

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter : CEMEX Holdings Philippines, Inc.
(the "Corporation" or "CHP")
3. Province, country or other jurisdiction of incorporation or organization : Metro Manila, Philippines
4. SEC Identification Number : CS201518815
5. BIR Tax Identification Code : 009-133-917-000
6. Address of principal office : 34th Floor Petron Mega Plaza
Building, 358 Sen. Gil J. Puyat
Avenue, Makati City, 1200
Philippines
7. Registrant's telephone number including area code : +632-849-3600
8. Date, time and place of the meeting of security holders : June 5, 2019
9:00AM
Mayuree 1 Grand Ballroom
DUSIT THANI MANILA
Ayala Centre, Makati City
Metro Manila, Philippines
9. Approximate date on which the Information Statement is first to be sent^a or given to security holders : on or before May 15, 2019
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock (as of March 31, 2018)
Common Shares	5,195,395,454

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

All of the outstanding common shares of the Corporation are listed on the Philippine Stock Exchange.

<p>CHP MANAGEMENT IS NOT SOLICITING PROXIES FOR THE ANNUAL MEETING OF STOCKHOLDERS. PLEASE DO NOT SEND CHP MANAGEMENT YOUR PROXY</p>

The report attached to this SEC Form 20-IS is the management report to stockholders required under Securities Regulation Code (“SRC”) Rule 20 to accompany SEC Form 20-IS and is hereinafter referred to as the “Management Report.”

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

- | | | | |
|-----|------------------|---|---|
| (a) | Date | : | June 5, 2019 (Wednesday) |
| | Time | : | 9:00 AM |
| | Place | : | Mayuree 1 Grand Ballroom
DUSIT THANI MANILA
Ayala Centre,
Makati City, Metro Manila |
| | Principal Office | : | 34 th Floor Petron Mega Plaza Building,
358 Sen. Gil J. Puyat Avenue, Makati City |
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- | | | | |
|-----|--|---|---------------------------|
| (b) | Approximate date on which copies of the Definitive Information Statement are first to be sent or given to Security Holders | : | On or before May 15, 2019 |
|-----|--|---|---------------------------|

Item 2. Dissenters' Right of Appraisal

The Revised Corporation Code of the Philippines grants a stockholder a right of appraisal in certain circumstances where he has dissented AND voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of changing the corporate term of the Corporation as provided under Section 11 of the Revised Corporation Code or adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence;
- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- a merger or consolidation; and
- investment by the corporation of funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

In any of these circumstances, the dissenting stockholder may demand in writing within 30 days after the date on which the vote was taken that the corporation purchase its shares at a fair value. If there is no agreement on what is the fair value, it shall be determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. Regional Trial Courts will, in the event of a dispute, determine any question about whether a dissenting stockholder is entitled to this right of appraisal. The appraisal rights will only be available if the corporation has unrestricted retained earnings sufficient for the purchase of

the shares of the dissenting shareholders. From the time the stockholder makes a written demand for payment until the corporation purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the stockholder to receive the fair value of the share.

There are no matters or actions to be taken up at the Annual Meeting of Stockholders which may give rise to a possible exercise by stockholders of their appraisal rights under the Corporation Code of the Philippines.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current director or officer of the Corporation, or nominee for election as directors of the Corporation, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the Annual Meeting of Stockholders, other than election to office and ratification of acts of the Board of Directors and Management.

No director has informed the Corporation in writing that he or she intends to oppose any of the actions to be taken by the Corporation at the said annual stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) As of March 31, 2019, there are five billion one hundred ninety five million three hundred ninety five thousand four hundred fifty four (5,195,395,454) issued and outstanding common shares of stock of the Corporation entitled to vote at the Annual Meeting of Stockholders. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.
- (b) All stockholders of record as of May 10, 2019 (the "Record Date") are entitled to notice and to vote at the Annual Meeting of Stockholders.
- (c) Section 2, Article III of the By-laws of the Corporation provides that the members of the Board of Directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for Directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.
- (d) Based on the report prepared by the Corporation's stock transfer agent, the percentage of the outstanding shares of stock of the Corporation held by non-Filipinos (foreigners) as of March 31, 2019 is approximately 76.221%.

Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Corporation's voting securities as of March 31, 2019

Title of Class	Names and Addresses of Record Owners and Relationship with Issuer	Names of Beneficial Owners and Relationship with Record Owner	Nationality	No. of Shares Owned/Held	% to Total Shares
Common	CEMEX Asian South East Corporation ("CASEC") ⁽¹⁾ 34 TH Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila	CASEC	Non-Filipino	2,857,467,493 ⁽²⁾	55%
Common	PCD Nominee Corporation (Non-Filipino) ⁽³⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PDTC Participants and clients ⁽⁴⁾	Non-Filipino	1,101,541,064	21.202%
Common	PCD Nominee Corporation (Filipino) ⁽⁵⁾ G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PDTC Participants and clients ⁽⁶⁾	Filipino	1,234,334,748	23.758%

Notes:

⁽¹⁾ CASEC, the major shareholder of CHP, is a corporation incorporated in the Philippines, but wholly owned by a Netherlands company. The Board of Directors of CASEC has the power to decide how CASEC shares in CHP are to be voted.

⁽²⁾ The number of shares indicated does not include the 5 shares held by five individuals, respectively, which are recorded under "PCD Nominee Corporation (Non-Filipino)" and "PCD Nominee Corporation (Filipino)".

⁽³⁾ PCD Nominee Corporation is not related to CHP. The beneficial owners of the shares held through a PDTC participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PDTC participant. CHP has no record relating to the power to decide how the shares by PCD Nominee Corporation (Filipino and Non-Filipino) are to be voted.

⁽⁴⁾ Based on the Top 100 PDTC Participants Report of Philippine Depository & Trust Corporation as of March 29, 2019, the PCD Nominee Corporation (Non-Filipino) account includes the following:

(a) The Hongkong and Shanghai Banking Corp. Ltd.- Clients' Acct- 377,383,696 shares corresponding to approximately 7.26% of the total outstanding shares of CHP

Based on SEC Form 18-A dated 28 December 2016 that was filed by Wellington Management Group LLP (declarant), the declarant stated that it beneficially owned 277,299,574 shares which represent approximately 5.34% of the issued and outstanding shares of stock of the CHP. In an SEC Form 18-A dated 27 June 2018 filed by declarant, it stated that it beneficially owned 258,839,897 shares which represents 4.98% of the issued and outstanding shares of stock of the CHP.

⁽⁵⁾ Supra note (3)

⁽⁶⁾ Based on the Top 100 PDTC Participants Report of Philippine Depository & Trust Corporation as of March 29, 2019, the PCD Nominee Corporation (Filipino) account includes the following:

(a) COL Financial Group, Inc. - 280,606,161 shares corresponding to approximately 5.40% of the total outstanding shares of CHP

Security Ownership of Management as of March 31, 2019

As of March 31, 2019, the number of shares owned of record and/or beneficially owned by the members of the Board of Directors, the President/Chief Executive Officer (“CEO”) and the four most highly compensated Executive Officers (the “NEOs”) of the Company (See page 15) are:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Nationality	% to Total Shares
Common	Alfredo Panlilio	1,001 (D)	Filipino	nil
Common	Pedro Roxas	1,001 (D)	Filipino	nil
Common	Joaquin Miguel Estrada Suarez	1* (D)	Spaniard	nil
Common	Ignacio Alejandro Mijares Elizondo	250,001* (D)	Mexican	nil
Common	Maria Virginia Ongkiko Eala	90,844* (D)	Filipino	nil
Common	Antonio Ivan Sanchez Ugarte	1* (D)	Spaniard	nil
Common	Alejandro Garcia Cogollos	75,787* (D)	Spaniard	nil
Common	Arturo Manrique Ramos	0	Mexican	nil
Common	Everardo Sanchez Banuet	0	Mexican	nil
Common	Juan Carlos Soto Carbajal	0	Spaniard	nil

**As of 31 March 2019, each of the following individuals held in her/his name one (1) share which is beneficially owned by CEMEX ASIAN SOUTH EAST CORPORATION: Joaquin Miguel Estrada Suarez, Ignacio Alejandro Mijares Elizondo, Maria Virginia Ongkiko Eala, Alejandro Garcia Cogollos, and Antonio Ivan Sanchez Ugarte.*

As of 31 March 2019, members of the Board of Directors and executive officers of the Corporation, as a group, beneficially owned a total of only 1,167,773 shares which corresponds to an insignificant percentage of the Corporation’s issued and outstanding shares of stock.

Voting Trust Holders of 5% or More

The Corporation is not aware of any voting trust or similar arrangement among persons holding more than 5% of the shares.

Changes in Control

There was no change in control in 2018.

Item 5. Directors and Executive Officers

(1) Directors and Executive Officers

Term of Office

The directors of the Corporation are elected at the Annual Meeting of Stockholders to hold office until the next succeeding Annual Meeting of Stockholders and until their respective successors have been elected and qualified except in case of death, resignation, disqualification or removal from office. Any vacancy in the Board of Directors other than by removal or expiration of term may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. The director so chosen shall serve for the unexpired term of his predecessor in office.

Officers are appointed or elected annually by the Board of Directors. Appointed or elected officers are to hold office until a successor shall have been elected, appointed or shall have qualified, or unless such officers are sooner removed for cause.

Pursuant to SEC Memorandum Circular No. 4, series of 2017, which sets the rules on the term limit of independent directors, an independent director of the Corporation may be re-elected as an independent director but up to a maximum cumulative term of nine (9) years, after which the independent director shall be perpetually barred from re-election as such, but may continue to qualify as a non-independent director of the Corporation.

Incumbent Directors

The following are the respective names, ages, citizenship, current positions, periods of service and brief description of the work experience of the Directors of the Corporation (including Independent Directors) as of the date of this Information Statement:

A. Independent Directors

Alfredo Panlilio, 55, Filipino, holds a B.S. degree in Business Administration in 1984 from San Francisco State University in California and a Master of Business Administration degree from the J.L. Kellogg School of Management at Northwestern University in Illinois, USA and from The Hong Kong University of Science and Technology in 2009. From 1992 to 1997, Mr. Panlilio worked at IBM as an executive lead in various industries, including manufacturing, transportation, travel, and utilities. He then spent two years with ABS CBN, the Philippines' biggest TV network, where he marshaled synergies among the network's various subsidiaries. In 1999, Mr. Panlilio became the Senior Vice President and head of the Corporate Business Group of the Philippine Long Distance Telephone Company ("PLDT"), the Philippines' leading telecommunications firm, a role he served until 2002. In 2003, he was appointed to lead PLDT's Carrier Business Group, where he managed the formulation and implementation of domestic and international inter-carrier requirements. In 2004, Mr. Panlilio became the President and CEO of PLDT Global Corporation to grow the international retail business and maximize revenue potential of the PLDT Group of Companies. In 2010, PLDT acquired the Philippines' largest distribution utility, Manila Electric Company ("Meralco"), and Mr. Panlilio was appointed as Senior Vice President of Meralco (since September 2010) and continues to serve as Meralco's Head of Customer Retail Services and Corporate Communications. He is also a member of the Boards of Directors of various subsidiaries and affiliates of Meralco, including CIS Bayad Center, Inc., Meralco Industrial Engineering Services Corporation, e-Meralco Ventures, Inc., and PowerSource First Bulacan Solar, Inc. Mr. Panlilio also serves as president of the MVP Sports Foundation, the umbrella sports advocacy organization of the Metro Pacific Group, President of Samahang Basketbol ng Pilipinas, PBA Governor for the Meralco Bolts, and the Treasurer of the National Golf Association of the Philippines. Mr. Panlilio was a Governor for the Management Association of the Philippines (January 2015 to December 2016). Mr. Panlilio is an independent director of CHP. He was initially elected to the Board of Directors on June 3, 2016 and assumed office effective from July 14, 2016. He was re-elected as independent director during the annual stockholders' meetings of CHP held on June 7, 2017 and on June 6, 2018.

Pedro Roxas, 62, Filipino, holds a B.S. Degree in Business Administration from the University of Notre Dame. Since 1978, Mr. Roxas has been a member of the board of directors of Roxas Holdings Inc. ("RHI"), the largest integrated sugar business in the Philippines. In 1995, he was appointed as Chairman of both the board of directors and executive committee of RHI. Mr. Roxas later became the Chief Executive Officer and Chairman of the board of directors of Roxas and Company, Inc., the holding company of RHI. In addition to his leadership at RHI, Mr. Roxas has extensive experience serving as an independent director for companies such the Philippine Long Distance Telephone Company, Manila Electric Co., BDO Private Bank, Brightnote Assets

Corporation and Mapfre Insular Insurance Corporation. He is Chairman of the board of directors of Hawaiian-Phil Co., the President of Philippine Sugar Millers Association, and a member of the board of directors & the President of Fundacion Santiago. Mr. Roxas is a Trustee and the Treasurer of the Philippine Business for Social Progress, and Trustee of the Roxas Foundation, Inc. Mr. Roxas serves as an independent director of CHP. He was initially elected to the Board of Directors on June 3, 2016 and assumed office effective from July 14, 2016. He was re-elected as independent director during the annual stockholders' meetings of CHP held on June 7, 2017 and on June 6, 2018.

B. Other Directors

Joaquin Miguel Estrada Suarez, 53, Spaniard, holds a degree in economics from the Universidad de Zaragoza and holds an M.B.A. from the Instituto de Empresa. Mr. Estrada joined CEMEX in 1992 and has held several executive positions, including head of operations in Egypt and Spain, as well as head of trading for Europe, the Middle East and Asia. He is president of CEMEX Asia, Middle East and Africa and is also responsible for CEMEX global trading activities. From 2008 to 2011, he served as a member of the board of directors of COMAC (Comercial de Materiales de Construcción S.L.), president and member of the board of OFICEMEN (Agrupación de Fabricantes de Cemento de España), and member of the board of IECA (Instituto Español del Cemento y sus Aplicaciones), he was also the president of CEMA (Fundación Laboral del Cemento y el Medioambiente) from 2010 to 2011. Mr. Estrada serves as Chairman of the Board of Directors of CHP, a position he has held since October 25, 2016. He was initially elected to the Board of Directors of CHP on February 29, 2016, and was re-elected as director during the annual stockholders' meetings of CHP held on June 7, 2017 and on June 6, 2018.

Ignacio Alejandro Mijares Elizondo, 44, Mexican, holds a Bachelor's degree in Industrial Engineering from Instituto Tecnológico y de Estudios Superiores de Monterrey, and obtained a Master of Business Administration degree from Stanford Graduate School of Business in 2000. He joined CEMEX in 2001 and has held several management positions, including President of CEMEX Puerto Rico (2010 - 2011) and Vice President for Planning and Administration for CEMEX Mexico (2011 - 2017). He also served as a member of the Executive Committee and Board member of ABC Capital (2011 - 20017) and was a member of the Executive Committee and Board member of Grupo Cementos Chihuahua (2013 - 2017). Mr. Mijares was appointed as country head for CEMEX in the Philippines effective from 1 July 2017. On 4 July 2017, he was elected to the Board of Directors of CHP and elected as President & Chief Executive Officer. He was re-elected as member of the Board of Directors during the annual stockholders' meeting of CHP held June 6, 2018. He serves as President & Chief Executive of CHP. He is also the Chairman of the Board of Directors of the following subsidiaries: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., Ecocrete, Inc., Enerhiya Central Inc., Ecocast Builders, Inc., Ecopavements, Inc., and Newcrete Management, Inc. Mr. Mijares is a Chairman of the Board of Directors and President of Cemex Asian South East Corporation and Cemex Strategic Philippines, Inc., affiliates of CHP. He is also a member of the Board of Directors of Impact Assets Corporation and Albatross Holdings, Inc.

Antonio Ivan Sanchez Ugarte, 48, Spaniard, holds a law degree from Deusto University (Bilbao, Spain) and obtained a Master of Laws (Executive LLM) degree with honors from the Northwestern University Pritzker School of Law (Chicago, USA). After several years of private law practice, he joined CEMEX as International Legal Counsel in 2001 based in Madrid, Spain. In September 2017, he was appointed as the Head of CEMEX Legal for Asia, Middle East and Africa Region. On December 6, 2017, he was elected as a member of the Board of Directors of CHP, in view of the retirement of Mr. Vincent Paul Piedad from the organization. The election of Mr. Sanchez as Director of CHP was effective on January 1, 2018.

Alejandro Garcia Cogollos, 44, Spaniard, holds a Bachelor's degree in Management and Business Administration from the Universidad Carlos III de Madrid, and obtained an MBA from Escuela de Administración de Empresas (EAE) (Barcelona). Mr. Garcia joined CEMEX Spain in 1999. He became the Controllership Manager of various subsidiaries of the CEMEX Group based in the Netherlands in 2001, a position he held until 2006 when he was assigned to assume the position of Controllership Manager of the CEMEX operations in the United Arab Emirates. Since 2011, he was the Planning & Administration Director for CEMEX UAE. In view of the retirement of Mr. Hugo Losada from the organization and his resignation from the Board of Directors and as an executive officer of CHP, the Board of Directors of CHP on April 25, 2018, at a meeting during which a majority of the members were present, elected Mr. Garcia as a new member of the Board of Directors and the Audit Committee vice Mr. Losada and as Vice President for Planning and Administration.

Larry Jose Zea Betancourt, 57, British, holds a Bachelor's degree in Chartered Accountancy. Mr. Zea joined the operations of CEMEX in Venezuela in 1992. He participated in the CEMEX International Management Program in 1998. He was the Director of Controllership of CEMEX Egypt from 2000 until 2003, then the Regional Controllership Director - Asia from 2003 to 2006. After a one year stint as Regional Controllership Director - Eastern Europe and as Controllership Director for the United Kingdom and Northern Europe from 2007 to 2010, Mr. Zea assumed the position of Business Services Organization (BSO) Director for the United Kingdom from 2010 to 2015 and was subsequently promoted to the position of CEMEX BSO Director for Europe, Middle East and Africa in 2015 and retained this responsibility until 2018. Mr. Zea is currently the CEMEX BSO Director for Asia, Middle East and Africa, a position he assumed in January 2019. As CEMEX BSO Director, Mr. Zea is responsible for BSO services pertaining to accounting, tax administration, financial information, payments to suppliers, treasury, risk, HR administration, payroll, IT services and processes, and Internal Control that are performed in various business units of CEMEX in the covered area. In view of the resignation of Maria Virginia O. Eala from the Board of Directors of CHP, the Board of Directors of CHP on April 2, 2019, at a meeting during which a majority of the members were present, elected Mr. Zea as new member of the Board of Directors and Nomination Committee vice Ms. Eala.

Nominations for Directors and Procedure for Nomination

The following have been nominated as Directors of the Corporation for 2019-2020 (in alphabetical order by surname):

1. Joaquin Miguel Estrada Suarez	5. Alfredo S. Panlilio (<i>independent director</i>)
2. Alejandro Garcia Cogollos	6. Pedro Roxas (<i>independent director</i>)
3. Eleanor M. Hilado (<i>independent director</i>)	7. Antonio Ivan Sanchez Ugarte
4. Ignacio Alejandro Mijares Elizondo	8. Larry Jose Zea Betancourt

The nominees were formally nominated to the Nomination Committee by a stockholder of the Corporation, CEMEX ASIAN SOUTH EAST CORPORATION.

Ms. Eleanor M. Hilado, Mr. Alfredo S. Panlilio and Mr. Pedro Roxas are the nominees for Independent Directors. They are neither officers nor employees of the nominating stockholder, the Corporation, or any of their respective Subsidiaries or Affiliates, and do not have any relationship with the foregoing entities which would interfere with the exercise of independent judgment in carrying out the responsibilities of an Independent Director of the Corporation.

The foregoing nominations comprise the only nominations received by the Corporate Secretary of the Corporation during the Nomination Period (last day of which was on April 17, 2019).

The nominees are incumbent members of the Board of Directors, except for Ms. Eleanor M. Hilado. A background of the nominees who are incumbent directors are found in the previous section (Refer to pages 6 to 8) while the background of Ms. Eleanor M. Hilado is below:

Eleanor M. Hilado, 55, Filipino, earned her Bachelor of Arts degree in Economics, *Cum Laude*, from the University of the Philippines. A former banker by profession, Ms. Hilado's 32-year banking career had its beginnings at the Far East Bank and Trust Company. Thereafter, Ms. Hilado joined the Development Bank of the Philippines as Sector Head of its Institutional Banking Group and was primarily responsible for professionalizing and revitalizing the corporate lending business of the institution immediately following its financial rehabilitation. In 1991, she joined the Corporate Banking Group of PCIBank and served as Assistant Vice President and Division Head until March 1997. In October 1997, Ms. Hilado's banking career was further broadened when she assumed senior management positions at PCI Capital Corporation, then the country's preeminent investment bank. In June 2007, she became First Vice President of BDO Capital & Investment Corporation (BDO Capital), and was subsequently promoted to Senior Vice President in February 2009, a position she held until February 2018. In BDO Capital, Ms. Hilado led industry advocacy efforts to deepen the domestic bond markets by actively working with the Securities and Exchange Commission and the Philippine Dealing and Exchange Corporation to simplify registration requirements for issuers of public securities, on the one hand, and promoting investor education for publicly-issued debt and equity securities, on the other. Throughout her investment banking career, Ms. Hilado was instrumental in expanding the breadth and depth of issuer names and types of capital markets securities available in the domestic bond and equity markets. As Senior Vice President of BDO Capital, Ms. Hilado was involved in the implementation of the capital markets transactions of CHP which were pursued with the participation of BDO Capital during the period 2016-2017. Concurrent with her position and responsibilities at BDO Capital, Ms. Hilado also served as President of Armstrong Securities, Inc. and a member of its Board of Directors, a member broker of the Philippine Stock Exchange and one of three stock brokerage firms of the BDO Unibank Group from 2008-2018. Ms. Hilado is affiliated with the Canadian American School Manila, being a member of its Board of Advisors since 2016. She is also a member of the Board of Governors of the Home for Alternative Learning and Motivational Strategies (a division of the Birthright Educators Foundation).

The certifications of the nominees for Independent Directors, i.e. Ms. Eleanor M. Hilado, Mr. Alfredo S. Panlilio and Mr. Pedro Roxas, are attached as Annexes B-1, B-2 and B-3 hereof, respectively. The Certification of the Corporate Secretary pertaining to non-affiliation with government offices is attached as Annex B-4 hereof.

The Nomination Committee reviewed and evaluated the qualifications of the nominees. The Final List of Candidates is composed of the seven named-nominees. The members of the Nomination Committee are: Alfredo S. Panlilio (Chairman), Pedro Roxas and Larry Jose Zea Betancourt.

The procedure for the nomination and election of the Independent Directors is in accordance with SRC Rule 38, CHP's By-laws, and CHP's Revised Manual of Corporate Governance. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of Candidates has been prepared.

Incumbent Executive Officers

The following are the respective names, ages, citizenship, current positions, periods of service and brief description of the work experience of the *incumbent* Executive Officers of the Corporation (excluding those who are also incumbent members of the Board of Directors of the Corporation), in alphabetical order:

Adrian V. Bancoro, 41, Filipino, is a licensed attorney and a certified public accountant. He holds a Bachelor of Laws degree and Bachelor of Science degree in Accountancy. Prior to joining CEMEX, Mr. Bancoro worked as Tax Manager with PricewaterhouseCoopers - Manila from 2003 to 2008. In 2008, he became the Tax and Corporate Counsel of Filinvest Land, Inc., a position he held until 2012. He has participated in CEMEX's Achieve Leadership Program and the Management Development Program of the Asian Institute of Management. He is a member of the Integrated Bar of the Philippines, Philippine Institute of Certified Public Accountants and Tax Management Association of the Philippines. In 2012, Mr. Bancoro became the Tax Director of the CEMEX Philippines group of companies. Mr. Bancoro serves as CHP's Tax Director, a position he has held since February 29, 2016.

Ma. Virginia Lacson - Del Rosario, 50, Filipino, obtained a Bachelor of Science degree in Commerce, Major in Business Management and a Master of Business Administration degree. She completed the Management Development Programs of the Asian Institute of Management and Training Institute for Managerial Excellence, Inc. She joined CEMEX Philippines in 2001 as Commercial Administration Manager, and her major responsibilities since then included among others, the design and implementation of credit processes and procedure and managing the team of credit analysts responsible for evaluation transactional risks. On October 24, 2017, the Board of Directors of CHP appointed Ms. Del Rosario as Customer Experience Director.

Jose Mauro Gallardo Valdes, 34, Mexican, holds a Bachelor's degree in Business Administration and Marketing and a Diploma in International Marketing from the Instituto de Estudios Bursatiles (Madrid, Spain). In 2005, he joined operations of CEMEX in Mexico and assumed responsibilities in various areas in sales administration, information management, customer service, commercial strategy and development. In June 2014, he was Financial Planning Manager and supported the operations of CEMEX Mexico. On June 6, 2018, CHP's Board of Directors appointed him as Enterprise Risk Management (ERM) Manager.

Kristine G. Gayem, 38, Filipino, holds a Bachelor of Science degree in Management and a Master's degree in Business Administration. She completed the Management Development Program of the Asian Institute of Management. She joined CEMEX Philippines in 2007 as a Planning Analyst and supported key projects of CEMEX Philippines and other operations in Asia. In 2013, she was promoted to Energy Manager. On July 24, 2018, she was appointed by the Board of Directors of CHP as Energy Director.

Edwin P. Hufemia, 46, Filipino, holds a degree in Bachelor of Science (Chemical Engineering) and a Master of Engineering (Industrial Systems Engineering) degree. He joined CEMEX Philippines in 2001 when he was appointed as Logistics Planning Manager and has since held several management positions, including Vice President for Commercial and Logistics for CEMEX Philippines from 2004 to 2010, and Managing Director for CEMEX Bangladesh. On October 24, 2017, he was appointed as Vice President for Supply Chain. He is also a member of the Board of Directors of the following subsidiaries - APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., and a member of the Board and President of the other subsidiaries - Ecocast Builders, Inc., Ecocrete, Inc., Enerhiya Central Inc., Ecopavements, Inc. and Newcrete Management, Inc. Mr. Hufemia is a member of the Board of Directors of Cemex Asian South East Corporation, an affiliate of CHP. He is also a member of the Board of Directors of Impact Assets Corporation and Albatross Holdings, Inc.

Roberto Martin Javier, 43, Filipino holds a degree in Bachelor of Science and Commerce, Major in Marketing Management. Throughout his career of over 15 years with CEMEX, Mr. Javier has accumulated extensive experience in sales, marketing, commercial administration and commercial strategy. Mr. Javier has participated in the CEMEX Global Leadership programs and other executive programs from the Asian Institute of Management. In 2014, Mr. Javier became the Vice President for Commercial (Cement) for the CEMEX Philippines group of companies. On February 29, 2016, Mr. Javier was appointed as the Company's Vice President for Commercial and, on October 24, 2017, he assumed the new position of Vice President for Commercial - Institutional Segment. He is also a member of the Board of Directors of the following subsidiaries: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., Ecocast Builders, Inc., Ecocrete, Inc., Enerhiya Central Inc., Ecopavements, Inc. and Newcrete Management, Inc. He is also a member of the Board of Directors of Cemex Strategic Philippines, Inc., an affiliate of CHP.

John Benette B. Mamañgun, 41, Filipino, obtained his Bachelor of Arts degree in Philosophy and Master's degree in Economics. He spent more than a decade of his career in the capital markets industry having been part of the executive management of the Philippine Stock Exchange, Inc. (PSE) He served as head of the Corporate Planning and Investor Relations Division and was also in charge of the Capital Markets Development Division of the PSE, and was also appointed as PSE's first Investor Relations Officer. He also served as a civil servant having worked for various government agencies prior to his work at the PSE. He was appointed by the Board of Directors as Investor Relations Director effective on April 2, 2018.

Chito S. Maniago, 38, Filipino, holds a Bachelor of Arts degree in Legal Management. He completed the Management Development Program (MDP) of the Asian Institute of Management and Integrated Marketing Communications diploma course at the De La Salle University - Graduate School of Business. He joined CEMEX Philippines Group in 2012 as Director for Corporate Communications and Public Affairs. He is at present the President of the Philippine Association of National Advertisers (PANA) and was previously the Vice-Chairman and Board of Trustees member of the League of Corporate Foundations (LCF) - Philippines, and Vice-President of the Public Relations Society of the Philippines (PRSP). He is the Director for Corporate Communications and Public Affairs of the CEMEX Philippines Group and the Executive Director of the CEMEX Philippines Foundation, Inc. He was appointed as CHP's Director for Corporate Communications and Public Affairs on June 6, 2018.

Arturo Manrique Ramos, 50, Mexican, holds a Bachelor's degree in Electronic Engineering and obtained a Master of Business Administration. Mr. Manrique began his career with CEMEX in 1996 as an Operations Manager of CEMEX USA and since 2002 he has fulfilled key management positions overseeing cement operations in Mexico of various cement plants with different capacities and technologies. On September 27, 2017, Mr. Manrique was appointed by the Board of Directors as Vice President for Cement Operations and Technical.

Everardo Sánchez Banuet, 45, Mexican, holds a Bachelor's degree in Electronic Engineering and Master's Degree in Electronics and Telecommunications and obtained an MBA specializing in Global eManagement. Mr. Sánchez joined CEMEX in 1998 and assumed key positions in operations, planning and commercial areas. In 2011, he assumed the position of Director of Distribution Channel Development the operations of CEMEX in Mexico and after a few years, took on the role of Director of Commercial Development - Builders Segment. In 2016, he was promoted to Vice President for Commercial and Logistics of CEMEX Egypt. On 30 January 2019, the Corporation's Board of Directors appointed Mr. Sanchez as Vice President for Commercial (Distribution Segment) effective on February 15, 2019.

Dino Martin Wilson Segundo, 47, Filipino, obtained his Bachelor of Arts Degree in Economics in 1993 and, thereafter, his Bachelor of Laws Degree in 1998. After passing the 1999 Philippine bar exams, he immediately joined the Soo, Gutierrez, Leogardo & Lee Law Offices as Associate Attorney, focusing on Labor Law, Civil Law, and Criminal Law. Between 2001 and 2007, he was a Senior Associate Attorney at the Carag, Caballes, Jamora & Somera Law Offices, adding Intellectual Property Law and Maritime Law to his fields of specialization. Mr. Segundo joined CEMEX in 2007 as Senior Legal Manager and currently serves as the Company's Legal Director. He participated in CEMEX's Management Development Program at the Asian Institute of Management in 2017. Mr. Segundo is a member of the Board of Directors of the following subsidiaries of the Company: APO Cement Corporation, Solid Cement Corporation, Triple Dime Holdings, Inc., Edgewater Ventures Corporation, Sandstone Strategic Holdings, Inc., Bedrock Holdings, Inc., Enerhiya Central, Inc., Ecocast Builders, Inc., and Ecopavements, Inc. He is also a member of the Board of Directors of Cemex Asian South East Corporation and Cemex Strategic Philippines, Inc., affiliates of CHP.

Jannette Virata Sevilla, 56, Filipino, obtained her Bachelor of Laws and Bachelor of Arts (cum laude) degrees in 1987 and 1983, respectively. She was admitted to the Philippine Bar in 1988 and the New York State Bar in 1996. She is currently engaged in the private practice of law, and is also an external legal consultant of CEMEX Asia Pte. Ltd. - Philippine Headquarters. She was previously employed as Regional Legal Counsel for Asia and Vice President for Legal for the CEMEX Philippines group of companies until November 2008. She was formerly a Senior Associate Attorney at Carpio Villaraza & Cruz Law Offices; a Director in the Office of the Chief Presidential Legal Counsel, Office of the President of the Republic of the Philippines; an associate attorney at Bautista Picazo Buyco Tan & Fider Law Offices; and a Law Clerk/Confidential Attorney, Office of Associate Justice Irene R. Cortes, Supreme Court of the Philippines. Ms. Sevilla is the Corporate Secretary and Compliance Officer of CHP, positions she has held since September 17, 2015 and August 24, 2016 respectively. She also serves as Corporate Secretary of the various subsidiaries. She is a member of the Board of Directors of Solid Cement Corporation. Ms. Sevilla is also a member of the Board of Directors and the Corporate Secretary of Cemex Asian South East Corporation and Cemex Strategic Philippines, Inc., affiliates of CHP.

Juan Carlos Soto Carbajal, 43, Spaniard, holds a Bachelor's degree in Engineering. He joined CEMEX in the United Arab Emirates in 2007. From the operations area, Mr. Soto moved to the procurement area and eventually assumed the position of Procurement Manager in 2010. After a few years, he was promoted to Supply Chain Director heading the logistics and supply chain area. In January 2019, he was designated as the Procurement Director of CEMEX for the Asia, Middle East and Africa (AMEA) region. On 30 January 2019, the Corporation's Board of Directors appointed Mr. Soto as Procurement Director of the Corporation effective on January 30, 2019.

Rolando S. Valentino, 44, Filipino, is a certified public accountant and a certified enterprise-wide risk manager. He obtained a Master of Business Administration in 2016 and holds a Bachelor of Science degree in Accountancy. In 1995, Mr. Valentino worked as an associate with Punongbayan and Aurullo (Grant Thornton International) before joining Solid Cement in 1997. Throughout his career of over 20 years with CEMEX, Mr. Valentino held various positions in Accounting, Process and Continuous Improvement, Logistics, Internal Control, and Risk Management. In 2011, he was appointed Regional Internal Control Manager for CEMEX Philippines group of companies. Mr. Valentino has received management training from the Asian Institute of Management (honorable mention) and in 2015, he obtained his CERM certification from Asia Risk Management Institute - Singapore. He is a member of the Institute of Internal Auditors - Philippines. In 2015, Mr. Valentino was appointed Regional Internal Control and Risk Manager for CEMEX Philippines group of companies. Mr. Valentino serves as Internal Auditor of CHP, a position he has held since August 24, 2016.

Steve Kuansheng Wu, 52, Taiwanese, holds an MBA (Finance), an MBA (Accounting), and a Bachelor's degree in Business Mathematics. He has participated in CEMEX's Achieve Leadership Program and its International Management Program, and since 2001 he has held positions in the accounting areas for several business units of CEMEX in Asia. In 2011 he became Asia Management Financial Service Manager based in CEMEX Philippines. On December 6, 2017, he was appointed as Treasurer & Chief Financial Officer and Business Services Organization Director of CHP, in view of the retirement of Mr. Vincent Paul Piedad from the organization. He is also Treasurer & Chief Financial Officer and Business Services Organization Director of the various subsidiaries.

(2) Significant Employees

The Corporation considers the contribution of every employee important to the fulfillment of its goals.

(3) Family Relationships.

There are no family relationships among the members of the Board of Directors and Executive Officers up to the fourth civil degree of consanguinity or affinity.

(4) Involvement of Directors and Executive Officers in Certain Legal Proceedings which Occurred During the Past Five Years.

Based on the knowledge of the Corporation and after due inquiry, during the past five (5) years, none of the incumbent members of the Board of Directors, nominees for election as Director, nor any of the Executive Officers of the Corporation, (i) has filed any bankruptcy petitions or have had bankruptcy petitions filed against them; (ii) has been convicted by final judgment of any offense punishable by the laws of the Republic of the Philippines or of any other nation or country (excluding traffic violations and other minor offenses); (iii) has been or is subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; or (iv) has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

(5) Certain Relationships and Related Transactions

There are no transactions during the last two years to which the Corporation was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

- (a) Any incumbent Director or Executive Officer of the Corporation;
- (b) Any nominee for election as a Director;
- (c) Any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the persons in subparagraph (a) or (b) of this paragraph.

Transactions with affiliated companies including subsidiaries of CEMEX S.A.B de C.V. (CEMEX), as well as other related parties of the Corporation, are mentioned or referenced in the discussions below and in the Corporation's 2018 Annual Report (SEC Form 17-A) for year ending 2018 and in the Consolidated Financial Statements as at and for the years ended December 31, 2018 and 2017 (with the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended December 31, 2018,

2017 and 2016) in the accompanying Audited Financial Statements filed as part of this Information Statement as Annex C.

The Corporation (whether directly or indirectly through any of its operating subsidiaries) engaged with affiliated companies or other related companies in various commercial arrangements in the ordinary course and on arm's-length terms, including:

- long-term lease of land;
- supply agreements or spot purchases of cement or other construction materials;
- freight contracts pursuant to which said related companies transport to the Corporation any products or goods purchased by the Corporation from related companies or third parties but using vessels owned or contracted by said related companies;
- spot purchases of carbon, petroleum coke or other fuels required by us and offered or arranged by said related companies or offered by the Corporation to said related companies, such as the coal supply contract with Transenergy, Inc. (a CEMEX subsidiary that sources coal, petroleum coke and other products on a CEMEX group-wide basis), as well as any hedges for such transactions; and
- the sale or purchase or lease of construction equipment, including machinery, vehicles used for construction, etc., between related companies and the Corporation.

For further information on related party transactions, including the various criteria used for determining the existence of a "related party" relationship and outstanding advance balances, see Note 13 of the Notes to the Corporation's Consolidated Financial Statements as at and for the years ended December 31, 2018 and 2017 (with the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended December 31, 2018, 2017 and 2016) in the accompanying Audited Financial Statements, and the Corporation's 2018 Annual Report (SEC Form 17-A) for year ending 2018.

(6) Parent Company

As of March 31, 2019, CASEC owns 55% of the outstanding voting shares of the Corporation.

(7) Resignation of Directors

No director has resigned or declined to stand for re-election to the Board since the date of CHP's last Annual Meeting of Stockholders because of a disagreement with CHP on matters relating to its operations, policies, and practices.

Item 6. Compensation of Directors and Executive Officers

(1) Directors' Compensation

Standard Arrangements

Under the Corporation's By-Laws, the members of the Board of Directors shall receive compensation for the discharge of the duties of supervision and collegiate decision-making proper to said management body. The Board of Directors approved in a special meeting held on June 3, 2016 the following honorarium fee/per diem for independent directors of the Corporation: (i) an honorarium fee/ per diem equivalent to Php 450,000.00 (computed on an annual basis) for acting as director and (ii) an honorarium fee/per diem equivalent to Php 90,000.00 (computed on an annual basis) per Committee membership. The other members of the Board do not receive any compensation, directly or indirectly, for the discharge of their duties as director of the Corporation or as member of any of the Committees of the Board.

Other Arrangements

There are no other arrangements pursuant to which any of the Corporation's Directors is compensated by the Corporation, directly or indirectly, for any service provided as director or as member of any of the Committees of the Board.

(2) Executive Compensation

The following table summarizes the aggregate compensation of the President/Chief Executive Officer ("CEO") and the four most highly compensated Executive Officers (the "NEOs") of the Corporation, as well as the other Executive Officers of the Corporation during the last two completed fiscal years and the ensuing fiscal year are as follows.

Name and Principal Position	Year	Salary (in millions of Philippine Pesos)	Bonus ¹ (in millions of Philippine Pesos)	Other Compensation (in millions of Philippine Pesos)
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo (current President and CEO), Pedro Jose Palomino (former President and CEO who resigned during the 3 rd quarter of 2017) 2. Paul Vincent Arcenas Investor Relations Officer and Vice President for Communications, Marketing and Investor Relations 3. Edwin P. Hufemia Vice President for Supply Chain 4. Hugo Losada Barriola Vice President for Strategic Planning 5. Maria Virginia Ongkiko Eala Vice President for Human Resources	Actual 2017	₱50.5	₱29.4	₱32.6
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo President and CEO 2. Arturo Manrique Ramos Vice President for Cement Operations & Technical 3. Edwin P. Hufemia Vice President for Supply Chain 4. Antonio Desmay Jimenez Procurement Director 5. Steve Kuan-Sheng Wu BSO Director	Actual 2018	₱56.4	₱27.0	₱42.2
CEO and NEOs 1. Ignacio Alejandro Mijares Elizondo President and CEO 2. Arturo Manrique Ramos Vice President for Cement Operations & Technical 3. Alejandro Garcia Cogollos Vice President for Planning & Administration	Projected 2019	₱52.9 (est)	₱49.8 (est)	₱65.7 (est)

¹ Bonus includes the value of benefits received in connection with variable compensation or long-term incentive plans applicable to eligible executives.

4. Juan Carlos Soto Carbajal Procurement Director				
5. Everardo Sanchez Banuet Vice President for Commercial - Distribution Segment				
All other executive officers as a group unnamed.	Actual 2017	P36.5	P6.9	P15.9
	Actual 2018	P61.4	P20.5	P30.25
	Projected 2019	P61.4	P21.3	P22.95

Certain executive officers of the Corporation or its subsidiaries have received compensation in the form of restricted shares of CEMEX S.A.B. de C.V. (CEMEX's Ordinary Participation Certificates) pursuant to the terms of variable compensation plan applicable to these executives under which the eligible executives are allocated annually with a specific number of restricted shares as a long-term incentive compensation to be vested over a specific period of time.

Certain executive officers of the Corporation or its subsidiaries received in 2018 compensation in the form of cash pursuant to the terms of a variable long-term incentive plan approved by the Corporation's Board of Directors on April 25, 2018 under which the eligible executives are allocated cash amounts (to be released in four annual installments) which shall be used by these executives to purchase a specific number of shares of the Corporation from the market.

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

The above named Executive Officers are covered by letters of appointment or employment contracts stating their respective job functionalities, among others. The Corporation does not have any compensatory plan or arrangement resulting from the resignation, retirement or any other termination of an executive officers' employment with the Corporation or its subsidiaries or from a change of control of the Corporation, except for such rights as may have already vested under the Corporation's retirement plan or as may be provided for under its standard employment benefits.

(4) Warrants and Options Outstanding

The Corporation has not issued any warrants or options which are held by the CEO, the NEOs, and all officers and directors as a group.

Item 7. Independent Public Accountants

The external auditor or independent public accountant of the Corporation (and its Philippine subsidiaries) is the accounting firm of R.G. Manabat & Co.

Emerald Anne C. Bagnes is the current audit partner of the accounting firm for the Corporation and has served as such since 2015.

The representatives of the principal accountant are expected to be present at the Annual Meeting of Stockholders and may also respond to appropriate questions with respect to matters for which their services were engaged.

Since the firm's appointment, there has been no disagreement with Corporation with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

The fees billed for professional services rendered to the Company by R.G. Manabat & Co. since the Corporation's incorporation on September 17, 2015 (exclusive of out-of-pocket expenses) consisted of the following:

Nature of Work	2018	2017	2016	2015
(a)(1) Audit of annual financial statements or services that are normally engaged by external auditor in connection with statutory and regulatory filings or engagements	₱6,058,500.00	₱ 6,100,700.00	₱ 8,294,048.00	₱ 642,992.00
(a)(2) Other audit-related services	₱2,469,000.00	₱ 2,619,000.00	-	-
(b) Other non-audit related services (eg. for tax accounting, compliance, advice, planning and other form of tax services)		₱ 465,077.75	-	-
(c) Other Services - services related to CHP's reports on the "Use of IPO Proceeds" for the period ended September 30, 2016 and for the year ended December 31, 2016		-	₱ 112,000.00	-

In accordance with CHP's Revised Manual of Corporate Governance, the Audit Committee is mandated, among others, to perform oversight function over the Corporation's external auditors. Prior to the commencement of the audit, the Audit Committee is tasked to discuss with the external auditor the nature, scope and expenses of the audit. Furthermore, the Audit Committee shall evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The Audit Committee has the authority to disallow any non-audit work that will conflict with the external auditor's duties as an external auditor or may pose a threat to their independence.

The incumbent members of the Audit Committee of the Corporation are the following: Pedro Roxas (Chairman), Alfredo S. Panlilio and Alejandro Garcia Cogollos.

At the Annual Meeting of Stockholders, the stockholders will appoint the Corporation's external auditor for 2019. The Audit Committee and the Board of Directors will recommend and endorse to the stockholders the accounting firm of R.G. Manabat & Co. to be appointed as the Corporation's external auditor.

Item 8. Compensation Plans

No action is to be taken during the Annual Meeting of Stockholders in respect of any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

Among the matters to be presented for the approval of the stockholders is the proposal to amend the Seventh Article of the Amended Articles of Incorporation of the Corporation to the increase in authorized capital stock from Five Billion One Hundred Ninety Five Million Three Hundred Ninety

Five Thousand Four Hundred Fifty Four Pesos (Php 5,195,395,454.00) divided into Five Billion One Hundred Ninety Five Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four (5,195,395,454) common shares with a par value of One Peso (Php1.00) per share to Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four Pesos (Php 18,310,395,454) divided into Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four (18,310,395,454) common shares with a par value of One Peso (Php1.00) per share

The Board of Directors recommends the foregoing increase in authorized capital stock of the Corporation. The rationale for the amendment is to provide the Corporation with the ability to raise equity capital including but not limited to a rights offering that the Corporation may consider to undertake, subject to the final decision and approval of the Corporation's Board of Directors. The Corporation is potentially looking to raise up to US\$250 million which would allow it to improve its capital structure, fully fund the ongoing Solid Cement plant expansion and provide balance sheet flexibility.

The proposed increase in authorized capital stock is at the current par value of PHP1.00 per common share consistent with the corporation's Articles of Incorporation, which specifies the par value of the shares in compliance with the requirements of Philippine law. The Corporation clarifies that the par value of PHP1.00 per common share is not the issue price of the shares and that the amount looking to be raised would not exceed US\$250 million.

Details of any potential capital raise (including the type, size, price and terms) have not been decided by the Board of Directors. In any case, the issue price of any potential capital raising activities will be decided based on various factors including the trading price at the time of the announcement and the broader equity capital market conditions. As such, the common shares created as a result of this increase in authorized capital stock may not be fully used and subscribed during any potential capital raising exercise. All relevant approvals will be sought from the Philippine Securities and Exchange Commission and the Philippine Stock Exchange, and the appropriate disclosures would be made by the Corporation to the regulators and the public, well ahead of any potential capital raising activity.

Item 10. Modification or Exchange of Securities

No action is to be taken during the Annual Meeting of Stockholders with respect to the modification of any class of securities of the Corporation, or the issuance or authorization for issuance of one class of securities of the Corporation in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

No action is to be taken during the Annual Meeting of Stockholders with respect to any matter specified in Items 9 or 10.

The Corporation will file its SEC Form 17-Q (Quarter Report for the 1st Quarter 2019) with the Securities and Exchange Commission and the Philippine Stock Exchange on or before May 15, 2019. The Corporation will make the SEC Form 17-Q available in the Corporation's website, <http://www.cemexholdingsphilippines.com>. Upon request of a stockholder, the Corporation will furnish the stockholder, free of charge, with a copy of this SEC Form 17-Q on the day of the Annual Meeting of Stockholders scheduled on June 5, 2019.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken during the Annual Meeting of Stockholders with respect to any transaction involving the: (i) merger or consolidation of the Corporation into or with any other person or of any other person into or with the Corporation, (ii) acquisition by the Corporation or any of its security holders of securities of another person, (iii) acquisition by the Corporation of any other going business or of the assets thereof, (iv) sale or other transfer of all or any substantial part of the assets of the Corporation, or (v) liquidation or dissolution of the Corporation.

Item 13. Acquisition or Disposition of Property

No action is to be taken during the Annual Meeting of Stockholders with respect to the acquisition or disposition of any property of the Corporation.

Item 14. Restatement of Accounts

No action is to be taken during the Annual Meeting of Stockholders with respect to the restatement of any asset, capital, or surplus account of the Corporation.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

During the Annual Meeting of Stockholders, the following matters will be presented for approval by the stockholders:

- (a) Minutes of the last stockholders' meeting held on 6 June 2018

The matters approved and recorded in the Stockholders' Meeting held on 6 June 2018 are summarized as follows: (a) approval of the minutes of the Meeting of Stockholders held on June 7, 2017; (b) Report of the President and Chief Executive Officer; (c) approval of the audited financial statements as of 31 December 2017; (d) ratification of actions of the Board of Directors and Management since June 7, 2017; (e) election of the members of the Board of Directors; (f) appointment of the accounting firm of R.G. Manabat & Co. as external auditor of the Corporation for the fiscal year 2018; and (g) Amendment of Sixth Article of the Amended Articles of Incorporation of the Corporation increasing the members of the Board of Directors from seven (7) to eight (8). A copy of the draft Minutes of the Stockholders' Meeting held on June 6, 2018 is attached as Annex A hereof and is also available in the Corporation's website, <http://www.cemexholdingsphilippines.com>.

- (b) Ratification and Approval of the Acts of the Board of Directors and Management since the last Stockholders' Meeting held on June 6, 2018

The matters for stockholders' ratification are all acts of the Board of Directors and Management since the last meeting of stockholders on June 6, 2018 which were entered into or made in the ordinary course of business, as well as resolutions for transactions approved by the Board of Directors which include without limitation the following transactions:

Date of Meeting of the Board of Directors	Approved Transactions
6 June 2018	Election/appointment of principal executive officers
	Election of members of the Audit Committee and the Nomination Committee
	Certification for AXA Philippines
24 July 2018	Approval of the condensed interim unaudited financial statements for the period ended 30 June 2018 and Authority to finalize SEC Form 17-Q (2 nd Quarterly Report) for the period ended 30 June 2018
	Appointment of New Energy Director
	Approval of updated lists of signatories and authorized representatives in connection with transactions with BDO Unibank, Inc. for the facility agreement (refinancing loan), transactions with BDO Unibank, Inc. for various banking products, transactions with BDO Trust and Investment Group Transactions (stock transfer and dividend paying agent of CHP), transactions with the Philippine Depository & Trust Corporation (“PDTC”), Transactions with CHP’s subsidiaries, Falcon Re Ltd and Cemex Asia Research AG, in connection with Deposit Agreements, and Proxies for CHP’s direct subsidiaries in the Philippines
26 September 2018	Activities related to Landslide in Naga, Cebu
	Activities related to the Solid Cement’s new cement manufacturing line in Antipolo, City
24 October 2018	Update on Landslide in Naga, Cebu
	Approval of the condensed interim unaudited financial statements for the period ended 30 September 2018 and Authority to finalize SEC Form 17-Q (3 rd Quarterly Report) for the period ended 30 September 2018
	Authorization for potential loans of subsidiaries with BDO Unibank, Inc.
	Authorization for potential intercompany loans with subsidiaries of CEMEX
	Approval of authorized representatives in connection with the Philippine Competition Commission, Employee Loan Program with Asia United Bank, and Health Maintenance Plan for Employees
6 December 2018	Approval of proposed Budget for 2019
	Approval of updated list of signatories for CHP’s the facility agreement (refinancing loan) with BDO Unibank, Inc.
	Confirmation of the new revolving facility agreement between SOLID Cement and CEMEX Asia, B.V.
	Approval of authorized representatives in connection with the environmental case in Cebu against CHP, APO Cement and others, and proxies for CHP’s non-Philippine subsidiaries
30 January 2019	Authorization to management to evaluate potential capital raising exercises
	Approval of the Internal Audit Plan for 2019
	Appointment of new (i) Vice President for Commercial (Distribution Segment) and (ii) Procurement Director, and their secondment to other subsidiaries
	Approval of the Framework for Self-Rating Performance for members of the Board of Directors and board committees
	Authorization for transactions with the Optical Media Board

2 April 2019	Approval for the consolidated financial statements of the Corporation and its subsidiaries, as at and for the years ended December 31, 2018 and December 31, 2017, and the separate financial statements of the Corporation for the same period, and the Corporation's SEC Form 17-A (Annual Report) for the year ended December 31, 2018
	Nomination of External Auditor for 2019
	Approval of the amendment of the Seventh Article of the Amended Articles of Incorporation of the Corporation pertaining to the increase in authorized capital stock to Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four Pesos (Php 18,310,395,454) divided into Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four (18,310,395,454) common shares with a par value of One Peso (Php1.00) per share
	Approval of the amendment of Section 1 of the Third Article of the Amended By-laws of the Corporation pertaining to the powers of the corporation to include the authority of the Board of Directors to, for and on behalf of the Corporation, guarantee the obligations of, and provide financial support to, any of its subsidiaries and affiliates
	Approval for the following: (1) the Annual Meeting of Stockholders (AMS) shall be held on June 5, 2019 at Mayuree 1 Grand Ballroom, DUSIT THANI MANILA, Ayala Centre, Makati City, Metro Manila, Philippines; but if June 5 th will be declared a holiday, the AMS shall be held on June 6, 2019 (2) the record date for determination of the stockholders entitled to notice of and to vote at the said AMS shall be May 10, 2019, (3) deadline for the submission by stockholders of proxies or instruments authorizing their respective attorneys-in-fact to attend and vote during the said AMS shall be on May 24, 2019 (5) period for submission of nominations for directors to CHP's Board of Directors for election during the said Annual Meeting of Stockholders shall expire on April 17, 2019
	Approval of the updated lists of signatories and authorized representatives in connection with transactions with the Optical Media Board, PAG-IBIG, Asia United Bank Employee Loan Program, Payroll services with BDO Unibank, General Bank Signatories, AXA Philippines, and leases
24 April 2019	Approval of the condensed interim unaudited financial statements for the period ended 31 March 2019 and Authority to finalize SEC Form 17-Q (1 st Quarterly Report) for the period ended 31 March 2019
	Approval of the List of Nominees or Candidates who shall stand for election as members of the Board of Directors during the Annual Meeting of Stockholders
	Approval of the Integrated Annual Corporate Governance Report of CHP for the year 2018
	Authorization for transactions with Discovery Primea

Copies of the minutes of Board meetings are available for inspection by stockholders at the office of the Corporate Secretary.

Item 16. Matters Not Required to be Submitted

All matters or actions to be taken up in the Annual Meeting of Stockholders require the vote of the stockholders.

Item 17. Amendment of Charter, Bylaws or Other Documents

Among the items on the agenda for the Annual Meeting of Stockholders are:

- A. Amendment of the Seventh Article of the Amended Articles of Incorporation of the Corporation to the increase in authorized capital stock from Five Billion One Hundred Ninety Five Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four Pesos (Php 5,195,395,454.00) divided into Five Billion One Hundred Ninety Five Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four (5,195,395,454) common shares with a par value of One Peso (Php1.00) per share to Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four Pesos (Php 18,310,395,454) divided into Eighteen Billion Three Hundred Ten Million Three Hundred Ninety Five Thousand Four Hundred Fifty Four (18,310,395,454) common shares with a par value of One Peso (Php1.00) per share

The Board of Directors recommends the foregoing increase in authorized capital stock of the Corporation. The rationale for the amendment is to provide the Corporation with the ability to raise equity capital including but not limited to a rights offering that the Corporation may consider to undertake, subject to the final decision and approval of the Corporation's Board of Directors. The Corporation is potentially looking to raise up to US\$250 million which would allow it to improve its capital structure, fully fund the ongoing Solid Cement plant expansion and provide balance sheet flexibility. This amendment is a result of the evaluation of different funding options communicated during CHP 4th Quarter 2018 investors' briefing/conference held in February 2019.

- B. Amendment of Section 1 of the Article III of the Amended By-laws of the Corporation to include the authority of the Board of Directors to, for and on behalf of the Corporation, guarantee the obligations of, and provide financial support to, any of its subsidiaries and affiliates

The Board of Directors recommends the amendment of Section 1 of the Article III of the Amended By-laws to include the authority of the Board of Directors to, for and on behalf of the Corporation, guarantee the obligations of, and provide financial support to, any of its subsidiaries and affiliates. The rationale for the amendment is to give the Corporation flexibility to provide financial assistance or support to its subsidiaries and/or affiliates.

Item 18. Other Proposed Actions

During the Annual Meeting of Stockholders, the following matters will also be presented for approval by the stockholders (in addition to the matters listed in Item 15):

- (a) 2018 Annual Report (SEC Form 17-A) and the Audited Financial Statements for the Year Ended December 31, 2018

The 2018 Annual Report (SEC Form 17-A) and the Consolidated Financial Statements of the Corporation as at and for years ended December 31, 2018 and 2017 (with the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended December 31, 2018, 2017 and 2016) including Supplementary Schedules and the Independent Auditor's Report, are attached as Annex C hereof. The Separate Financial Statements of the Corporation as at and for the years ended December 31, 2018 and 2017 with the Independent Auditor's Report are also attached as part of Annex C hereof.

- (b) Election of the Members of the Board of Directors
- (c) Appointment of External Auditor of the Corporation for the year 2019

Item 19. Voting Procedures

For purposes of the determination of quorum at the Annual Meeting of Stockholders, Section 5, Article II of the By-laws of the Corporation provide that shareholders representing a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

The affirmative vote of stockholders representing at least a majority of the issued and outstanding capital stock of the Corporation present at the Annual Meeting of Stockholders is required for the approval of the matters presented to the stockholders during the Annual Meeting of Stockholders, except in the case of the amendment of Sixth Article of the Amended Articles of Incorporation of the Corporation which would require the affirmative vote of stockholders representing at least 2/3 of the issued and outstanding capital stock of the Corporation.

For the election of members of the Board of Directors, Section 2, Article III of the By-laws of the Corporation provides that the members of the Board of Directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for Directors every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of Stockholders.

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE CORPORATION UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF THE CORPORATION'S 2018 ANNUAL REPORT (SEC FORM 17-A) FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF THE CORPORATION'S 2018 ANNUAL REPORT (SEC FORM 17-A) SHALL BE ADDRESSED TO:

**CEMEX HOLDINGS PHILIPPINES, INC.
34th Floor Petron Mega Plaza Building
358 Sen. Gil J. Puyat Avenue
Makati City, Metro Manila**

Attention: The Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Information Statement is true, complete and correct. This report is signed in the City of Makati, Metro Manila on 8 May 2019.

CEMEX HOLDINGS PHILIPPINES, INC.

By:


JANNETTE VIRATA SEVILLA
Corporate Secretary

MANAGEMENT REPORT

PART 1: Management's Discussion and Analysis

The following is a discussion and analysis of the Company's consolidated financial condition and results of operations as at and for the years ended December 31, 2018, 2017 and 2016, and certain trends, risks and uncertainties that may affect the Company's business.

When used in this Management Report, the term "CHP" refers to CEMEX Holdings Philippines, Inc. without its consolidated subsidiaries, while the term "Company" refers to CEMEX Holdings Philippines, Inc. together with its consolidated subsidiaries. CHP is an indirect subsidiary of CEMEX, S.A.B. de C.V. ("CEMEX"), a company incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo León, Mexico.

The Consolidated Financial Statements of the Company as at and for years ended December 31, 2018 and 2017 (with the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended December 31, 2018, 2017 and 2016), including Supplementary Schedules and the Independent Auditor's Report, are annexed as Annex C hereof.

The Corporation will file its SEC Form 17-Q (Quarter Report for the 1st Quarter 2019) with the Securities and Exchange Commission and the Philippine Stock Exchange on or before May 15, 2019. The Corporation will make the SEC Form 17-Q available in the Corporation's website, <http://www.cemexholdingsphilippines.com>. Upon request of a stockholder, the Corporation will furnish the stockholder, free of charge, with a copy of this SEC Form 17-Q on the day of the Annual Meeting of Stockholders scheduled on June 5, 2019.

Results of Operations

As at and for the years ended December 31, 2018, 2017 and 2016:

Revenue

The consolidated revenue for the years ended December 31, 2018, 2017 and 2016 amounted to ₱23.4 billion, ₱21.8 billion and ₱24.3 billion, respectively. Revenue was generated mainly from sale of cement products as a result of the Company's ordinary activities.

The breakdown of revenue after elimination of transactions between consolidated entities for the year ended December 31, 2018, 2017 and 2016 were as follows:

<i>Segment</i>	For the year ended December 31, 2018		For the year ended December 31, 2017		For the year ended December 31, 2016	
	<i>Amount*</i>	<i>% Revenue</i>	<i>Amount*</i>	<i>%Revenue</i>	<i>Amount*</i>	<i>%Revenue</i>
Cement	₱23,400	100%	₱21,571	99%	₱23,893	98%
Other business	18	0%	213	1%	394	2%
Total	₱23,418	100%	₱21,784	100%	₱24,287	100%

**Amounts in millions*

Cost of Sales and Services

Consolidated cost of sales and services for the years ended December 31, 2018, 2017 and 2016, amounted to ₱14.3 billion, ₱12.4 billion and ₱11.9 billion, respectively. Costs arose mainly from

power and fuel consumption, raw materials and supplies used during production, depreciation and other expenses directly attributable to the manufacturing of finished goods.

In 2018, as a percentage of revenue, cost of sales and services increased by 4 percentage points year-on-year, mainly caused by higher power and fuel prices, and higher usage of purchased clinker during the last quarter of the year due to the suspension of mining operations of APO Land & Quarry Corporation (“ALQC”), a major supplier of raw materials of APO Cement.

In 2017, as a percentage of revenue, cost of sales and services increased by 8 percentage points year-on-year, mainly due to higher fuel prices and lower average cement selling price.

Power and fuel represented approximately 21.3% each, of cost of sales and services in 2018, 21.3% and 22.0%, respectively, of cost of sales and services in 2017 and 21.9% and 15.7%, respectively, of cost of sales and services in 2016.

Gross Profit

As a result of the above conditions, gross profit for the years ended December 31, 2018, 2017 and 2016, reached ₱9.1 billion, ₱9.4 billion and 12.4 billion, respectively. Gross profit as a percentage of revenue for the years ended December 31, 2018, 2017 and 2016, represented 38.9%, 43.1% and 51.1%, respectively.

Operating Expense

Operating expenses amounted to ₱7.7 billion, ₱7.4 billion and ₱7.5 billion for the years ended December 31, 2018, 2017 and 2016, respectively. Operating expenses were composed of administrative, selling, and distribution expenses. Administrative and selling expenses amounted to ₱3.0 billion, ₱3.1 billion and ₱3.5 billion or 12.8%, 14.1% and 14.4% of revenue in 2018, 2017 and 2016. These include: a) license fees amounting to ₱883.5 million, ₱827.8 million and ₱943.0 million, respectively; b) insurance amounting to ₱226.8 million, ₱154.1 million and ₱698.3 million, respectively; c) salaries and wages amounting to ₱653.0 million, ₱590.9 million and ₱363.2 million, respectively; and d) administrative fees amounting to ₱425.0 million, ₱625.8 million and ₱671.5 million, respectively. Distribution expenses amounted to ₱4.7 billion, ₱4.3 billion and ₱4.0 billion, respectively, in 2018, 2017 and 2016, which accounted for 20.2% and 19.8% and 16.3% of revenue, respectively.

Other expenses included in operating expenses cover utilities and supplies, taxes and license, depreciation, advertising and travel expenses, rental, and others.

Operating Income before Other Expenses, Net

For the reasons discussed above, operating income before other expenses - net amounted to ₱1.4 billion, ₱2.0 billion and ₱4.9 billion for the years ended December 31, 2018, 2017 and 2016, respectively. These comprised of 5.8%, 9.1% and 20.4% of revenue, respectively.

Other Expenses, Net

Other expenses, net for the years ended December 31, 2018, 2017 and 2016 were ₱42.7 million, ₱226.2 million and ₱319.8 million, respectively. See Note 9 of the Notes to the Company's Consolidated Financial Statements as at and for the years ended December 31, 2018, 2017 and 2016 in the accompanying Audited Financial Statements filed as part of this Information Statement.

Financial Expenses, Net

Net financial expenses for the years ended December 31, 2018, 2017 and 2016 amounted to ₱951.9 million, ₱895.3 million and ₱1.3 billion, respectively. See Notes 10 and 13 of the Notes to the Company's Consolidated Financial Statements as at and for the years ended December 31, 2018, 2017 and 2016 in the accompanying Audited Financial Statements filed as part of this Information Statement.

Foreign Exchange Loss

Loss of ₱331.0 million, ₱66.7 million and ₱1.4 billion were reported in 2018, 2017 and 2016 respectively. Foreign exchange losses were incurred mainly due to: (a) deposit agreements between the CHP and its foreign subsidiaries; and (b) depreciation of the peso against the US dollar from ₱49.93 as at December 31, 2017 to ₱52.58 as at December 31, 2018.²

- On 1 August 2016, CHP signed deposit agreements with Falcon Re Ltd. and CEMEX Asia Research A.G., respectively, in which the mentioned subsidiaries may deposit and withdraw the amount placed at any time and date, according to the conditions established in the deposit agreements. The agreements shall be valid and binding until August 1, 2021. The principal under the Falcon Re Ltd deposit agreement shall bear interest calculated daily at a rate equal to Western Asset Institutional Liquid Reserve Fund (WAILRF) minus 10 basis points. The principal under the CEMEX Asia Research A.G. deposit agreement was subject to an initial interest rate of 2.25%, which interest was subsequently increased to 2.5% per annum effective in July 2017 and then to 3% per annum starting March 2018.

Income Tax

As a result of operations, the Company's income tax expense for the years ended December 31, 2018, 2017 and 2016 amounted to ₱971.0 million, ₱139.5 million and ₱563.7 million, respectively. The higher income tax expense recorded was due mainly to the utilization of deferred tax assets following the receipt of dividends by CHP from its foreign subsidiaries.

Net Profit (Loss)

As a result of the abovementioned concepts, net profit (loss) for the years ended December 31, 2018, 2017 and 2016 amounted to (₱930.2 million), ₱658.8 million and ₱1.4 billion, respectively.

The utilization of Net Operating Loss Carry-Over (NOLCO) against intra-group dividends during the first half of 2018 is the main component of the decrease in amount of deferred tax assets, which led to an income tax expense significantly higher than the first half of 2017.

Dividends which were declared by CHP's foreign subsidiaries during 2018 amounted to an aggregate of ₱1.9 billion.

Financial Position

As at December 31, 2018, 2017 and 2016

Cash and Cash Equivalents

Cash and cash equivalents amounted to ₱1.8 billion, ₱1.1 billion and ₱1.3 billion as at December 31, 2018, 2017 and 2016, respectively. As at December 31, 2018, cash on hand and in banks amounted to ₱1.7 billion, ₱629.1 million and ₱579.6 million, respectively, while short-term investments which are readily convertible to cash amounted ₱66.2 million, ₱429.2 million and ₱757.5 million, respectively.

Trade Receivables - Net

Accounts receivables amounted to ₱708.9 million, ₱833.3 million and ₱909.7 million as at December 31, 2018, 2017 and 2016, net of allowance for impairment losses amounting to ₱24.1 million, ₱36.1 million, and ₱10.6 million, respectively, which mainly pertained to receivables from customers.

² Refer to Note 21 of the Notes to the Consolidated Financial Statements as of and for the years ended December 31, 2018, 2017 and 2016 in the accompanying Audited Financial Statements filed as part of this Information Statement which specifies the relevant closing exchange rates used in said financial statements.

Due from Related Parties

Related party balances amounted to ₱30.3 million, ₱26.4 million and ₱215.2 million as at December 31, 2018, 2017 and 2016, respectively, resulting primarily from the sale of goods, invoicing of administrative fees, and advances and loans between related parties.

Other Current Accounts Receivable

Other accounts receivables amounted to ₱73.1 million, ₱74.6 million and ₱127.3 million as at December 31, 2018, 2017 and 2016, respectively, which mainly pertained to short term deposits, receivables from contractors and employees and loan receivables.

Insurance Claims and Premium Receivables

As at December 31, 2018, outstanding insurance claims related to the loss incurred during the landslide that took place in Naga, Cebu in September 2018 amounted to ₱345.1 million. Total insurance claimed by the Company amounted to ₱662.2 million of which ₱317.1 million was already collected.

The premium receivable amounting to ₱604.9 million was related to non-damage business interruption insurance that remain outstanding as at December 31, 2018.

Inventories

Inventories amounted to ₱3.5 billion, ₱3.3 billion and ₱2.6 billion as at December 31, 2018, 2017 and 2016, respectively. Inventories consisting of raw materials, cement and work in process amounted to ₱1.8 billion, ₱1.7 billion and ₱1.3 billion for the year 2018, 2017 and 2016, respectively, and the remaining balance referred 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 ₱1.7 billion as at December 31, 2018 and ₱1.4 billion as at December 31, 2017 and 2016 which referred primarily to prepayments of insurance, ₱529.8 million, ₱542.7 million and ₱900.5 million, respectively, and prepayment of taxes, ₱525.3 million, ₱548.9 million, and ₱310.7 million respectively, and advances to suppliers, ₱444.9 million, ₱116.8 million and ₱96.4 million, respectively.

Investment in an Associate and Other Investments

Investments in Associates cover minority equity investments in Greencrete Inc., Calabar Aggregates Corporation and others.

Other Assets and Noncurrent Accounts Receivable

Other assets amounting to ₱818.2 million, ₱716.7 million and ₱320.4 million as at December 31, 2018, 2017 and 2016, respectively, primarily consisted of long-term prepayments amounting to ₱41.7 million, ₱47.8 million and ₱47.6 million, respectively, long-term performance deposits of ₱115.7 million, ₱122.4 million and ₱112.2 million, respectively, and debt reserve account and guarantee bonds used in operations amounting to ₱601.2 million, ₱485.5 million and ₱92.3 million, respectively. The rest mainly referred to noncurrent portion of the unamortized transportation allowances of employees.

Advances to Contractors for Plant Construction

In November 2018, the Company entered into a revolving facility agreement with CEMEX Asia, B.V. wherein the former received loan proceeds, a portion of which amounted to \$40.7 million (approximately ₱2.1 billion). The amount was used as down payment to a third party for the construction and installation of Solid Cement's new cement production line. This amount is presented under noncurrent assets of the consolidated statements of financial position.

Property, Machinery and Equipment -net

Property, machinery and equipment had a balance of ₱15.6 billion as at December 31, 2018 and 2017 and ₱15.8 billion as at December 31, 2016. As at December 31, 2018, 2017 and 2016, ₱1.1 billion, ₱844.4 million and ₱534.1 million respectively, were incurred for maintenance capital expenditures and ₱295.3 million, ₱484.6 million and ₱796.3 million, respectively, for strategic capital expenditures.

Deferred Income Tax

The Company's deferred income tax asset amounted to ₱720.4 million, ₱1.0 billion and ₱692.2 million while deferred income tax liability amounted to ₱156.0 million, ₱101.7 million and ₱247.6 million as at December 31, 2018, 2017 and 2016, respectively. Deferred income tax is mainly related to future tax benefit from operating losses, excess MCIT over RCIT and other future deductible expenses.

Goodwill

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

Trade Payables

Trade payables as at December 31, 2018, 2017 and 2016 amounted to ₱4.9 billion, ₱2.3 billion and ₱2.2 billion, respectively, which 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 ₱2.7 billion, ₱2.3 billion and ₱1.5 billion as at December 31, 2018, 2017 and 2016, respectively. Long-term payable to related parties amounted to ₱2.5 billion, ₱1.1 billion and ₱15.9 billion as at December 31, 2018, 2017 and 2016, respectively. The increase in long-term payable to related parties were mainly due to the new revolving loan agreement of the Company with CEMEX Asia, B.V. in 2018 while decrease of long-term loan in 2017 was due to the complete repayment of NSH Long-term Loan following the availment of the BDO Refinancing Loan.

Contract Liabilities, Other Accounts Payable and Accrued Expenses, and Income Tax Payable

Other payables and accruals which amounted to ₱2.3 billion, ₱2.1 billion and ₱2.0 billion as at December 31, 2018, 2017 and 2016, respectively, pertained mainly to contract liabilities, advances from customers, provisions and tax payables.

Retirement Benefit Liability

Retirement Benefit Liability amounting to ₱715.2 million, ₱761.0 million and ₱769.3 million as at December 31, 2018, 2017 and 2016, respectively, pertained to the provision recognized by the Company associated with employees' defined benefit pension plans.

Long-term Bank Loan

The total outstanding balance of CHP's unsecured peso long-term facility with BDO Unibank, Inc.³ was ₱13.8 billion and ₱13.9 billion as at December 31, 2018 and December 31, 2017, respectively. The debt issuance cost of this long-term bank loan, corresponding to ₱138.2 million and ₱166.6 million, on unamortized basis, was deducted from the total loan liability as at December 31, 2018 and December 21, 2017, respectively. Short-term portion of the bank loans amounted to ₱140.1 million as at December 31, 2018 and December 31, 2017.

³ On February 1, 2017, CHP signed a senior unsecured peso long-term loan facility with BDO Unibank, Inc. for an amount of up to the Philippine Peso equivalent of U.S. dollar 280 million, to refinance a majority of CHP's outstanding long-term loan with New Sunward Holding B.V. (NSH), a subsidiary of CEMEX. During the 1st quarter of 2017, this long-term loan with NSH was fully repaid.

Other Noncurrent Liabilities

Other noncurrent liabilities of ₱20.6 million as at December 31, 2018 and 2017 and ₱14.8 million as at December 31, 2016, referred to provision for asset retirement obligation.

Common Stock

As at December 31, 2018, the total authorized capital stock of CHP consisted of 5,195,395,454 common shares at a par value of ₱1 per share, and the total issued and outstanding capital stock was 5,195,395,454 common shares at a par value of ₱1 per share.

Other Equity Reserves

The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to stockholders' equity which included share-based compensation, remeasurement of retirement benefits liability, net of tax, cumulative currency translation of a foreign subsidiary and unrealized gains and losses arising from diesel hedge accounted for as cash flow hedge.

Retained Earnings

Retained earnings of ₱1.1 billion, ₱2.1 billion and ₱1.4 million as at December 31, 2018, 2017 and 2016, respectively, included the Company's cumulative net results of operations.

Company Performance Indicators and Liquidity

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 December 31, 2018, 2017 and 2016.

Key Financial Indicators	Formula	2018	2017	2016
Current Ratio	Current Asset/Current Liabilities	0.9 : 1	1.0 : 1	1.2 : 1
Solvency Ratio	Profit + Depreciation and Amortization/Total Liabilities	0.0 : 1	0.1:1	0.1 : 1
Net debt to Equity Ratio	Debt*/Total Equity	0.9 : 1	0.7 : 1	0.7 : 1
Asset to Equity Ratio	Total Assets/Total Equity	1.9 : 1	1.8 : 1	1.8 : 1

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

Key Financial Indicators	Formula	2018	2017	2016
Interest Rate Coverage Ratio	Operating income before other expenses/interest	1.5 : 1	2.3 : 1	4.0 : 1
Profitability Ratio	Operating Margin/Net sales	0.1 : 1	0.1 : 1	0.2 : 1

No Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that are reasonably likely to have a material effect on its financial condition, operating results and liquidity or capital resources.

Liquidity

The Company's operations are exposed to risks from changes in price, interest rates, inflation, foreign exchange, governmental spending, social instability and other political, economic and/or social developments in Philippines, any one of which may materially impact its net income and cash from operations. Consequently, in order to meet liquidity needs, the Company relies on cost-efficiency, profitability management and operating improvements to optimize capacity utilization and maximize profitability, as well as advances or borrowing under credit facilities, proceeds of debt and proceeds from asset sales. The Company also participates in liquidity management program pursuant to which it invests excess liquidity and has certain flexibility to undertake borrowings (intragroup or with CEMEX) to meet its own liquidity needs. Amounts that are invested or borrowed under this liquidity management program are often denominated in U.S. dollars.

Material Commitments for Capital Expenditures for 2019

The Company has budgeted about ₱7,750 million for capital expenditures and investments for calendar year 2019, which substantially consists of the following: ₱975 million - maintenance CAPEX and ₱6,775 - Solid Cement's new cement production line. Expected sources of funds in 2019 for these expenditures will be revenue or cashflow from operations, debt from any subsidiary of CEMEX, debt from one or more financial institutions and/or proceeds from one or more capital market transactions.

No assurance can be given that the Company's capital expenditure plans will not change or that the amount of capital expenditures for any project or as a whole will not change in the future from current expectations.

Bank Loan

On February 1, 2017, CHP signed a senior unsecured peso long-term loan facility with BDO Unibank, Inc. (BDO) for an amount of up to the Philippine Peso equivalent of US\$ 280 million, to refinance a majority of CHP's outstanding long-term loan with New Sunward Holding B.V. (NSH), a subsidiary of CEMEX. During the 1st quarter of 2017, this long-term loan with NSH was fully repaid.

On December 8, 2017, CHP entered into a Supplemental Agreement to the foregoing facility agreement with BDO pursuant to which, more notably, it was agreed that (i) the commencement date for compliance with certain financial covenants under the facility agreement would be in June 2020; (ii) debt service reserve accounts were created; and (iii) additional debt incurrence restrictions be put in place. On December 14, 2018, CHP 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 CHP's ultimate parent company, CEMEX, S.A.B. de C.V., or any affiliate of CEMEX, S.A.B. de C.V. which is not a direct or indirect subsidiary of CHP, to pay all amounts outstanding under the facility agreement before they become due and payable prior to their maturity in certain events.

As of December 31, 2018, CHP is in compliance with the applicable restrictions and covenants of the facility agreement; however, CHP cannot give assurance that it will be able to comply with the restrictions and covenants contained in the said facility agreement, as supplemented, including if its interest coverage ratio will decline and constrain CHP's ability to incur additional debt for general corporate purposes. CHP may need to seek waivers, amendments and/or further supplement the facility agreement in the future. Even though CHP has been able to supplement the facility agreement in the past, there is no assurance that that any future waivers, amendments and/or supplements, if requested, will be obtained or entered into.

Trend Information

Other than as disclosed elsewhere in this Management Report, CHP's 2018 Annual Report (SEC Form 17-A), or the CHP's Consolidated Financial Statements as at and for the years ended December 31, 2018, 2017 and 2016 filed as part of CHP's 2018 Annual Report (SEC Form 17-A), or SEC Form 17-Q

for the 1st Quarter of 2019, CHP is not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2018 or the three months ended March 31, 2019 that are reasonably likely to have a material and adverse effect on the Company's net sales, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions, or that would trigger direct or contingent financial obligation, including any default or acceleration of an obligation.

Refer to the discussion on major risks affecting the business in ITEM 1 of PART I of CHP's 2018 Annual Report (SEC Form 17-A).

PART 2: History and Business Development

(a) Organization

CHP, a subsidiary of CEMEX Asian South East Corporation ("CASEC"), was incorporated as a stock corporation on September 17, 2015 under Philippine laws with a corporate life of fifty (50) years, primarily to invest in or purchase real or personal property; and to acquire and own, hold, use, sell, assign, transfer, mortgage all kinds of properties such as shares of stock, bonds, debentures, notes, or other securities and obligations; provided that it shall not engage either in the stock brokerage business or in the dealership of securities, and in the business of an open-end investment company as defined in Republic Act 2629, Investment Company Act.

CASEC is a wholly-owned indirect subsidiary of CEMEX España, S.A., which in turn is indirectly owned by CEMEX, S.A.B. de C.V. ("CEMEX"), a company incorporated in Mexico with address of its principal executive office at Avenida Ricardo Margain Zozaya #325, Colonia Valle del Campestre, Garza Garcia, Nuevo León, Mexico. CEMEX is one of the largest cement companies in the world based on annual installed cement production capacity. The shares of CEMEX are listed on the Mexican Stock Exchange under the symbol "CEMEXCPO" and the New York Stock Exchange under the symbol "CX".

CHP's two principal operating subsidiaries, i.e., APO Cement Corporation ("APO Cement") and Solid Cement Corporation ("Solid Cement"), are involved in the production, marketing, distribution and sale of cement and other cement products in the Philippines with well-established brands, such as "APO", "Island", and "Rizal", each of which has a multi-decade history in the Philippines.

On January 1, 2016, CHP acquired, directly and indirectly through intermediate holding companies, a 100% equity interest in each of Solid Cement and APO Cement as a result of the following acquisitions:

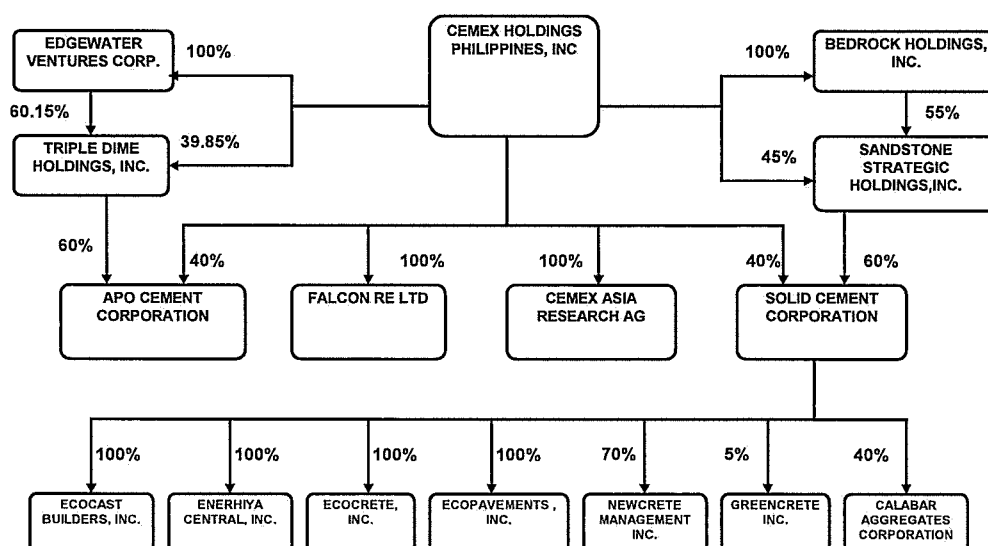
- (a) 1,112,934,284 preferred shares of APO Cement representing 40% of the outstanding capital stock of APO Cement from CEMEX Asia Holdings, Ltd;
- (b) 500,000 common shares of Solid Cement representing 10% of the outstanding capital stock of Solid Cement from CEMEX Asia Pacific Investments B.V.;
- (c) 1,500,000 common shares of Solid Cement, representing a 30% equity interest in Solid, from CEMEX Asia B.V. (in addition to CEMEX Asia B.V.'s minority interest in two shares that it owned jointly with Sandstone Strategic Holdings, Inc.);
- (d) 458,500 common shares of Edgewater Ventures Corporation representing 100% of the outstanding capital stock of Edgewater Ventures Corporation from CEMEX Asia Holdings, Ltd.;
- (e) 2,360,000 common shares of Triple Dime Holdings, Inc. representing 40% of the outstanding capital stock of Triple Dime Holdings, Inc. from CEMEX Asia Holdings, Ltd.;
- (f) 120,000 common shares of Bedrock Holdings, Inc. representing 100% of the outstanding capital stock of Bedrock Holdings, Inc. from CEMEX Asia Holdings, Ltd.; and

(g) 4,660,966 common shares of Sandstone Strategic Holdings, Inc. representing 45% of the outstanding capital stock of Sandstone Strategic Holdings, Inc. from CEMEX Asia Holdings, Ltd.

On June 17, 2016, the Securities and Exchange Commission of the Philippines (SEC) issued a Pre-effective Clearance for Registration covering 5,195,395,454 common shares of CHP broken down as follows: (a) 2,337,927,954 common shares that shall be offered and sold to the public by way of primary offering (“IPO”) and (b) 2,857,467,500 issued and outstanding shares which shall not be included in the offer. In view of the SEC Pre-effective Clearance for Registration and CHP’s compliance with other conditions imposed by the Board of the Philippine Stock Exchange (PSE), the PSE approved on June 17, 2016 the initial listing of up to 5,195,395,454 common shares under the Main Board of the Exchange. On June 30, 2016, the SEC resolved to render effective the Registration Statement of CHP and issued a Certificate of Permit to Offer Securities for Sale in favor of CHP.

On July 18, 2016, the total outstanding shares of CHP consisting of 5,195,395,454 common shares were listed on the Main Board of the Philippine Stock Exchange.

The following diagram provides a summary of the Company’s organizational and ownership structure as of December 31, 2018:



(b) Subsidiaries and Associates

The following are brief descriptions of the Company’s operating subsidiaries:

- **APO Cement Corporation.** APO Cement was incorporated in the Philippines on December 27, 1961 primarily to engage in the production and marketing of cement. CHP owns a direct 40% equity interest in APO Cement as well as an indirect 60% equity interest through its equity interest in Triple Dime Holdings, Inc. APO Cement owns and operates the APO Cement plant and primarily produces products which carry the APO cement brand.
- **Solid Cement Corporation and its subsidiaries.** Solid Cement was incorporated in the Philippines on September 14, 1987. CHP owns a direct 40% equity interest in Solid Cement as well as an indirect 60% equity interest through its equity interest in Sandstone Strategic Holdings, Inc. Solid Cement owns and operates the Solid Cement plant and primarily produces

products which carry the Island and Rizal cement brands. Solid Cement also owns a 100% equity interest in each of the following subsidiaries:

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

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

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

sales, concrete products, special building materials and other related products and services. Newcrete Management Inc. has not yet started commercial operations. CHP owns an indirect 70% equity interest in Newcrete Management Inc. through its 100% equity interest in Solid Cement.

The following are brief descriptions of companies in which Solid Cement has minority investments:

- **Calabar Aggregates Corporation.** Calabar Aggregates Corporation was incorporated in the Philippines on January 31, 1991. Calabar Aggregates Corporation is a company in which CHP owns an indirect 40% equity interest through its 100% equity interest in Solid Cement. This company is currently inactive.
- **Greencrete Inc.** Greencrete Inc. was incorporated in the Philippines on November 14, 2012. CHP owns an indirect 5% equity interest in Greencrete Inc. through its 100% equity interest in Solid Cement. Greencrete Inc. has not yet started commercial operations.

PART 3: General Business Description

The Company has two cement plants with aggregate installed annual capacity⁴ of 5.7 million tonnes of cement as of December 31, 2018. APO Cement's cement production plant is located in Naga City, Cebu and currently has three grinding lines and has an installed annual capacity of 3.8 million tonnes of cement, and serves its customers in the Visayas and Mindanao regions through its marine and land distribution network. Solid Cement's cement production plant is located in Antipolo City, Rizal and currently has three grinding lines and an installed annual capacity of 1.9 million tonnes of cement.

In October 2018, the principal project agreements were entered into with CBMI Construction Co., Ltd of China for the procurement, construction and installation of a 1.5 million metric tons per year new integrated cement production line⁵ at Solid Cement's plant. The Company targets the commencement of operations of this new integrated line to take place during the fourth quarter of 2020.

Solid Cement's plant principally serves the National Capital Region. The operations of the ready-mix plant located in Manila were discontinued in December 2017.

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

⁴ cement grinding capacity

⁵ On 1 February 2019, the Board of Investments duly registered Solid Cement Corporation as a New Producer of Cement on a Pioneer Status but with Non-Pioneer Incentives for its 1.5 million metric tons per year new integrated cement production line located in Antipolo City, Rizal. The incentives granted to this registered project include, among others, (1) a 4-year income-tax holiday period commencing from December 2020 or actual start of commercial operations (whichever is earlier) and (2) importation *at zero duty* of capital equipment, spare parts and accessories directly needed and exclusively used in the operations of the registered project. The income qualified for income-tax holiday shall be limited to the income directly attributable to the eligible revenue generated from this registered project.

In 2018, the Company's distribution infrastructure utilized 5 marine distribution terminals and 23 land distribution centers/warehouses located across the Philippines. The Company distributes its products using a fleet which is managed directly by its subsidiaries or by third-party transport providers. As of December 31, 2018, the Company leased 787 trucks for the distribution of bag and bulk cement, chartered 49 marine vessels for the waterborne distribution of bag cement in the Philippines, and contracted five marine vessels for the distribution of bulk cement.

In 2018, the Company sold gray ordinary Portland cement, masonry or mortar cement, blended cement and ready-mix concrete. The Company's cement products are principally sold under the APO, Island and Rizal brand names. The Island and Rizal brands are primarily sold to customers in Luzon, whereas the APO brand cement is primarily sold to customers in the Visayas and Northern Mindanao.

Principal Product - Cement

Cement is a binding agent that, when mixed with sand, stone or other aggregates and water, produces either ready-mix concrete or mortar. The Company provides its customers with high-quality branded cement products and services in both bagged and bulk formats. The Company relies on professional knowledge and experience to develop customized products that fulfill its customers' specific requirements and foster efficient and sustainable construction. The Company sells a large proportion of its cement in bags. Sales of cement and cement products accounted for 86.15% of consolidated net sales for 2018 before eliminations. The principal groups of related products and services are gray ordinary Portland cement, blended cement and masonry cement. The Company delivers its bagged, branded product to a large number of distribution outlets so that its cement is available to end-users in a point of sale near to where the product will be used.

Other Products

The Company sold ready-mix concrete and admixtures to third parties in 2018. The Company also occasionally provided housing solutions to its customers. These transactions accounted to not more than 0.1% of the total consolidated net sales of the Company for the year.

Dependence on a single or a few customers

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

Governmental Regulations

The principal areas in which the Company is subject to regulation are product quality standards, environmental compliance, its methods of distribution, labor, taxation, antitrust and health and safety. For example, the Occupational Safety and Health Standards promulgated by the Department of Labor and Employment, prescribes the minimum set of standards, rules, and regulations for the welfare and protection of workers in all places of employment. Apart from domestic rules, the Company is also guided by global benchmarks and standards on occupational health and safety, which is a key focus of management. There are management policies and rules in accordance with applicable laws and regulations such as production safety measures, the handling of hazardous materials, guidelines on high risk operations, and the Company also conducts regular training on occupational health and safety.

Compliance with Environmental Law

The Company is subject to a broad range of environmental laws and regulations in the Philippines, such as the Philippine Clean Air Act of 1999, the Philippine Clean Water Act of 2004 and the regulatory framework established by the Philippine Environmental Impact Statement System. These laws and regulations impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater discharges, the use and handling of hazardous waste or materials, waste disposal practices and the remediation of environmental damage or contamination.

The Company allocates resources to government-mandated social development funds in compliance with environmental laws and regulations. For instance, in 2018, the Company allocated approximately ₱16.96 million for projects implemented pursuant to the Social Development and Management Program.

Major Risks Affecting the Business

Substantially all of the Company's manufacturing business and assets are located in the Philippines. Accordingly, economic conditions in the Philippines may adversely affect its business, prospects, financial condition and results of operations.

The results of the Company's operations depend, to a significant extent, on the performance of the Philippine economy. The Philippines has experienced periods of slow or negative growth, high inflation, significant depreciation of the peso and the imposition of exchange controls.

The Company's growth prospects are largely dependent upon the economic growth in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activity in the Philippines or globally;
- scarcity of credit or other financing;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- an increase in unemployment levels or decrease in consumer confidence;
- a decrease in remittances from overseas Filipino workers;
- changes in the taxation policies and laws;
- natural disasters, including typhoons, earthquakes, fires, floods, landslides and similar events;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- political or economic developments in or affecting the Philippines.

In addition, the strength of the Philippine economy (and demand for the Company's products in particular) is influenced and affected by global factors, including the performance of the global and regional economies, including in particular the United States and China, and the global economy, in general. If these economies were to suffer periods of prolonged weakness, it could adversely affect the Company's business, prospects, financial condition and results of operations.

A reduction or delay in public or private construction projects may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's principal business is reliant on levels of public and private construction activity in the Philippines. Significant interruptions or delays in, or the termination of, public or private construction projects may adversely affect the Company's business, financial condition and results of operations.

The Company is dependent on the continuing operation of the Company's two cement plants.

The principal manufacturing facilities are at two cement plants. The Solid Cement plant is located in Rizal in Luzon and the APO Cement plant is located in Cebu in the Visayas. These plants are subject to the normal risks of industrial production, including equipment breakdowns, labor stoppages, natural disasters, directives from Government agencies and power interruptions.

The Company operates in highly competitive markets

The markets in which the Company operate are highly competitive and are served by a variety of established companies with recognized brand names, as well as new market entrants such as new brand introductions by local manufacturers and importers. Companies in these markets compete based on a variety of factors, often employing aggressive pricing strategies to gain or protect their share of the market.

The construction industry is generally cyclical and variations in supply (including by increase of capacities) and demand (including from a decrease in construction activities) may result in overcapacity and a corresponding reduction in the utilization of the cement plants.

The Company is affected by the cyclical nature of the construction industry, which is characterized by periods of growth and slowdown or decline caused by variations in supply and demand. Such fluctuations may lead to periods of overcapacity where cement supply exceeds cement demand. Overcapacity could be due to (i) a decrease in demand and a failure by the industry to adjust supply or (ii) the industry adding capacity in excess of that required to satisfy demand.

Higher electricity and fuel costs, or the reduction or interruption in supply thereof, may adversely affect the Company's business, prospects, financial condition and results of operations.

The Company's operations consume significant amounts of electricity and fuel. The cement plants use electricity from the electricity grid, in addition to electricity produced from in-house generators fired by heavy fuel oil and waste production heat.

The results of operations could be affected by fluctuations in interest rates

The Company is currently exposed to interest rate risk primarily in connection with certain long-term loans which are subject to variable interest rate. There can be no assurance that fluctuations in interest rates will not adversely impact the Company's business, financial condition and results of operations.

The results of operations could be affected by fluctuations in interest rates

The Company is exposed to interest rate risk primarily in connection with certain long-term loans which are subject to variable interest rate. There can be no assurance that fluctuations in interest rates will not adversely impact the Company's business, financial condition and results of operations.

The Company's operations can be affected by adverse weather conditions.

Construction activity, and thus demand for the Company's products, decreases substantially when heavy or sustained rainfalls occur. Consequently, demand for the Company's products is significantly lower during the rainy season in the Philippines or during periods of unexpected heavy or sustained rainfalls. Adverse weather conditions can adversely affect the Company's results of operations and profitability especially if they occur with unusual intensity, during unexpected periods or last longer than usual, especially during peak construction periods. This was the case in September 2018 when the operations of the APO Cement plant was affected by the landslide in Naga, Cebu which took place during the rainy season.

The development or implementation of the Company's various projects may not be completed on schedule or within the allocated budget.

The time taken and the costs incurred in connection with the development or implementation of the Company's various projects (including Solid Cement's new cement production line) may be

affected by many factors which include, among others, problems and circumstances which are generally beyond the control of the Company:

- delays or inability to obtain all necessary location, zoning, land use, building, development and other required governmental and regulatory licenses, permits, approvals and authorizations;
- change in legislation or governmental policy;
- construction risks, which include delays in construction and cost overruns (whether from variation to original design plans or any other reason), a shortage or increase in the cost of construction and building materials, equipment or labor as a result of inflation or otherwise, inclement weather conditions, unforeseen engineering, environmental or geological problems, defective materials or building methods, default by contractors and other third-party providers of their obligations, or financial difficulties faced by such persons, disputes between counterparties to a construction or construction-related contract, work stoppages, strikes, accidents, among others; and
- possible shortage of available cash to fund construction and capital improvements, as the Company may need to make significant capital expenditures without receiving revenue and cash flow from these properties until future periods, and the related possibility that financing for these capital improvements may not be available on acceptable terms or at all.

Sources and Availability of Primary Raw Materials from Third Parties

The primary raw materials used in the Company's cement production are limestone, pozzolan, clay and gypsum. Raw materials costs represented approximately 11% of the Company's consolidated costs of sales and services for fiscal year 2018 and 12% of the Company's consolidated costs of sales and services for fiscal year 2017.

The raw materials are delivered directly to the Company's production facilities by trucks and conveyor belts. The Company purchases the majority of its limestone, pozzolan and clay requirements from ALQC and IQAC pursuant to long-term supply agreements, each having 20-year terms commencing on January 1, 2016 and automatic renewals for successive periods of two years.

Most of the quarries from which ALQC and IQAC mine raw materials, such as limestone, pozzolan and clay are located near the Company's cement production plants, which reduces the Company's pre-production transport time and costs.

New regulatory developments may increase costs of doing business or restrict operations.

The principal areas in which the Company is subject to regulation are product quality standards, environmental compliance, the Company's methods of distribution, labor, taxation, antitrust and health and safety. The Company may also be adversely affected by regulations applicable to its principal suppliers of raw materials, or to other third parties that provide the Company with products and services. The adoption of new laws or regulations or a stricter interpretation or enforcement thereof in the Philippines may increase the Company's operating costs or impose restrictions on the Company's operations.

Currency fluctuations

The Company is exposed to foreign exchange fluctuations to the extent the Company incurs monetary assets and/or liabilities, or recognizes income or expenses, in a currency different from its functional currency, which is the Philippine Peso.

PART 4: Market Information and Related Stockholder Matters

(1) Market information

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

January to March 2016	N/A	N/A
April to June 2016	N/A	N/A
July to September 2016	₱ 12.96	₱ 10.80
October to December 2016	₱ 12.10	₱ 10.64
January to March 2017	₱ 12.00	₱ 6.99
April to June 2017	₱ 8.35	₱ 6.70
July to September 2017	₱ 7.46	₱ 5.01
October to December 2017	₱ 5.50	₱ 3.97
January to March 2018	₱ 5.53	₱ 3.57
April to June 2018	₱ 3.78	₱ 2.86
July to September	₱ 3.64	₱ 2.29
October to December	₱ 2.70	₱ 1.61
January to March 2019	₱ 2.92	₱ 1.88

The closing market price at which the shares were sold on March 29, 2019 was ₱2.62.

(2) Shareholders

There are five billion one hundred ninety five million three hundred ninety five thousand and four hundred fifty four (5,195,395,454) issued and outstanding common shares of stock of CHP.

Based on the report prepared by CHP's stock transfer agent, the total number of stockholders of record as of March 31, 2019 is 21, and the stockholders of record of CHP, including the number and percentage of total common shares outstanding held by each as of March 31, 2019, are as follows:

Title of Class	Names of Stockholders	Names of Beneficial Owners and Relationship with Record Owner	Nationality	No. of Shares Held	% to Total Outstanding Shares
Common Shares	CEMEX Asian South East Corporation ^(a) 34 TH Floor Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila	CASEC	Non-Filipino (incorporated in the Philippines but wholly owned by a Netherlands company)	2,857,467,493 ^(b)	55.000%
Common Shares	PCD Nominee Corporation (Non-Filipino) ^(c) G/F Makati Stock Exchange 6767 Ayala Avenue, Makati City	PCD Participants and clients ^(d)	Non-Filipino	1,101,541,064	21.202%
Common Shares	PCD Nominee Corporation (Filipino) ^(e) G/F Makati Stock Exchange	PCD Participants and clients ^(d)	Filipino	1,234,334,784	23.758%

	6767 Ayala Avenue, Makati City				
Common Shares	Cai Yu Xi		Chinese	1,000,000	0.019%
Common Shares	Alfonso Sy Teh or Connie Sia Cheng Teh		Filipino	400,000	0.008%
Common Shares	Sysmart Corporation		Filipino	215,200	0.004%
Common Shares	Bob Dy Gothong		Filipino	208,600	0.004%
Common Shares	Tristan Q. Perper		Filipino	100,000	0.002%
Common Shares	Elvira M. Cruz and Bernardo A. Cruz		Filipino	90,000	0.002%
Common Shares	Myra P. Villanueva		Filipino	29,300	0.001%
Common Shares	Anita Uy Mustera or Nicolas R. Mustera		Filipino	2,700	0.000%
Common Shares	Milagros P. Villanueva		Filipino	2,500	0.000%
Common Shares	Myrna P. Villanueva		Filipino	2,500	0.000%
Common Shares	Christine F. Herrera		Filipino	1,000	0.000%
Common Shares	Shareholders Association of the Philippines, Inc.		Filipino	100	0.000%
Common Shares	Jesus San Luis Valencia		Filipino	100	0.000%
Common Shares	Bartholomew Dybuncio Young		Filipino	100	0.000%
Common Shares	Owen Nathaniel S. Au ITF: Li Marcus Au		Filipino	10	0.000%
Common Shares	Botschaft N. Cheng or Sevilla Ngo		Taiwanese	1	0.000%
Common Shares	Alfredo Panlilio ^(f)		Filipino	1	0.000%
Common Shares	Pedro Roxas ^(g)		Filipino	1	0.000%

Notes:

- (a) CASEC, the major shareholder of CHP, is a corporation incorporated in the Philippines, but wholly owned by a Netherlands company. The Board of Directors of CASEC has the power to decide how CASEC shares in CHP are to be voted.
- (b) The number of shares indicated does not include the 5 shares which are beneficially owned by CASEC but held by five individuals, respectively which are recorded in the shares corresponding to "PCD Nominee Corporation (Filipino)" and "PCD Nominee Corporation (Non-Filipino)".
- (c) PCD Nominee Corporation is not related to CHP. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant. CHP has no record relating to the power to decide how the shares by PCD Nominee Corporation (Filipino and Non-Filipino) are to be voted.
- (d) Based on the Top 100 PDTTC Participants Report of Philippine Depository & Trust Corporation as of March 31, 2019, the PCD Nominee Corporation (Non-Filipino) and PCD Nominee Corporation (Filipino) accounts include the following:
- (a) The Hongkong and Shanghai Banking Corp. Ltd.- Clients' Acct- 377,383,696 shares corresponding to approximately 7.26% of the total outstanding shares of CHP
 - (b) COL Financial Group, Inc. - 285,672,361 shares corresponding to approximately 5.49% of the total outstanding shares of CHP
 - (c) CITIBANK N.A. - 224,143,100 shares corresponding to approximately 4.31% of the total outstanding shares of CHP
 - (d) Standard Chartered Bank - 178,363,348 shares corresponding to approximately 3.43% of the total outstanding shares of CHP

Based on SEC Form 18-A dated 28 December 2016 that was filed by Wellington Management Group LLP (declarant), the declarant stated that it beneficially owned 277,299,574 shares which represent approximately 5.34% of the issued and

outstanding shares of stock of the CHP. In an SEC Form 18-A dated 27 June 2018 filed by declarant, it stated that it beneficially owned 258,839,897 shares which represents 4.98% of the issued and outstanding shares of stock of the CHP.

(e) Supra note (c)

(f) In addition to the indicated one share, Mr. Panlilio owns 1,000 shares which are part of the shares recorded under the account *PCD Nominee Corporation (Filipino)*

(g) In addition to the indicated one share, Mr. Roxas owns 1,000 shares which are part of the shares recorded under the account *PCD Nominee Corporation (Filipino)*

(3) Dividends declaration, if any

CHP has not declared any dividends on its common equity from the time of its initial listing and any subsequent interim period for which financial statements are required to be presented by SRC Rule 68.

(4) Sales of Unregistered Securities within the last three (3) years

There are no securities of CHP sold by it from the time of its IPO in 2016 which were not registered under the Securities Regulation Code (SRC).

PART 5: Discussion on Compliance with Leading Practices on Corporate Governance

CHP adopted its Manual of Corporate Governance (the “Manual”) on March 7, 2016. This Manual was amended on October 25, 2016, May 10, 2017, February 6, 2018 and on March 22, 2018. The company’s policy of corporate governance is principally based on the Manual. The Manual lays down the principles of good corporate governance in the entire organization. The Manual provides that it is the responsibility of the Board of Directors to initiate compliance to the principles of good corporate governance, to foster long-term success and to secure sustained competitiveness in a manner consistent with the Board’s fiduciary responsibility.

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

The Manual expressly provides that any material amendment or revision to the provisions defining the (i) royalty/license fee or service fee, as applicable, payable to CEMEX pursuant to, or (ii) the duration or term of, any of the company’s license agreements involving the trademark and other intellectual properties of CEMEX or the service agreements with CEMEX shall require the affirmative vote of two independent directors.

The Manual recognizes the authority of the Board of Directors to create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Manual. The Board of Directors adopted on January 30, 2019 a Framework for a Self-Rating Performance System which provides the process and criteria for self-assessment of performance of the members of the Board of Directors and board committees. The members of the Board of Directors and board committees conducted the performance assessment exercise for 2018 during the first quarter of 2019, and review of the results thereof is ongoing. The organization has a separate performance rating system for executives and employees.

CHP adheres to the CEMEX Code of Ethics and Business Conduct (Code) which was established to ensure that all employees of CEMEX worldwide abide by the same high standards of conduct in their daily interactions. This Code is designed to govern the Company’s relationships with all of its

stakeholders, workplace safety, health, environmental responsibility, protection of confidential information, conflicts of interest, financial controls and records, and preservation of assets. Through the organization's ethics committees, training programs, and secure internal communications channels, the Corporation ensures awareness and enforcement of this Code. Among several implementing global policies of CEMEX being observed by CHP are the Global Anti-Trust Compliance Policy, CEMEX Anti-Bribery/Anti-Corruption Policy and CEMEX Insider Trading Policy. The Code and the various implementing global policies of CEMEX are periodically evaluated and, where deemed necessary or appropriate, updated. CHP undertakes to further improve its corporate governance practices as may be required by law or the exigency of the business.

In 2018, the employees of the Company received training on various topics governed by the Code of Ethics and Business Conduct, dedicating more than 3000 training manhours related to, among others, Anti-Corruption and Anti-Bribery, Competition and Anti-Trust, Corporate Governance, Health & Safety, Code of Ethics and Business Conduct, and ETHOS Awareness.

Board Committees

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

The Audit Committee will carry out, among other things, the following functions: (i) assist the Board of Directors in the performance of its oversight responsibility for: the company's financial reporting process; its system of internal control; its audit process and the monitoring of compliance with applicable laws, rules and regulations; (ii) supervise the effectiveness of its internal control procedures and corporate risk management systems; (iii) perform oversight functions over its internal and external auditors, ensuring that the internal and external auditors act independently from each other, and that each are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; (iv) review the annual internal audit plan to ensure its conformity with the company's objectives; (v) organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; (vi) monitor and evaluate the adequacy and effectiveness of its internal control system, including financial reporting control and information technology security; (vii) review the reports submitted by the internal and external auditors; (viii) review the quarterly, half-year and annual financial statements before their submission to the Board of Directors; (ix) coordinate, monitor and facilitate compliance with laws, rules and regulations; (x) evaluate and determine non-audit work, if any, required of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the company's overall consultancy expenses and (xi) establish and identify the reporting line of the internal auditor to enable them to properly fulfill their duties and responsibilities.

The Audit Committee is currently comprised of three members, two of whom are the independent directors. The Audit Committee reports directly to the Board of Directors.

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

The members of the Audit Committee and the Board of Directors are informed about the internal controls and procedure observed by the Company, and are regularly updated about and have reviewed the results/ findings of the audit and monitoring processes. The Audit Committee and the Board of Directors have not detected material weaknesses in the internal controls and risk management system currently in place. However, in support of the oversight function of the Board of Directors, the Audit Committee is tasked to consider improvements to further enhance the effectiveness of the internal controls and risk management system of the Company.

The Nomination Committee will carry out, among other things, the following functions: (i) be responsible for providing shareholders with an independent and objective evaluation of and assurance that the members of the Board of Directors are competent and will foster the company's long-term success and secure its competitiveness; (ii) review and evaluate the qualifications of persons nominated to the Board of Directors as well as other appointments that require the approval of the Board of Directors and (iii) assess the effectiveness of the processes and procedures of the Board of Directors in the election or replacement of directors.

The Nomination Committee is currently comprised of three members, two of whom are the independent directors. The Nomination Committee reports directly to the Board of Directors. Following the favorable endorsement of the Nomination Committee, the Board of Directors approved the Charter for the Nomination Committee on October 25, 2016.



Supplement to Item 9 of the Definitive Information Statement
dated 8 May 2019
Authorization or Issuance of Securities Otherwise than for Exchange

The common shares to be created as a result of the increase in authorized capital stock of CEMEX Holdings Philippines, Inc. (**“Corporation”**) shall have the same voting and dividend rights ascribed to the current issued and outstanding common shares of the Corporation.

Pursuant to the Seventh Article of the Amended Articles of Incorporation of the Corporation, holders of common shares are not entitled to pre-emptive rights to subscribe to any new issues of such common stock, nor dispositions of existing stocks, whether issued from its unissued capital or its treasury shares. There are no provisions in the Articles of Incorporation or By-laws of the Corporation that would delay, defer, or prevent a change in control.

This Supplement shall form an integral part of the Corporation’s Definitive Information Statement dated 8 May 2019.