Costs of Sales" account in the consolidated statements of comprehensive income for the year ended December 31, 2019.

On November 19, 2018, the Parent Company and APO Cement were served summons concerning an environmental class action lawsuit filed by 40 individuals and one legal entity (on behalf of 8,000 individuals allegedly affected by the Landslide) at the Regional Trial Court of Talisay, Cebu, against the Parent Company, APO Cement, ALQC, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for "Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems". In the complaint, among other allegations, plaintiffs (i) claim that the Naga Landslide occurred as a result of the defendants' gross negligence; and (ii) seek, among other relief, (a) monetary damages in the amount of approximately 4.3 billion Philippine Pesos, (b) the establishment of a 500 million Philippine Pesos rehabilitation fund, and (c) the issuance of a Temporary Environment Protection Order against ALQC while the case is still pending. In the complaint, ALQC, APO Cement and the Parent Company are made solidarily liable for payment of monetary damages and establishment of a rehabilitation fund.

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, APO Cement and ALQC hold the position that the Naga 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.

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 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, which remains pending as of the date of this report.

As at March 31, 2020, because of the current status of the lawsuit and considering all possible defenses available, the Company cannot assess with certainty the likelihood of an adverse result in this lawsuit, and turn, the Company cannot assess 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 a pandemic the outbreak of the novel spread of the Coronavirus COVID-19 (the "COVID-19 Pandemic"), due to its rapid spread throughout the world, having affected as of such date more than 150 countries. In response to that, 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 classes in all levels in Metro Manila, prohibition of mass gatherings or events, imposition of community quarantine measures as 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. On March 26, 2020, the Governor of Cebu Province announced the implementation of ECQ measures for the entire island of Cebu, effective March 30.

Considering the implementation of ECQ in Luzon, the Company has temporarily suspended the delivery of all cement products to its customers in Luzon starting March 17, 2020. It has also announced on March 19, 2020 that it started the process that will lead to the temporary stoppage of the production at Solid's plant operations located in Antipolo City. On the other hand, beginning March 20, 2020 the operations at APO's plant continued but with skeletal workforce arrangement.

The various measures imposed to date by the Government and those that will be additionally implemented as a result of the COVID-19 Pandemic have and may further adversely affect the Company's workforce and operations and the operations of the Company's customers, distributors, suppliers and contractors, and may negatively impact the Company's financial condition, results of operations and cash flows. The Company faces significant uncertainties arising from the impacts of the COVID-19 Pandemic that may include restrictions on access to the Company's manufacturing facilities, on its operations or workforce, or similar limitations for the Company's customers, distributors, suppliers and contractors, which could limit customer demand and/ or the Company's capacity to meet customer demand, any of which could have a material adverse effect on the Company's financial condition and results of operations. The degree to which the COVID-19 Pandemic affects the Company's financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. As of the date of this report, the Company is not able to make reliable estimates of the impact of the COVID-19 Pandemic due to inadequacy of data and, therefore, the Company is not able to quantify them. The Company will evaluate on a quarterly basis during the year 2020, the impact of these events on its financial condition, results of operations and cash flows.

Even prior to the imposition of ECQ, the Company implemented, and has continued to implement, strict hygiene protocols in all its operations and modified its manufacturing, sales, and delivery processes to implement physical distancing, so as to protect the health and safety of its employees and their families, customers and suppliers; and drastically reduce the possibility of contagion of the COVID-19 Pandemic. The Company is undertaking and continues to explore temporary measures to address the adverse impact of the COVID-19 Pandemic on its workforce and operations with the objective of re-aligning the organization's resources with the evolving conditions in the different markets in which the Company operates. These immediate measures include (but are not limited to) the reduction of plant production and inventory levels, the suspension, deferment or reduction in capital expenditures and budgeted operating expenses (including sales and administration expenses) and the implementation of changes in work-deployment schedules. During the following months, the Company plans to focus its efforts on managing the impact of the COVID-19 Pandemic on its production, commercial, and financial activities. It will continue to carefully monitor this overall situation and expects to take additional steps, as could be required.

The consequences resulting from the COVID-19 Pandemic have started to considerably affect the Company. The Company considers that, as the effects and duration of such pandemic may extend, there could be significant adverse effects in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable; (ii) impairment of long-lived assets including goodwill; (iii) further disruption in supply chains; and (iv) liquidity effects to meet the Company's short-term obligations. As of the issuance date of these financial statements it is not possible to make reliable estimates of potential unforeseen adverse effects on the Company's business from the COVID-19 Pandemic that may arise due to the uncertainty associated to the duration and consequences of the COVID-19 in the different markets in which the Company operates. Nonetheless, as events evolve during the year 2020, The Company will continue to evaluate and recognize the possible adverse effects in its financial condition, results of operations and cash flow.

Due to the constraints arising from quarantine restrictions imposed by government and in order to mitigate short-term liquidity risks to the Company, the Company intends to suspend, reduce or delay certain planned (i) capital expenditures; (ii) budgeted operating expenses in line with the evolution of demand per market in which the Company operates, and (iii) production and, where required, inventory levels in all of the Company's markets, as part of working capital initiatives.

The significant adverse effects on the Company's business and operating performance in 2020 as a result of the COVID-19 Pandemic, could limit the Company's ability to meet its financial covenants under a facility agreement. Considering this, the Company has started talks with its lender in order to amend such facility agreement. The absence of an agreement to amend may have a material adverse impact on the Company.

SIGNATURES

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

CEMEX HOLDINGS PHILIPPINES, INC.

By:

IGNACIO ALEJANDRO MIJARES ELIZONDO
President & Chief Executive Officer
Date: May 27, 2020

STEVE KUANSHENG WU
Treasurer and Chief Financial Officer
Date: May 27, 2020

Item 1. Financial Statements.

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	Note	**March 31, 2020 (Unaudited)**	December 31, 2019 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	*6, 13*	**P6,334,330**	P1,399,180
Trade receivables - net	*13*	**1,112,654**	892,951
Due from related parties	*10, 13*	**29,241**	27,749
Insurance claims and premium receivables	*13*	**92,662**	445,535
Other current accounts receivable	*13*	**24,256**	65,244
Inventories		**2,995,714**	3,013,444
Prepayments and other current assets		**1,515,138**	1,672,392
Total Current Assets		**12,103,995**	7,516,495
Noncurrent Assets			
Investment in an associate and other investments		**14,097**	14,097
Advances to contractors		**1,458,603**	1,606,397
Other assets and noncurrent accounts receivable	*13*	**882,515**	837,151
Property, machinery, equipment and assets for the right-of-use – net	*7*	**20,947,637**	19,937,723
Deferred income tax assets - net		**1,061,446**	1,034,620
Goodwill		**27,859,694**	27,859,694
Total Noncurrent Assets		**52,223,992**	51,289,682
		P64,327,987	P58,806,177
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables		**P4,294,021**	P4,795,817
Due to related parties	*10*	**1,558,522**	2,733,214
Current portion of long-term bank loan	*12*	**140,123**	140,123
Lease liabilities - current portion	*8*	**531,287**	525,411
Contract liabilities		**414,793**	267,787
Unearned income, other accounts payable and accrued expenses		**1,436,211**	1,657,724
Income tax payable		**8,273**	16,736
Total Current Liabilities		**8,383,230**	10,136,812

Forward

	Note	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Noncurrent Liabilities			
Long-term bank loan - net of current portion	*12*	**P11,152,261**	P11,180,802
Long-term payable to a related party	*10*	**-**	5,368,838
Lease liabilities - net of current portion	*8*	**1,557,368**	1,637,840
Retirement benefit liability		**824,116**	794,201
Deferred income tax liabilities - net		**1,624**	1,587
Other noncurrent liabilities		**20,610**	20,610
Total Noncurrent Liabilities		**13,555,979**	19,003,878
Total Liabilities		**21,939,209**	29,140,690
Stockholders' Equity			
Controlling interest:			
Common stock	*9*	**13,489,226**	5,195,395
Additional paid-in capital	*9*	**26,297,513**	21,959,159
Other equity reserves		**251,836**	249,852
Retained earnings		**2,350,041**	2,260,911
Total controlling interest		**42,388,616**	29,665,317
Non-controlling interest		**162**	170
Total Equity		**42,388,778**	29,665,487
Total Liabilities and Equity		**P64,327,987**	P58,806,177

See Notes to the Condensed Consolidated Interim Financial Statements.

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED
INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Amounts in Thousands, Except Per Share Data)
(Unaudited)

		For The Three Months Ended March 31	
	Note	**2020**	2019
REVENUE	*4*	**P5,629,916**	P6,237,427
COST OF SALES		**(3,275,817)**	(3,924,246)
GROSS PROFIT		**2,354,099**	2,313,181
OPERATING EXPENSES			
Administrative and selling expenses		**(767,455)**	(735,596)
Distribution expenses		**(1,065,804)**	(952,950)
TOTAL OPERATING EXPENSES		**(1,833,259)**	(1,688,546)
OPERATING INCOME BEFORE OTHER INCOME - Net		**520,840**	624,635
OTHER INCOME - Net		**12,094**	6,392
OPERATING INCOME AFTER OTHER INCOME - Net		**532,934**	631,027
FINANCIAL AND OTHER FINANCIAL EXPENSES - Net		**(279,540)**	(355,236)
FOREIGN EXCHANGE LOSS - Net		**(66,411)**	(17,276)
EARNINGS BEFORE INCOME TAX		**186,983**	258,515
INCOME TAX EXPENSE		**(97,861)**	(89,876)
PROFIT		**89,122**	168,639
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Gain (loss) on remeasurement on retirement benefit liability		**(9,420)**	2,487
Tax effect		**2,826**	(746)
		(6,594)	1,741
Items that will be reclassified subsequently to profit or loss			
Currency translation gain (loss) of a foreign subsidiary		**8,578**	(515)
Cash flow hedges - effective portion of changes in fair value		**-**	8,934
		8,578	8,419
TOTAL OTHER COMPREHENSIVE INCOME		**1,984**	10,160
TOTAL COMPREHENSIVE INCOME		**91,106**	178,799
Non-controlling interest comprehensive loss		**8**	7
CONTROLLING INTEREST IN CONSOLIDATED COMPREHENSIVE INCOME		**P91,114**	P178,806
Basic / Diluted Earnings Per Share		**0.01:1**	0.03:1

See Notes to 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 Three Months Ended March 31, 2020

	Common Stock (see Note 9)	**Additional Paid-in Capital**	**Other Equity Reserves**	**Retained Earnings**	**Total Controlling Interest**	**Non-controlling Interest**	**Total Stockholders' Equity**
As at January 1, 2020	**P5,195,395**	**P21,959,159**	**P249,852**	**P2,260,911**	**P29,665,317**	**P170**	**P29,665,487**
Share issuance	**8,293,831**	**4,338,354**	-	-	**12,632,185**	-	**12,632,185**
Total comprehensive income for the period	-	-	**1,984**	**89,130**	**91,114**	**(8)**	**91,106**
As at March 31, 2020	**P13,489,226**	**P26,297,513**	**P251,836**	**P2,350,041**	**P42,388,616**	**P162**	**P42,388,778**

For The Three Months Ended March 31, 2019

	Common Stock (see Note 9)	Additional Paid-in Capital	Other Equity Reserves	Retained Earnings	Total Controlling Interest	Non-controlling Interest	Total Stockholders' Equity
As at January 1, 2019	P5,195,395	P21,959,159	P589,907	P1,127,626	P28,872,087	P193	P28,872,280
Adjustment on initial application of PFRS 16	-	-	-	(146,314)	(146,314)	-	(146,314)
As at January 1, 2019, as restated	5,195,395	21,959,159	589,907	981,312	28,725,773	193	28,725,966
Total comprehensive income for the period	-	-	10,160	168,646	178,806	(7)	178,799
As at March 31, 2019	P5,195,395	P21,959,159	P600,067	P1,149,958	P28,904,579	P186	P28,904,765

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Amounts in Thousands)
(Unaudited)

		For The Three Months Ended March 31	
	Note	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit		**P89,122**	P168,639
Adjustments for:			
Depreciation and amortization of property, machinery, equipment and assets for the right-of-use	*7*	**561,596**	471,299
Financial expenses and unrealized foreign exchange result		**247,396**	333,843
Income tax expense		**97,861**	89,876
Retirement benefit expense		**25,368**	25,930
Provisions (reversal of provisions) during the period		**(105)**	6,520
Operating profit before working capital changes		**1,021,238**	1,096,107
Changes in working capital:			
Decrease (increase) in:			
Trade receivables – net		**(219,598)**	(378,951)
Due from related parties		**4,687**	24,813
Insurance claims and receivables		**352,873**	311,517
Other current accounts receivables		**41,226**	(10,728)
Inventories		**17,981**	34,276
Derivative asset		**-**	4,790
Prepayments and other current assets		**93,904**	77,866
Increase (decrease) in:			
Trade payables		**(192,402)**	(890,890)
Due to related parties		**(61,747)**	850,240
Contract liabilities		**147,006**	(56,963)
Unearned income, other accounts payable and accrued expenses		**(216,758)**	290,652
Cash generated from operations		**988,410**	1,352,729
Interest received		**12,123**	5,252
Interest paid		**(340,508)**	(255,449)
Income taxes paid		**(66,936)**	(92,204)
Benefits paid to employees		**(4,873)**	(14,305)
Net cash provided by operating activities		**588,216**	996,023

Forward

	Note	**2020**	2019
		For The Three Months Ended March 31	
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, machinery and equipment	*7*	**(P1,572,406)**	(P269,719)
Decrease in other asset and noncurrent accounts receivable		**(45,364)**	(156,572)
Net cash used in investing activities		**(1,617,770)**	(426,291)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceed from stock rights offering, net of issuance costs		**12,632,185**	-
Proceeds on loan from related parties	*10*	**1,221,051**	2,157,017
Payment of loan from related parties	*10*	**(7,693,933)**	-
Payment of lease liabilities	*8*	**(145,834)**	(109,007)
Payment of bank loan	*12*	**(35,031)**	(535,031)
Net cash provided by (used in) financing activities		**5,978,438**	1,512,979
NET INCREASE IN CASH AND CASH EQUIVALENTS		**4,948,884**	2,082,711
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(13,734)**	(11,108)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,399,180**	1,813,665
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**P6,334,330**	P3,885,268

See Notes to the Condensed Consolidated Interim Financial Statements.

1. Reporting Entity

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 company incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo León, Mexico.

The term "Parent Company" used in these accompanying notes to the condensed consolidated interim 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 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 reseach and development activities.

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 of 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, resulting in an increase in capital stock of P2,337,927 and additional paid-in capital of P21,959,159, net of P835,639 transaction costs that is accounted for as a reduction in equity.

On April 2, 2019, the Board of Directors approved the increase in the Parent Company's authorized capital stock ("ACS") from P5,195,395 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 divided into 18,310,395,454 Common Shares with a par value of P1.00 per share. This increase was 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 company's authorized capital stock.

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 par value 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 to fund the expansion of Solid Cement's plant, including (i) to pay outstanding amounts owed by Solid Cement under a revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid Cement, as the borrower, and Cemex Asia B.V. ("CABV"), as the lender (the "Solid Expansion Facility Agreement"), which facility agreement has been used primarily but not exclusively to fund the Solid Cement plant expansion project, including (ii) to pay outstanding amounts owed by APO Cement under a master loan agreement dated October 1, 2014, as amended and restated from time to time, between APO Cement, as borrower, and CABV, as lender (the successor to CEMEX Hungary KFT) (the "APO Operational Facility Agreement"), and for other general corporate purposes.

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

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

After the Stock Rights Offering and the approval by the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company's issued and outstanding shares totaled 13,489,226,623 common shares.

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

2. Basis of Preparation

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, 2019.

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on a historical 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 equity investments at FVTPL and FVOCI that are measured at fair value.

Functional and Presentation Currency

These condensed consolidated interim financial statements are presented in Philippine peso, which is the Company's functional currency. All amounts have been rounded-off to the nearest thousands, except per share data, number of shares and when otherwise indicated.

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. Actual results may differ from these estimates.

The significant judgments and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual consolidated financial statements, except for the judgment applied related to PFRS 16, *Leases*.

Judgment on the Lease Term to be Considered in Computing for Lease Liabilities
The Company has applied judgment to determine the lease term of some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reaonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use recognized.

Estimating Allowance for Impairment losses on Receivables
During the three months ended March 31, 2020, management reassessed its estimates in respect of the allowance for impairment losses on receivables. As at March 31, 2020 and December 31, 2019, allowance for impairment losses on receivables amounted to P20.4 million and P23.8 million, respectively (see Note 13).

3. Significant Accounting Policies

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual consolidated financial statements, except for the following relevant new and amendments to standards, which were adopted on January 1, 2020.

<u>Changes in Accounting Policies</u>
The following new and amendments to standards and interpretation are effective for the three-month period ended March 31, 2020, and have been applied in preparing these condensed consolidated interim financial statements. The changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements as at and for the year ending December 31, 2020. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Company's condensed consolidated interim financial statements:

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

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

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

- *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.

▪ *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.

<u>Standards Issued But Not Yet Adopted</u>
The amendment to standards discussed below is effective for annual periods beginning after January 1, 2020, and have not been applied in preparing these condensed consolidated interim financial statements.

▪ PFRS 17, *Insurance Contracts*. The 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, 2023. 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, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

4. Revenue

Disaggregation of Revenue from Contracts with Customers

Revenue for the three-month period ended March 31, 2020 and 2019 are detailed by major product lines and timing of revenue recognition as follows:

	Timing of revenue recognition		**2020**	2019
Sale of goods				
Cement	At a point in time	P	**5,628,282**	6,236,791
Admixtures	At a point in time		**1,634**	636
		P	**5,629,916**	6,237,427

Breakdown of cement sales per customer for the three-month period ended March 31, 2020 and 2019 is as follows:

		2020	2019
Retailers	P	**4,395,187**	5,051,681
Institutional		**1,215,474**	1,154,860
Others		**17,621**	30,250
Total	P	**5,628,282**	6,236,791

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 receivables and contract liabilities from contracts with customers:

		March 31, 2020	December 31, 2019
Trade receivables	P	**1,112,654**	892,951
Contract liabilities			
Advances from customers		**378,406**	223,035
Customer loyalty program		**36,387**	44,752

The contract liabilities include 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. The amount recognized in contract liabilities as at March 31, 2020 and December 31, 2019 are expected to be recognized as revenue within 12 months. There are 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.

5. Basic/Diluted Loss Per Share

Basic and diluted loss per share is computed as follows:

	For the Three Months Ended March 31 2020 (Unaudited)	For the Three Months Ended March 31 2019 (Unaudited)
Profit	**P89,122**	P168,639
Add: non-controlling interest net loss	**8**	7
Controlling interest in net income (a)	**P89,130**	P168,646
Weighted average number of shares outstanding - Basic/Diluted (b)	**8,294,189,517**	5,195,395,454
Basic/Diluted EPS (a/b)	**P0.01**	P0.03

As at March 31, 2020 and 2019, the Company has no dilutive equity instruments.

6. Cash and Cash Equivalents

Cash and cash equivalents as at March 31, 2020 and December 31, 2019, consisted of:

	2020 (Unaudited)	2019
Cash on hand and cash in banks	**P1,908,131**	P1,184,026
Short-term investments	**4,426,199**	215,154
	P6,334,330	P1,399,180

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 of 0.78% to 1.63% for the three months ended March 31, 2020 and interests ranging from 2.39% to 2.42% for the three months ended March 31, 2019. For the three months ended March 31, 2020 and 2019, interest income on cash and cash equivalents amounted to P12,123 and P5,252, respectively.

As at March 31, 2020 and December 31, 2019, short-term investments include deposits of the Company with related parties which are considered highly liquid investments readily convertible to cash, as follows:

	2020 (Unaudited)	2019
Lomez International B.V.[1]	**P3,615,889**	P65,154
Local banks	**810,310**	150,000
	P4,426,199	P215,154

[1]The short term investments with Lomez bears interest at a rate equivalent to the higher of Western Asset Institutional Liquid Reserves Fund (WAILRF) rate minus 10 basis points and zero interest for Solid, APO and Edgewater Ventures Corporation and WAILRF rate plus 30 basis points for CAR and Falcon.

The Company's exposure 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.

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

As at March 31, 2020 and December 31, 2019, the consolidated balance of this item is broken down as follows:

		2020 (Unaudited)	2019
Property, Machinery and Equipment	**P**	**19,080,801**	17,975,945
Assets for the right-of-use		**1,866,836**	1,961,778
	P	**20,947,637**	19,937,723

Property, Machinery and Equipment

The movements in the Company's Property, Machinery and Equipment are as follows:

	Buildings	Machinery and equipment	Construction In-progress	Total
Gross Carrying Amount				
January 1, 2019	P4,177,729	P13,053,684	P2,031,337	P19,262,750
Additions	72,659	396,381	3,389,837	3,858,877
Disposals	(2,191)	(110,865)	-	(113,056)
Transfers	155,457	455,295	(610,752)	-
December 31, 2019	4,403,654	13,794,495	4,810,422	23,008,571
Additions	-	13,697	1,487,333	1,501,030
Transfers	37,605	12,351	(49,956)	-
Disposal	-	(1,730)	-	(1,730)
March 31, 2020 (Unaudited)	**4,441,259**	**13,818,813**	**6,247,799**	**24,507,871**
Accumulated depreciation				
January 1, 2019	(629,246)	(3,016,139)	-	(3,645,385)
Depreciation for the year	(296,270)	(1,173,901)	-	(1,470,171)
Disposal	1,772	81,158	-	82,930
December 31, 2019	(923,744)	(4,108,882)	-	(5,032,626)
Depreciation for the period	(86,414)	(309,760)	-	(396,174)
Disposal	-	1,730	-	1,730
March 31, 2019 (Unaudited)	**(1,010,158)**	**(4,416,912)**	-	**(5,427,070)**
Carrying Amounts				
December 31, 2019	P3,479,910	P9,685,613	P4,810,422	P17,975,945
March 31, 2020 (Unaudited)	**P3,431,101**	**P9,401,901**	**P6,247,799**	**P19,080,801**

In relation to Solid's expansion plan, the Company capitalized borrowing cost amounting to P100,519 for the three months ended March 31, 2020. The average capitalization rate used to determine the amount of borrowing cost eligible for capitalization during the three months ended March 31, 2020 is 9.1%.

Assets for the Right-of-Use

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

	Land and Buildings	Machinery and equipment	Total
Gross Carrying Amount			
January 1, 2019	P1,815,620	P1,370,844	P3,186,464
Additions	57,839	304,604	362,443
Remeasurement from lease termination	(7,416)	(119,069)	(126,485)
December 31, 2019	1,866,043	1,556,379	3,422,422
Additions	70,731	-	70,731
March 31, 2020 (Unaudited)	**1,936,774**	**1,556,379**	**3,493,153**
Accumulated amortization			
January 1, 2019	(350,799)	(685,007)	(1,035,806)
Amortization for the year	(130,816)	(365,186)	(496,002)
Remeasurement from lease termination	-	71,164	71,164
December 31, 2019	(481,615)	(979,029)	(1,460,644)
Amortization for the period	(40,274)	(125,399)	(165,673)
March 31, 2020 (Unaudited)	**(521,889)**	**(1,104,428)**	**(1,626,317)**
Carrying Amounts			
December 31, 2019	P1,384,428	P577,350	P1,961,778
March 31, 2020 (Unaudited)	**P1,414,885**	**P451,951**	**P1,866,836**

Assets for the right-of-use of land are amortized for a duration of 50 years. Assets for the right-of-use of buildings are amortized for a duration of 1.5 years to 15 years. Assets for the right-of-use of machinery and equipment are amortized for a duration of 2 years to 10 years.

8. Lease liabilities

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

	March 31, 2020	December 31, 2019
Balance at beginning of the period	**P2,163,251**	P2,359,596
Additions	**70,731**	362,443
Accretion of interest	**32,175**	138,321
Effect of changes in exchange rates	**507**	(23,389)
Payments	**(178,009)**	(611,367)
Remeasurement from termination of lease	-	(62,353)
Ending balance	**P2,088,655**	P2,163,251

9. Equity

Common Stock

This account consists of:

	March 31, 2020 (Unaudited)		December 31, 2019	
	Shares	Amount	Shares	Amount
Authorized - P1.00 par value per share	**5,195,395,454**	**P5,195,395**	5,195,395,454	P5,195,395
Stock rights offering	**8,293,831,169**	**P8,293,831**	-	-
Issued, fully paid and outstanding balance at beginning/end of period	**13,489,226,623**	**P13,489,226**	5,195,395,454	P5,195,395

On September 17, 2015, CASEC subscribed to 376,000 shares of stock of the Parent Company at P100 par value. 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 Board of Directors approved the amendment of and increase in the authorized capital stock of the Parent Company from P150,400, divided into 1,504,000 common shares with par value of P100 per share, to P5,195,395, divided into 5,195,395,454 common shares with par value of P1 per share.

On May 20, 2016, the SEC approved the Parent Company's application for the amendment of and increase in its authorized capital stock. Accordingly, the original subscription of CASEC changed from 376,000 common shares with par value of P100 per share to 37,600,000 common shares with par value of P1 per share. Furthermore, in connection with the increase in authorized capital stock, CASEC subscribed to an additional 2,819,867,500 shares at P1 par value per share or a total par value of P2,819,868 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).

On April 2, 2019, the Board of Directors approved the increase in the Parent Company's authorized capital stock ("ACS") from P5,195,395 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 divided into 18,310,395,454 Common Shares with a par value of P1.00 per share. This increase was 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.

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 par value 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 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.

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

After the Stock Rights Offering and the approval by the SEC of the Parent Company's application for increase in authorized capital stock, the Parent Company's issued and outstanding shares totaled 13,489,226,623 common shares.

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 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 "Total Equity" as shown in the condensed consolidated interim statements of financial position.

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

	March 31 2020 (Unaudited)	December 31 2019
Total liabilities	**P21,939,209**	P29,140,690
Less cash and cash equivalents	**6,334,330**	1,399,180
Net debt	**P15,604,879**	P27,741,510
Total equity	**P42,388,778**	P29,665,487
Net debt to equity ratio	**0.37:1**	0.94:1

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).

Related party transactions are shown under the appropriate accounts in the condensed consolidated interim financial statements as at and for the three-month period ended March 31, 2020 and for the year ended December 31, 2019 are as follows:

		2020 (Unaudited)	2019
Short-term investments			
***Other related party*[19]**			
Lomez (Note 6)	P	**3,615,889**	65,154
Receivables – current			
Ultimate Parent			
CEMEX[1]	P	-	803
Other Related Parties			
Torino Re.[14]		**20,926**	-
APO Land & Quarry Corporation (ALQC)[2]		**3,161**	13,048
Island Quarry and Aggregates Corporation (IQAC)[3]		**2,537**	10,210
CEMEX Operaciones México, S.A. de C.V.[5]		**1,363**	1,363
CASEC [6]		**1,253**	626
CEMEX Asia Pte., Ltd. - Philippine Headquarters (CAPL-PHQ)[6]		**1**	-
Beijing CXP Import & Export Co.[4]		-	1,699
	P	**29,241**	27,749
Payables – current			
Ultimate Parent			
CEMEX [1]	P	**16,658**	35,474
***Other related parties* [19]**			
Transenergy, Inc.[9]		**727,073**	621,352
CEMEX Operaciones México, S.A. de C.V.[5]		**536,175**	463,948
CRG[7]		**196,824**	397,808
IQAC[11]		**60,071**	43,049
ALQC[17]		**17,592**	-
Beijing CXP Import & Export Co.[13]		**4,124**	4,370
CAPL-PHQ[16]		**5**	50
CEMEX Asia B.V. (CABV)[8]		-	1,079,560
Sunbulk Shipping, N.V.[10]		-	47,903
CEMEX International Trading LLC[12]		-	35,229
Torino Re.[14]		-	3,783
CEMEX Internacional, S.A. de C.V.[15]		-	688
		1,558,522	2,733,214
Payable - non current			
***Other related party* [19]**			
CEMEX Asia, B.V.[8]		-	5,368,838
	P	**1,558,522**	8,102,052

		2020 (Unaudited)	2019
Lease liabilities on land[18]			
ALQC	P	**785,902**	785,865
IQAC...		**388,686**	390,946
	P	**1,174,588**	1,176,811

[1]Effective December 1, 2019, CEMEX Mexico, S.A. de C.V has merged with CEMEX. The receivable balance refers to the hedge settlement received by CEMEX on behalf of the Company which payable on demand and unimpaired; while the balance payable pertains to a) purchase of equipment amounting to P9,448 and P9,414 as at March 31, 2020 and December 31, 2019, respectively, which is unsecured, noninterest-bearing and payable on demand and b) P7,210 and P26,060 as at March 31, 2020 and December 31, 2019 for the use of CEMEX "marks" which is payable in 30 days after receipt of invoice and is unsecured and noninterest-bearing. On January 1, 2016, CAR entered into an agreement with CEMEX for the right to use of its "marks" and to further license the "marks" with other CEMEX group companies operating in the Asia territories.

[2]The balance, which is unimpaired, unsecured, noninterest-bearing and due on demand includes a) receivables from service agreement amounting to P3,136 and P359 as at March 31, 2020 and December 31, 2019, respectively; and b) others amounting to P25 and P31 as at March 31, 2020 and December 31, 2019, respectively; and c) receivable from US dollar conversion amounting to nil and P12,658 as at March 31, 2020 and December 31, 2019, respectively. The service agreement was entered by Solid and APO with ALQC wherein Solid and APO provides back-office and other support services to the latter. Fees are calculated at cost incurred plus fixed mark-up.

[3]The balance, which is unimpaired, unsecured, noninterest-bearing and due on demand includes a) reimbursable expenses amounting to P44 as at December 31, 2019 ; b) receivable from US dollar conversion amounting to P10,166 as at December 31, 2019; respectively; and c) receivables from service agreement amounting amounting to P2,537 as at March 31, 2020. Solid has entered into a service agreement with IQAC wherein the former provides back office and other support services to the latter. Fees are calculated at cost incurred plus fixed mark-up.

[4]The unimpaired receivable balance pertains to advances which are unsecured, noninterest-bearing and due on demand.

[5]The receivable balance, amounting to P1,363 as at March 31, 2020 and December 31, 2019, which is unimpaired, unsecured, noninterest-bearing and due on demand, pertains to reimbursement of fringe benefit tax on share-based compensation; while the balance payable, which is unsecured, noninterest-bearing and payable on demand, pertains to business support services received by the Company. In 2009, Solid and APO entered into separate service agreements with CAPL-PHQ, 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. As at March 31, 2020 and December 31, 2019, payable balance amounted to P536,175 and P463,948 , respectively.

[6]The balance pertains to reimbursable expenses, which is unsecured, noninterest-bearing and due on demand.

[7]The receivable balance pertain to overpayment of royalties/license fees of the Company to CRG, which is unimpaired, unsecured, noninterest-bearing and due on demand. The liability balance pertain to unpaid royalties/license fees which is unsecured, noninterest- bearing and payable on demand.

[8]The balance includes a) interest on the loan of APO (short-term loan) and the loan of Solid (long-term loan) amounting to a total of nil and P5,925 as at March 31, 2020 and December 31, 2019, respectively; b) principal on said short-term loan amounting to P1,073,635,which bears 8.4% interest per annum, before tax, as at December 31, 2019. The long-term loan, which bears 8.2% interest per annum, pertains to the revolving facility agreement dated November 21, 2018 between Solid and CABV, allowing Solid to withdraw in one or several installments a sum of up to U.S.$75,000, which was amended on February 2019, increasing the facility to U.S.$100,000. On, November 28, 2019, further amendments were made to increase the facility to U.S.$160,000. As at March 31, 2020 and December 31, 2019, loan principal amounted to nil and P5.4 billion, respectively. The interest rate of the long-term loan is being revalued semi-annually depending on the Company's consolidated leverage ratio. The foregoing loans are unsecured. The loan of Solid with CABV is due to be paid in 2024.The loan of APO with CABV is paid in 2020, as amended on October 1, 2019.

[9]The balance pertains to purchase of coal with a term of 30 days, noninterest-bearing and unsecured.

[10]The payable balance, which is unimpaired, unsecured, noninterest-bearing and has 30-days term pertains to international freight services.

[11]The balance includes a) unsecured payable arising from purchase of raw materials with a 30-day term and noninterest-bearing amounting to P60,071 and P26,471 as at March 31, 2020 and December 31, 2019, respectively; and b) collections from housing loan owned by IQAC amounting to nil and P16,578 in March 31, 2020 and December 31, 2019, respectively, which are unsecured, noninterest-bearing and payable on demand. Solid purchases the majority of its limestone, pozzolan and clay requirements from IQAC pursuant to a long-term supply agreement.

[12]The balance pertains to purchase of raw materials with a 30-day term which is unsecured and noninterest-bearing.

[13]The balance payable pertains to the outstanding liability for the purchases of materials and spare parts, which is unsecured, noninterest-bearing and payable on demand.

[14]The balance, which is unsecured, noninterest-bearing and due on demand pertains to insurance premiums.

[15]The balance pertains to purchase of other production supplies including additives, fuel and others with a 30-day term which is unsecured and noninterest-bearing.

[16]The balance includes a) overpayment on transferred pension liabilities amounting to P50 as at December 31, 2019, which is unsecured, noninterest-bearing and payable on demand; and b) reimbursable expenses amounting to P5 as at March 31, 2020, which is unsecured and noninterest bearing.

[17]The balance includes a) purchase of raw materials which is payable upon demand amounting to P17,150 as at March 31, 2020; b) reimbursable expenses amounting to P442 as at March 31, 2020. These transactions are unsecured and are noninterest-bearing. APO purchases the majority of its limestone, pozzolan and clay requirements from ALQC pursuant to a long-term supply agreement.

[18]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 IQAC or ALQC, under long-term lease agreements.

[19]Other related parties pertain to entities under common control of CEMEX, except for IQAC and ALQC

The reconciliation of opening and closing balances of long-term related party payables follows:

		2020	2019
Balance at beginning of period	P	**6,448,398**	3,594,997
Proceeds from drawdowns (net of issuance cost)		**1,221,051**	2,611,429
Interest expense (including amortization of debt issue cost)		**149,110**	574,947
Payments of interest		**(155,035)**	(170,433)
Payments of loan		**(7,693,933)**	-
Effect of exchange rate changes		-	(162,542)
Others		**30,409**	-
Balance at end of period	P	-	6,448,398

The main transactions entered by the Company with related parties for the three months ended March 31, 2020 and 2019 are shown below:

		2020	2019
Purchases of raw materials			
Transenergy, Inc.	P	**725,729**	456,485
Island Quarry and Aggregates Corporation.		**88,827**	60,230
APO Land & Quarry Corporation		**26,532**	285,107
Beijing CXP Import & Export Co.		**12,805**	10,916
	P	**853,893**	812,738
Royalties and trademarks			
CRG.	P	**196,785**	233,265
CEMEX		**7,210**	7,413
	P	**203,995**	240,678
Corporate services and administrative services			
Cemex Operaciones Mexico, S.A. de C.V	P	**77,500**	-
Cemex Central, S.A. de C.V.		-	71,194
	P	**77,500**	71,194
Freight services			
Sunbulk Shipping, N.V.	P	-	67,476
Insurance			
Torino Re Ltd	P	**21,862**	97,338
Corporate services and administrative income			
APO Land & Quarry Corporation...		**3,570**	1,711
Island Quarry and Aggregates Corporation		**2,239**	325
	P	**5,809**	2,036
Loan drawdown			
CEMEX Asia, B.V.	**P**	**1,221,051**	2,157,017
Interest expense			
CEMEX Asia, B.V.	**P**	**149,110**	114,481
Interest income			
Lomez International B.V.	**P**	**3,077**	391

11. Segment Information

The Company applies PFRS 8 for the disclosure of its operating segments, which are defined as the components of an entity that engage in business activities from which they may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's top management to make decisions about resources to be allocated to the segments and assess their performance; and for which discrete financial information is available. The Company's results and performance is evaluated for decision-making purposes and allocation of resources is made on a per country basis. Hence, the Company represents a single geographical operating segment. The Company's main activity is oriented to the construction industry through the production, distribution, marketing and sale of cement, ready-mix concrete and other construction materials. For the three-months period ended March 31, 2020 and 2019 the cement sector represented approximately 89.34% and 89.68% of total net revenues before eliminations resulting from consolidation, and 131.73% and 134.42%, respectively, of Operating EBITDA.

The main indicator used by the Company's management to evaluate performance is "Operating EBITDA", representing operating income 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.

12. Long-term Bank Loan

On February 1, 2017, the Parent Company signed a Senior Unsecured Peso Term Loan Facility Agreement (Facility Agreement) with BDO for an amount of up to the Philippine Peso equivalent of U.S. dollar 280 million 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 P140,123 as at March 31, 2020 and December 31, 2019.

The debt issuance cost of this bank loan, corresponding to P99,528 and P106,019 on unamortized basis, was deducted from the total loan liability as at March 31, 2020 and December 31, 2019, respectively. Interest expense incurred as at March 31, 2020 and 2019, excluding amortized direct cost, amounted to P147.5 million and P216.0 million, respectively, which is recognized under "Financial and other financial expenses - net" account in the condensed consolidated interim statements of profit or loss and other comprehensive income.

The reconciliation of opening and closing balances of bank loan follows:

		Bank Loan	Accrued Interest	Total
Balance as at January 1, 2019	P	13,628,851	132,907	13,761,758
Interest expense		25,964	774,869	800,833
Payment of:				
Principal		(2,340,123)	-	(2,340,123)
Interest		-	(812,776)	(812,776)
Others		6,233	-	6,233
Balance as at December 31, 2019		11,320,925	95,000	11,415,925
Interest expense		**6,490**	**147,519**	**154,009**
Payment of:				
Principal		**(35,031)**	-	**(35,031)**
Interest		-	**(152,526)**	**(152,526)**
Balance as at March 31, 2020	P	**11,292,384**	**89,993**	**11,382,377**

Accrued interest from this bank loan amounting to P89,933 and P95,000 as at March 31, 2020 and December 31, 2019 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.

Debt service reserve account related to the Company's bank loan amounted to P375,780 and P375,470 as at March 31, 2020 and December 31, 2019, respectively, and is recognized in "Other assets and noncurrent accounts receivable" in the unaudited condensed consolidated interim statements of financial position.

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 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.

As at March 31, 2020, the Parent Company is in compliance with the applicable restrictions and covenants of the Facility Agreement.

13. Financial Instruments and Financial Risk Management

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

Risk management framework
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 a counterparty of a financial instrument does not meet its contractual obligations and originates mainly from trade receivables. As at March 31, 2020 and December 31, 2019 the maximum exposure to credit risk is represented by the balance of financial assets. 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 guarantees from its customers and financial counterparties with regard to financial assets, which can be called upon if the counterparty is in default under the terms of the agreement. Cash bonds received from credit customers as at March 31, 2020 and December 31, 2019 amounted to P32,624.

The Company's management has established a policy of low risk which analyzes the creditworthiness of each new client individually before offering the general conditions of payment terms and delivery, 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. The maximum exposure to credit risk as at March 31, 2020 and December 31, 2019 is as follows:

		Gross Carrying Amount		Net Carrying Amount	
		March 31, 2020	December 31, 2019	**March 31, 2020**	December 31, 2019
Financial assets at amortized cost					
Cash and cash equivalents (excluding cash on hand)	P	**6,334,330**	1,399,180	**6,334,330**	1,399,180
Trade receivables		**1,133,071**	916,708	**1,112,654**	892,951
Due from related parties		**29,241**	27,749	**29,241**	27,749
Insurance claims and premiums receivable		**92,662**	445,535	**92,662**	445,535
Other current accounts receivable		**24,256**	65,244	**24,256**	65,244
Long-term time and rental guaranty deposits (under other assets and noncurrent accounts receivable)		**604,769**	597,995	**604,769**	597,995
	P	**8,218,329**	3,452,411	**8,197,912**	3,428,654

Except for trade receivables, the amounts above represent the gross carrying amount of these financial assets.

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

As at March 31, 2020		**Current**	**1 to 30 days**	**31 to 60 days**	**More than 60 days**	**Total**
Average expected credit loss rates		**0.1%**	**0.1%**	**0.2%**	**14.0%**	**1.8%**
Trade receivables - gross carrying amount	**P**	**394,901**	**405,878**	**193,721**	**138,571**	**1,133,071**
Allowance for impairment losses		**354**	**349**	**357**	**19,357**	**20,417**

As at December 31, 2019		**Current**	**1 to 30 days**	**31 to 60 days**	**More than 60 days**	**Total**
Average expected credit loss rates		0.2%	3.8%	68.2%	57.7%	2.6%
Trade receivables - gross carrying amount	P	831,695	50,910	4,538	29,565	916,708
Allowance for impairment losses		1,670	1,934	3,097	17,056	23,757

Other Financial Assets (excluding Equity Instruments)

Impairment on cash and cash equivalents and restricted cash (recognized under "Other assets and noncurrent accounts receivable" account in the consolidated statements of financial position) has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that these financial assets, as well as derivative assets, have low credit risk as these are held with reputable banks and financial institutions. All other debt investments and other receivables (i.e., due from related parties, insurance claims and premium 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 March 31, 2020 and December 31, 2019, 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 in Trade receivables
Changes in the allowance for impairment losses for the three month period ended March 31, 2020 and for the year ended December 31, 2019 are as follows:

		2020	2019
Balance at beginning of period	P	**23,757**	24,148
Provision for (reversal of) doubtful accounts		**(105)**	334
Write-off of trade receivables		**(3,235)**	(725)
Allowance for impairment losses at end of period	P	**20,417**	23,757

<u>Foreign currency risk</u>
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 mainly 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 revenues and costs are generated and settled mainly in Philippine peso. For the three months ended March 31, 2020 and as at December 31, 2019 approximately less than 5% of the Company's net sales, before eliminations, were generated in dollars.

The Company had an exposure arising from the foreign currency denominated financial obligations as compared to the currency in which the majority of the Company's revenues are generated. The Company's only revenues denominated in dollars to cover such dollar-denominated obligations are those generated by exports. As at March 31, 2020 and December 31, 2019 the Company does not have any derivative financing hedge for foreign currency denominated financial obligation to address this foreign currency risk.

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

As at March 31, 2020 and December 31, 2019, a summary of the quantitative information of the exposure of the Company due to foreign currencies is provided to the administration on the basis of its risk management policy as follows:

	As at March 31, 2020	
Amounts in thousands of dollars	***(in USD)***	***(in EUR)***
Cash and cash equivalents	**$23,977**	**€-**
Receivable from related parties*	**27**	**-**
Trade payables	**(16,084)**	**(2,329)**
Payable to related parties*	**(25,195)**	**-**
Lease liabilities	**(11,383)**	**-**
Net assets denominated in foreign currency	**($28,658)**	**(€2,329)**

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

	As at December 31, 2019	
Amounts in thousands of dollars	*(in USD)*	*(in EUR)*
Cash and cash equivalents	$5,474	€ -
Due from related parties*	76	-
Due to related parties*	(130,090)	-
Trade payables	(29,558)	(1,510)
Lease liabilities	(14,051)	-
Net liabilities denominated in foreign currency	($168,149)	(€1,510)

**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:

		March 31, 2020	December 31, 2019
Amount owed by	Amount owed to	(in USD)	
Parent Company	CAR	**($57,395)**	($88,490)
Parent Company	Falcon	**-**	(31,225)
APO	CAR	**(5,139)**	(4,653)
Solid	CAR	**(4,303)**	(4,535)
		($66,837)	($128,903)

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

	March 31, 2020		December 31, 2019	
Currency	**Closing**	**Average**	Closing	Average
U.S. dollar	**50.68**	**50.82**	P50.64	P51.57
Euro	**55.88**	**56.00**	56.78	57.68

Sensitivity Analysis

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 earnings before income tax and equity for the three-month period ended March 31, 2020 and for the year ended December 31, 2019:

USD	Strengthening (Weakening) of Philippine Peso	Effect on Profit before Income Tax	Effect on Equity
2020	**+0.09%**	**P1,307**	**P915**
	-0.09%	**(1,307)**	**(915)**
2019	+3.7%	315,057	220,540
	-3.7%	(315,057)	(220,540)

EUR	Strengthening (Weakening) of Philippine Peso	Effect on Profit before Income Tax	Effect on Equity
2020	**+1.6%**	**P2,082**	**P1,458**
	-1.6%	**(2,082)**	**(1,458)**
2019	+5.8%	P4,973	P3,481
	-5.8%	(4,973)	(3,481)

Sensitivity Analysis pertaining to Eliminated Intragroup Balances

USD	Strengthening (Weakening) of Philippine Peso	Effect on Profit before Income Tax	Effect on Equity
2020	**+0.09%**	**P3,049**	**P2,134**
	-0.09%	**(3,049)**	**(2,134)**
2019	+3.7%	241,523	169,067
	-3.7%	(241,523)	(169,067)

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As at March 31, 2020 and December 31, 2019, the Company is exposed to interest rate risk primarily on the floating interest rate tranche corresponding to P5,943,034 and P5,964,021, respectively, of the long-term bank loan with BDO and short-term investments in Lomez International B.V. short-term investments in Lomez amounting to P3,615,889 and P65,154 as at March 31, 2020 and December 31, 2019, respectively. The short term investments with Lomez bears interest at a rate equivalent to the higher of Western Asset Institutional Liquid Reserves Fund (WAILRF) rate minus 10 basis points and zero interest for Solid, APO and Edgewater Ventures Corporation and WAILRF rate plus 30 basis points for CAR and Falcon.

Sensitivity Analysis

As at March 31, 2020 and December 31, 2019, a hypothetical 1% increase in interest rate, with all other variables held constant, the Company's profit for the three months ended March 31, 2020 and 2019 would have decreased by approximately P16,290 and P41,292 net of tax, 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. In 2019, the Company has purchased option contract transactions, to hedge the price of diesel fuel. By means of these contracts, the Company fixed the price of diesel over certain volume representing a portion of the estimated consumption of diesel fuel in the operations. These contracts have 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.

For the three months ended March 31, 2020 and 2019, changes in fair value of these contracts recognized in OCI amounted to nil and P8,934, respectively.

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 income 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 and used in operating activities, as presented in its unaudited condensed consolidated interim statement of cash flows, was P588,216 and P996,023 for the three months period ended March 31, 2020 and 2019, respectively. The Company's trade payables, due to related parties, taxes payable and other accounts payable and accrued expenses are expected to be settled within one year. Trade payables are noninterest-bearing and are normally settled on a 30-days term. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

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

	As at March 31, 2020				
	Carrying Amount	**Contractual Cash Flow**	**12 Months or Less**	**1 - 5 Years**	**More than 5 Years**
			(In Thousands of Peso)		
Trade payables	**P4,294,021**	**P4,294,021**	**P4,294,021**	**P -**	**P -**
Other accounts payable and accrued expenses*	**924,614**	**924,614**	**924,614**	**-**	**-**
Due to related parties	**1,558,522**	**1,558,522**	**1,558,522**	**-**	**-**
Long-term bank loan	**11,292,384**	**13,139,967**	**734,789**	**12,405,178**	**-**
Lease liabilities	**2,088,655**	**4,900,430**	**610,345**	**688,989**	**3,601,096**
Total	**P20,158,196**	**P24,817,554**	**P8,122,291**	**P13,094,167**	**P3,601,096**

**Excluding government-related payables, and other non-financial liabilities amounting to P511.6 million.*

	As at December 31, 2019				
	Carrying Amount	Contractual Cash Flow	12 Months or Less	1 - 5 Years	More than 5 Years
			(In Thousands of Peso)		
Trade payables	P4,795,817	P4,795,817	P4,795,817	P -	P -
Other accounts payable and accrued expenses*	942,855	942,855	942,855	-	-
Due to related parties	8,102,052	10,714,797	3,289,975	7,424,822	-
Long-term bank loan	11,320,925	13,305,483	736,880	12,568,603	-
Lease liabilities	2,163,251	5,094,230	646,741	787,474	3,660,015
Total	P27,324,900	P34,853,182	P10,412,268	P20,780,899	P3,660,015

**Excluding government-related payables, and other non-financial liabilities amounting to P714.9 million.*

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, and cyber risks and professional liabilities of the Parent Company's operating subsidiaries. As a result of these arrangements, the Company will effectively self-insure 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.

14. Fair Values of Financial Assets and Financial Liabilities

The fair values of cash and cash equivalents, trade receivables, amounts due from and due to related parties, other current accounts receivable, other accounts payable and accrued expenses reasonably approximate their carrying amounts considering the short-term maturities of these financial instruments.

As at March 31, 2020 and December 31, 2019, the carrying amounts of financial assets and liabilities and their respective fair values are as follows:

		March 31, 2020				December 31, 2019		
		Carrying amount	**Fair value**	**Fair value hierarchy level**		Carrying amount	Fair value	Fair value hierarchy level
Financial assets								
Long-term time and guaranty deposits	P	**604,769**	**604,769**	**Level 2**	P	597,995	597,995	Level 2
Financial liabilities								
Bank loan	P	**11,292,384**	**13,008,383**	**Level 2**	P	11,320,925	12,888,099	Level 2
Payable to a related party		**-**	**-**	**Level 2**		6,448,398	7,952,786	Level 2
	P	**11,292,384**	**13,008,383**		P	17,769,323	20,840,885	

The estimated fair value of the Company's long-term time and guaranty deposits, long-term payable to a related party and bank loan 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 on the market as at the reporting date.

15. Contingencies

As at March 31, 2020, 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.

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"). ALQC 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. CASEC, 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 2019, the Company received the outstanding amount of its insurance claims amounting to P447,053 which includes the additional claims made in 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.

As at March 31, 2020, 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 still 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.
As at March 31, 2020, because of the current status of the lawsuit and considering all possible defenses available, the Company cannot assess with certainty the likelihood of an adverse result in this lawsuit, and turn, the Company cannot assess 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.

17. Events in Relation to the Impact of Covid-19

On March 11, 2020, the World Health Organization declared a pandemic the outbreak of the novel spread of the Coronavirus COVID-19 (the "COVID-19 Pandemic"), due to its rapid spread throughout the world, having affected as of such date more than 150 countries. In response to that, 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 classes in all levels in Metro Manila, prohibition of mass gatherings or events, imposition of community quarantine measures as 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. On March 26, 2020, the Governor of Cebu Province announced the implementation of ECQ measures for the entire island of Cebu, effective March 30.

Considering the implementation of ECQ in Luzon, the Company has temporarily suspended the delivery of all cement products to its customers in Luzon starting March 17, 2020. It has also announced on March 19, 2020 that it started the process that will lead to the temporary stoppage of the production at Solid's plant operations located in Antipolo City. On the other hand, beginning March 20, 2020 the operations at APO's plant continued but with skeletal workforce arrangement.

The various measures imposed to date by the Government and those that will be additionally implemented as a result of the COVID-19 Pandemic have and may further adversely affect the Company's workforce and operations and the operations of the Company's customers, distributors, suppliers and contractors, and may negatively impact the Company's financial condition, results of operations and cash flows. The Company faces significant uncertainties arising from the impacts of the COVID-19 Pandemic that may include restrictions on access to the Company's manufacturing facilities, on its operations or workforce, or similar limitations for the Company's customers, distributors, suppliers and contractors, which could limit customer demand and/ or the Company's capacity to meet customer demand, any of which could have a material adverse effect on the Company's financial condition and results of operations. The degree to which the COVID-19 Pandemic affects the Company's financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. As of the date of this report, the Company is not able to make reliable estimates of the impact of the COVID-19 Pandemic due to inadequacy of data and, therefore, the Company is not able to quantify them. The Company will evaluate on a quarterly basis during the year 2020, the impact of these events on its financial condition, results of operations and cash flows.

Even prior to the imposition of ECQ, the Company implemented, and has continued to implement, strict hygiene protocols in all its operations and modified its manufacturing, sales, and delivery processes to implement physical distancing, so as to protect the health and safety of its employees and their families, customers and suppliers; and drastically reduce the possibility of contagion of the COVID-19 Pandemic. The Company is undertaking and continues to explore temporary measures to address the adverse impact of the COVID-19 Pandemic on its workforce and operations with the objective of re-aligning the organization's resources with the evolving conditions in the different markets in which the Company operates. These immediate measures include (but are not limited to) the reduction of plant production and inventory levels, the suspension, deferment or reduction in capital expenditures and budgeted operating expenses (including sales and administration expenses) and the implementation of changes in work-deployment schedules. During the following months, the Company plans to focus its efforts on managing the impact of the COVID-19 Pandemic on its production, commercial, and financial activities. It will continue to carefully monitor this overall situation and expects to take additional steps, as could be required.

The consequences resulting from the COVID-19 Pandemic have started to considerably affect the Company. The Company considers that, as the effects and duration of such pandemic may extend, there could be significant adverse effects in the future mainly in connection with: (i) increases in estimated credit losses on trade accounts receivable; (ii) impairment of long-lived assets including goodwill; (iii) further disruption in supply chains; and (iv) liquidity effects to meet the Company's short-term obligations. As of the issuance date of these financial statements it is not possible to make reliable estimates of potential unforeseen adverse effects on the Company's business from the COVID-19 Pandemic that may arise due to the uncertainty associated to the duration and consequences of the COVID-19 in the different markets in which the Company operates. Nonetheless, as events evolve during the year 2020, The Company will continue to evaluate and recognize the possible adverse effects in its financial condition, results of operations and cash flow.

Due to the constraints arising from quarantine restrictions imposed by government and in order to mitigate short-term liquidity risks to the Company, the Company intends to suspend, reduce or delay certain planned (i) capital expenditures; (ii) budgeted operating expenses in line with the evolution of demand per market in which the Company operates, and (iii) production and, where required, inventory levels in all of the Company's markets, as part of working capital initiatives.

The significant adverse effects on the Company's business and operating performance in 2020 as a result of the COVID-19 Pandemic, could limit the Company's ability to meet its financial covenants under a facility agreement. Considering this, the Company has started talks with its lender in order to amend such facility agreement. The absence of an agreement to amend may have a material adverse impact on the Company.