COVER SHEET

CS201518815
S.E.C. Registration Number

CEMEX HOLDINGS PHILIPPINES, INC.

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

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

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

12	**31**	**SEC Form 17-Q dated 3 May 2024 - 1st Quarter 2024**	**06**	**05**
Month	*Day*	FORM TYPE	*Month*	*Day*
Fiscal Year			Annual Meeting (First Wednesday of June)	

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

MSR
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2024**

2. SEC Identification Number. **CS201518815**

3. BIR Tax Identification No. **009-133-917-000**

4. Exact name of registrant as specified in its charter. **CEMEX HOLDINGS PHILIPPINES, INC.**

5. Province, country or other jurisdiction of incorporation or organization **Metro Manila, Philippines**

6. Industry Classification Code: ____________ (SEC Use Only)

7. Address of issuer's principal office and postal code **34th Floor, Petron Mega Plaza Building, 358 Sen. Gil J. Puyat Avenue, Makati City 1200**

8. Issuer's telephone number, including area code **(02) 8849-3600**

9. Former name, former address and former fiscal year, if changed since last report **– Not Applicable**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

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

Yes [X] No [ ]

Stock Exchange: Philippine Stock Exchange
Securities Listed: Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [X] No [ ]

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited condensed consolidated interim financial statements as at March 31, 2024, (with comparative audited consolidated statement of financial position as at December 31, 2023), and for the three months ended March 31, 2024 and 2023, and the accompanying notes to the unaudited condensed consolidated interim financial statements of CEMEX Holdings Philippines, Inc. and its Subsidiaries are filed as part of this Form 17-Q as Appendix I.

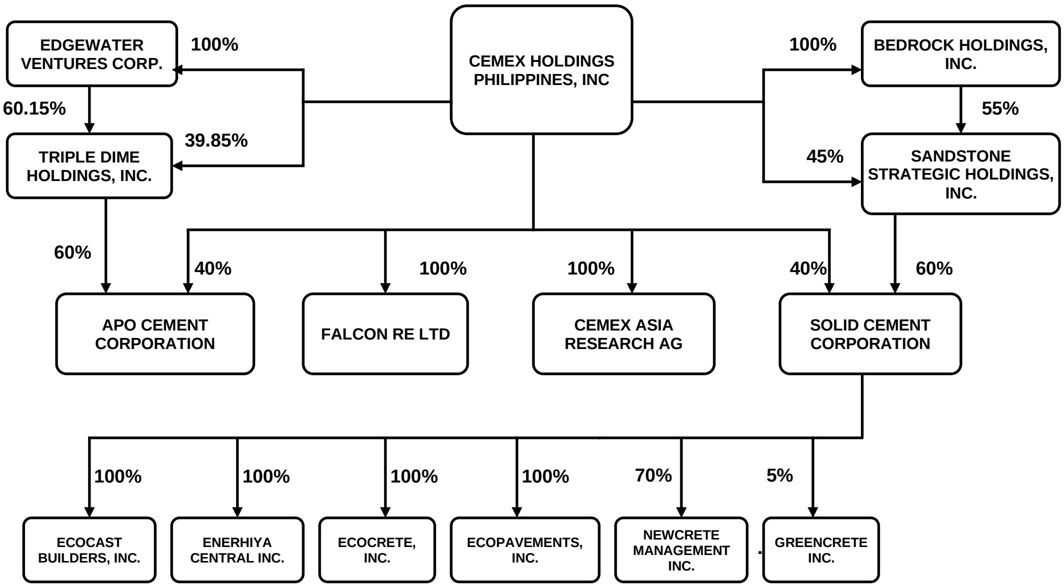
The term "CHP" or "Parent Company" used in this report refers to CEMEX HOLDINGS PHILIPPINES, INC. without its Subsidiaries. Unless the context clearly indicates otherwise, any reference in this report to "the Company", "we", "us", or "our" refers to the Parent Company together with its consolidated Subsidiaries.

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

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

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

The following diagram provides a summary of the Company's organizational and ownership structure as of March 31, 2024[1]:



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

During the first quarter of 2017, the remaining balance of the proceeds from the IPO were used in the first quarter of 2017 to partially repay amounts outstanding under the long-term loan with New Sunward Holding B.V. ("NSH Long-term Loan"). New Sunward Holding B.V. was an indirect subsidiary of CEMEX that, effective as of December 1, 2020, merged with and into CEMEX España, with CEMEX España being the surviving corporation.

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

On April 2, 2019, the Board of Directors approved the increase in the Parent Company's authorized capital stock ("ACS") from P5,195,395,454 divided into 5,195,395,454 Common Shares with par value P1.00 per share, of which 5,195,395,454 common Shares are issued and fully paid-up, to P18,310,395,454 divided into 18,310,395,454 common Shares with a par value of P1.00 per share. This increase was then authorized by the Parent Company's shareholders owning more than 2/3 of the total issued and outstanding capital during a special meeting of stockholders held on October 16, 2019. Following said special stockholders' meeting, the Parent Company initiated the corresponding processes with the SEC and the PSE for a stock rights offering ("Stock Rights Offering") for the purpose of raising the equivalent in Philippine Peso of up to US$250 million.

On December 11, 2019, the SEC issued a Notice of Confirmation of Exempt Transaction, confirming that the Stock Rights Offering is exempt from the registration requirements of the Securities Regulation Code of the Philippines and the board of directors of the PSE approved the Parent Company's application for listing of the shares to be offered in the Stock Rights Offering, subject to the fulfillment

[1]Calabar Aggregates Corporation is a company in which the Parent Company owned an indirect 40% equity interest through its 100% equity interest in Solid Cement. Its corporate term expired on December 31, 2022, and therefore is not included in this diagram.

of certain listing conditions, such as but not limited to the Parent Company having obtained the SEC's approval of the increase in the Parent Company's ACS.

On January 6, 2020, the Parent Company announced that the Stock Rights Offering would involve the offer of 8,293,831,169 common shares with a par value of P1.00 per share (the "Rights Shares") at an offer price of P1.54 per Rights Share that would be issued from the Parent Company's increased ACS. The proceeds from the Stock Rights Offering would be used primarily (i) to fund the expansion of Solid Cement's plant in Antipolo City, Rizal, involving the construction and installation of a 1.5 million metric tons per year new integrated cement production line (the "Solid New Line Project"), including to pay outstanding amounts owed by Solid Cement under a revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid Cement, as the borrower, and Cemex Asia B.V. ("CABV"), as the lender (the "Solid Expansion Facility Agreement"), which facility agreement had been used primarily but not exclusively to fund the Solid New Line Project, and (ii) for other general corporate purposes, including to pay outstanding amounts owed by APO Cement under a master loan agreement dated October 1, 2014, as amended and restated from time to time, between APO Cement, as borrower, and CABV, as lender (as successor by assignment to Cemex Hungary KFT) (the "APO Operational Facility Agreement").

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

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

As of December 31, 2020, the shareholdings in the Parent Company owned by CASEC was 10,500,624,662 common shares at P1 par value per share.

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

In March 2023, in connection with the voluntary tender offer exercise launched by CASEC, CASEC acquired 1,614,000,000 common shares of CHP at the Tender Offer Price of P1.30 with a total transaction price of P2,098,200,000. The cross sales were executed last 29 March 2023. As a result of the tender offer, CASEC owns and controls 12,121,954,662 common shares of CHP (inclusive of 5 shares held by individuals), which is approximately 89.86% of the issued and outstanding common shares of CHP.

On April 25, 2024, CABV entered into an agreement with third parties for the sale of CABV's 42,140,266 common shares in CASEC, representing 100% of the outstanding share capital of CASEC. CABV expects to complete and close this sale transaction before year-end 2024, subject to the satisfaction of various pre-completion conditions, including, but not limited to, the approval by the Philippine Competition Commission, completion taking place under agreements for the sale and purchase of shares pursuant to which CABV would indirectly dispose of its 40% interest in each of APO Land & Quarry Corporation and Island Quarry and Aggregates Corporation, and the fulfillment of any mandatory tender offer requirement by the buyers to the shareholders of CHP.

When the sale transaction involving CABV's shares in CASEC is completed and closed, the Parent Company will no longer be an indirect subsidiary of Cemex.

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

During the first quarter of 2024, the Company's operations remained negatively affected by challenging market conditions, mainly resulting from intense industry competition, heightened by the presence of imported cement. These conditions, together with soft cement demand which has prevailed over the last two years, have resulted in lower cement prices year-over-year, limiting the execution of the Company's pricing strategy to recover profitability.

Despite the impact of holidays related to "Holy Week" in March, the Company observed slight improvements in industry demand, based on average daily sales, at the regional and local levels during the first quarter of 2024. The Company continues to optimize production and supply chain operations, fixed costs, operating expenses, and working capital, to counteract market challenges during the year. Through these efforts, the Company continued to show resilience, with significant cost containment efforts in fuels and enhanced operating efficiencies.

The Company remains focused on the variables within its control to aim to improve its operating and financial performance, such as but not limited to:

- Enhancing our value offers; improving product availability and delivery services;
- Increasing our use of alternative fuels while optimizing our use of fossil-based fuels;
- Expanding our portfolio of non-fossil fuel-based energy sources (i.e. solar energy);
- Increasing our use of alternative and decarbonated raw materials;
- Optimizing our distribution network and resources;
- Deriving savings from selling and administrative expenses, and fixed costs at our facilities;
- Capitalizing on our Vertua® line of lower-carbon products;
- Continuing our innovation and digital transformation efforts to provide a superior customer experience; and
- Continuing the Company's pricing strategy intended to offset the impact of input cost inflation in our products.

Regarding the Company's Solid New Line Project, the commissioning of the raw meal production system continued during the first quarter of 2024. As of March 31, 2024, ongoing activities include construction for the kiln and coal mill, electrical installation, mechanical installation of various equipment, and other civil works.

The estimated total project cost for the Solid New Line Project remains at US$323 million, while the total interest capitalization is now US$56 million. Since the start of the project until the end of March 2024, the Company has invested around US$ 301 million (which amount includes project cost and interest capitalization). Further investment requirements could be sourced from one or any combination of the following options: free cash flow, debt from any subsidiary of Cemex, and/or debt from one or more financial institutions.

The following is a discussion and analysis of CHP's unaudited condensed consolidated interim financial statements as at March 31, 2024 (with comparative audited consolidated statement of financial position as at December 31, 2023) and for the three months ended March 31, 2024 and 2023, and included herein, and should be read in conjunction with Appendix I of this report.

<u>Financial Performance</u>
For the three months ended March 31, 2024 and 2023:

Revenues
Revenues for the three months ended March 31, 2024 and 2023 amounted to P3.9 billion and P4.6 billion, respectively. Revenues were generated mainly from sale of cement products as a result of the Company's ordinary activities. Revenues decreased by P0.70 billion or 15% year-over-year mainly

due to lower cement price, as competitive dynamics remain intense, limiting the execution of our pricing strategy to recover profitability.

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

	For the three months ended March 31,			
	2024		2023	
Segment	**Amount***	**% Sales**	Amount*	% Sales
Cement sales	**P3,928**	**99%**	P4,626	100%
Other businesses	**13**	**1%**	19	0%
Total	**P3,941**	**100%**	P4,645	100%

**Amounts in millions*

Cost of Sales
Cost of sales for the three months ended March 31, 2024 and 2023 amounted to P3.3 billion and P3.7 billion, respectively, corresponding to 83% and 80% of revenues, respectively. Cost of sales represents the production cost of goods sold. Costs arose mainly from power and fuel consumption, raw materials and supplies used during production, depreciation, and other expenses directly attributable to the manufacturing of finished goods. Total cost of sales decreased by P414.2 million or 11% year-over-year mainly due to lower fuel cost and power cost.

Gross Profit
As a result of the above conditions, gross profit for the three months ended March 31, 2024 and 2023 reached P0.7 billion and P0.9 billion, corresponding to 17% and 20% of revenues, respectively.

Operating Expenses
Operating expenses for the three months ended March 31, 2024 and 2023 amounted to P1.3 billion and P1.4 billion, respectively which corresponded to 33% and 29% of revenues. Operating expenses pertain to administrative, selling, and distribution expenses. Operating expenses decreased by P66.1 million or 5% year-over-year and the movement was primarily due to the following items:

- Administrative and selling expenses for the three months ended March 31, 2024 and 2023 amounted to P0.7 billion, and these corresponded to 17% and 15% of revenues of the relevant periods. On a year-over-year basis, these items reflected an P8.80 million or 1% increase.
- Distribution expenses for the three months ended March 31, 2024 and 2023 amounted to P0.6 billion and P0.7 billion, respectively, corresponding to 15% of respective revenues. The decrease of P74.9 million or 11% was supported by supply chain efficiencies.

Operating loss before other income (expenses) - net
For the reasons discussed above, operating loss before other income (expenses) - net for the three months ended March 31, 2024 and 2023 amounted to P0.6 billion and P0.4 billion, respectively, which correspond to (16%) and (9%) of revenues, respectively.

Other income (expenses) - net
Other income (expenses), net for the three months ended March 31, 2024 and 2023 amounted to P1.0 million and P7.7 million, respectively, both corresponding to less than 1% of the revenues, for the relevant periods. The unfavorable movement of P6.7 million or 86% year-over-year was mainly due to P7.0 million credit memo related to chartered vessel off-hire.

Financial and Other Financial Expenses - net
Financial and other financial expenses - net for the three months ended March 31, 2024 and 2023 amounted to P47.8 million and P67.6 million, respectively, and corresponded to 1% and 2% of the revenues, for the relevant periods. This account principally pertains to the costs incurred by the

Company from borrowings. The decrease of P19.8 million or 29% year-over-year was mainly due to higher capitalization arising from higher average capital expenditures.

Foreign exchange gain (loss) - net
Foreign exchange gain (loss) - net for the three months ended March 31, 2024 and 2023 amounted to (P260.4 million) and P281.5 million, respectively, and corresponded to (7%) and 6% of the revenues, respectively. The decrease of P0.5 billion or above 100% year-over-year was the result of depreciation of Philippine Peso to United States Dollar exchange rate for the first three months this year as compared to 2023. The movement mainly relates to intragroup deposits between CHP and its foreign subsidiaries. These intragroup deposits are essentially neutral on a net equity basis.

(Provision for) Benefit from Income Tax
The (provision for) benefit from income tax for the three months ended March 31, 2024 and 2023 amounted to P24.1 million and (P166.3) million, respectively, and corresponded to less than 1% and (4%) of the revenues, respectively. The decrease of P190.4 million or above 100% was mainly due to tax impact of movement in foreign exchange rates.

Net Loss
As a result of the abovementioned concepts, net loss for the three months ended March 31, 2024 and 2023 amounted to P917.8 million and P335.5 million, respectively, which corresponded to (23%) and (8%) of the revenues, respectively.

<u>Financial Position</u>
As at March 31, 2024 and December 31, 2023:

Cash and Cash Equivalents
Cash and cash equivalents as at March 31, 2024 and December 31, 2023, amounted to P1.5 billion and P1.7 billion, respectively, and corresponded to 2.2% and 2.6% of the total assets, respectively. The cash and cash equivalents pertain to cash in bank and short-term investments which were readily convertible to cash. Below is the breakdown of P212.0 million or 12% decrease in cash and cash equivalents:

	Amount*
Net cash absorbed in operating activities	(297.9)
Net cash used in investing activities	(930.8)
Net cash provided in financing activities	1,015.6
Effect of exchange rate changes on cash and cash equivalents	1.1
Total movement	(P212.0)

**Amounts in millions*

For the three months ended March 31, 2024, the Company had a loss amounted to P942.0 million. After considering the adjustments to reconcile profit to net cash flows, the operating loss before working capital changes amounted to P144.3 million. Thereafter considering the working capital changes, interest paid/received, taxes paid, and benefits paid to employees, the net cash used in operating activities amounted to P297.9 million. The net cash used in investing activities amounted P930.8 million mainly from additions to property, plant and equipment. The net cash provided by financing activities amounted to P1,015.6 million mainly from bank loan and long-term loan from related parties.

Trade Receivables - net
Trade receivables amounted to P776.4 million and P666.8 million as at March 31, 2024 and December 31, 2023, net of allowance for impairment losses amounting to P14.6 million and P12.8 million, respectively. This account corresponded to approximately 1% of the total assets for the relevant periods which mainly pertain to receivables from customers.

Related Party Balances
Due from related parties as at March 31, 2024 and December 31, 2023 amounted to P9.2 million and P8.2 million, respectively, corresponding to less than 1% of the total assets, for the relevant periods. The due from related parties increased by P1.0 million or 12% year-over-year, which mainly due to advanced payment for spare parts purchased.

The short-term related party payable balances as at March 31, 2024 and December 31, 2023 amounted to P2.9 billion and P3.0 billion, respectively, which correspond to 11% and 12% of the total liabilities, for the relevant periods. The short-term related party balances pertain to service fees, advances between related parties, sale/purchase of goods, central service and license fees, among others.

Long-term payable to related party as at March 31, 2024 and December 31, 2023 amounted to P6.6 billion and P6.0 billion, respectively. The account corresponds to 24% of the total liabilities, for the relevant periods. The underlying transactions pertain to the drawdowns under the revolving loan agreements of APO Cement and Solid Cement, respectively, with Cemex Innovation Holding Ltd. (CIH) and Solid Expansion Facility Agreement with CIH during the first quarter. (Additional details are found in Note 10 – Related Party Transactions of Appendix I of this report).

Insurance Premiums Receivable
Insurance premiums receivable as at March 31, 2024 and December 31, 2023 amounted to P323.8 million and P396.3 million, respectively. This item is principally related to insurance receivable from a third-party insurance company. The insurance premiums receivable represents premiums on written policies which are collectible within the Company's credit term. The movement of P72.5 million was mainly from receipt of collection during the first quarter. Insurance Claims and Premium Receivables accounted for less than 1% of the total assets for the relevant periods.

Other Current Accounts Receivable
Other current accounts receivable as at March 31, 2024 and December 31, 2023, which pertains to receivables from contractors and employees, short-term deposits, and others, amounted to P346.8 million and P437.6 million, respectively, which corresponded to less than 1% of the total assets, respectively. The decrease of P90.9 million or 21% was mainly due to decrease in the debt service reserve accounts[2] and application of refundable deposits to power supplier billing.

Inventories
Inventories as at March 31, 2024 and December 31, 2023 amounted to P3.6 billion and P3.7 billion, respectively, which corresponded to 5.2% and 5.4% of the total assets, respectively. The decrease of P97.1 million or 3% year-over-year was net impact of consumption and in transit inventories as of the relevant period.

Derivative Assets
The total derivative assets as at March 31, 2024, and December 31, 2023 amounted to P18.3 million and P13.8 million, respectively, and corresponded to less than 1% of the total assets. This account includes the unamortized balance of hedge premium and the market value of derivative transactions entered into by the Company to hedge against the volatility of diesel fuel prices and under which the Company bears all the benefits and the risks arising from the hedge arrangement. The increase of P4.5 million or 32% was mainly due to the result of mark-to-market valuation.

[2] The debt service reserve accounts pertain to the "BDO Agreements", which are collectively (i) the 2017 BDO Facility Agreement which is that senior unsecured Philippine Peso long-term loan facility agreement that the Parent Company signed with BDO Unibank, Inc. on February 1, 2017, for an amount of up to the Philippine Peso equivalent of US$ 280 million, as from time to time amended or supplemented, the total outstanding balance of which was fully paid and settled in November 2023, and (ii) the 2022 BDO Refinancing Facility Agreement which is that 5-year senior unsecured Philippine Peso long-term loan facility agreement that the Parent Company signed with BDO Unibank, Inc. on July 28, 2022, for a principal amount of up to Six Billion Six Hundred Ninety Million Philippine Pesos (₱6,690,000,000.00), the loan proceeds of which was used to repay a *portion* of the outstanding indebtedness under the 2017 BDO Facility Agreement equivalent to approximately ₱6.68 billion.

Prepayments and Other Current Assets
Other current assets amounted to P4.2 billion and P3.6 billion as at March 31, 2024 and December 31, 2023, respectively. Movement in this account was primarily due to prepaid taxes, unamortized balance of prepaid insurance accounts and advances to suppliers. The aggregate of prepayments and other current assets accounted for 6.1% and 5.3% of the total assets as at March 31, 2024 and December 31, 2023, respectively.

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

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

By the first quarter of 2022, the Company entered into contracts with other third parties to complete the construction of Solid New Line Project. The Company paid advances of P872.0 million to the new contractors.

As at March 31, 2024 and December 31, 2023, the balance of this account amounted to P135.2 million and P228.8 million, respectively, and corresponded to approximately 1% of the total assets. The decrease of P93.6 million or 41% was due to depletion of advances in line with the progress of the Solid New Line Project.

Property, Machinery, Equipment and Assets for the Right-of-Use - net
Property, machinery and equipment - net as at March 31, 2024 and December 31, 2023 had a balance of P25.9 billion and P25.3 billion, respectively, and corresponded to 42% and 41% of the total assets, respectively. The increase of P0.6 billion or 2% was mainly due to the capitalization of new fixed assets and additions to construction in progress. Furthermore, For the three months ended March 31, 2024, and 2023, P13.6 million and P31.7 million, respectively, were incurred for maintenance capital expenditures, while P917.5 million and P746.5 million, respectively, were incurred for strategic capital expenditures.

Assets for the right-of-use, net as at March 31, 2024 and December 31, 2023 amounted to P2.6 billion and P2.2 billion, respectively, and both corresponded to 4% and 3% of the total assets, respectively. The increase of P0.3 billion or 16% was due to additions to assets for the right-of-use during the quarter.

Deferred income taxes - net
Deferred income tax asset - net (DTA) as at March 31, 2024 and December 31, 2023 amounted to P885.2 million and P826.2 million, respectively, and corresponded for a 1.3% and 1.2% of the total assets, respectively of the relevant total liabilities. The increase in DTA of P59.0 million or 7% pertains mainly to the deferred tax of unrealized foreign exchange gain (loss) - net.

Goodwill
Goodwill as at March 31, 2024 and December 31, 2023 amounted to P27.9 billion and corresponded to approximately 41% of respective total assets. The Company’s goodwill arose from the business combinations when CHP acquired its subsidiaries in 2016. As of March 31, 2024, no impairment of goodwill is recognized.

Trade Payables
Trade payables amounted as at March 31, 2024 and December 31, 2023 to P4.6 billion and P4.7 billion, respectively, and corresponded to 6.7% and 7.0% of the total liabilities and equity, respectively. The decrease of P143.8 million or 3% year-over-year was mainly due to payments made.

Contract Liabilities, Unearned Income, Other Accounts Payable, Accrued Expenses and Income Tax Payable
Contract liabilities, unearned income, other accounts payable, accrued expenses and income tax payable as at March 31, 2024 and December 31, 2023 amounted to P2.6 billion and P2.0 billion and corresponded to 4% and 3% of the total liabilities and equity for the relevant periods. These accounts comprised of accruals, contract liabilities (which include advances from customers and unredeemed customer loyalty points), unearned income from insurance premium, provisions, and income tax payable. The increase of P0.6 billion or 33% year-over-year was mainly due to a significant movement in taxes payable which includes net VAT payable, withholding taxes and final taxes payable.

Lease Liabilities
As a March 31, 2024 and December 31, 2023 the current portion of finance lease liabilities amounted to P507.3 million and P261.4 million, respectively, and noncurrent portion of finance lease liabilities amounted to P2.4 billion and P2.3 billion, for the relevant periods. Total lease liabilities as a percentage of total liabilities and equity were at 4.2% and 3.7% as at March 31, 2024 and December 31, 2023, respectively. The increase of P390.5 million or 16% year-over-year was due to net impact of additional leases and payment for the first quarter.

Bank Loans
Parent Company-BDO Agreements
The total outstanding balance of the BDO Facility Agreements[3] amounted to P6.7 billion as at March 31, 2024 and December 31, 2023, for the relevant periods. As at March 31, 2024 and December 31, 2023, the current portion of the bank loan amounted to P835.0 million and P418 million, respectively, and the unamortized debt issuance cost of this bank loan amounting to P33.4 million and P38.1 million, was deducted from the total bank loan liability, respectively. The outstanding bank loan net of the unamortized debt issuance cost accounted for 9.7% and 9.9% of the total liabilities and equity for the relevant periods.

Subsidiaries (APO Cement and Solid Cement) - BDO Loan
As at March 31, 2024 and December 31, 2023, the short-term loans of the Company with BDO Unibank, Inc. amount to P750.0 million and P145.0 million, respectively, and corresponded to 1% and less than 1% of the total liabilities and equity for the relevant periods. The increase of P605.0 million was due to additional loans used for operational/working capital requirements. (Additional details are found in Note 13 – Bank Loan of Appendix I of this report).

Retirement Benefits Liability
Retirement benefits liability as at March 31, 2024 and December 31, 2023 amounted to P242.8 million and P268.3 million, respectively, and corresponded to less than 1% of the total liabilities and equity, for both relevant periods. The Company has a funded, noncontributory, defined benefit retirement plan covering substantially all its regular and permanent employees. The decrease of P25.4 million or 9.5% year-over-year was mainly due to payments made for retired employees.

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[3]The term "BDO Agreements" means collectively (i) the 2017 BDO Facility Agreement which is that senior unsecured Philippine Peso long-term loan facility agreement that the Parent Company signed with BDO Unibank, Inc. on February 1, 2017, for an amount of up to the Philippine Peso equivalent of US$ 280 million, as from time to time amended or supplemented, the total outstanding balance of which was fully paid and settled in November 2023, and (ii) the 2022 BDO Refinancing Facility Agreement which is that 5-year senior unsecured Philippine Peso long-term loan facility agreement that the Parent Company signed with BDO Unibank, Inc. on July 28, 2022, for a principal amount of up to Six Billion Six Hundred Ninety Million Philippine Pesos (₱6,690,000,000.00), the loan proceeds of which was used to repay a *portion* of the outstanding indebtedness under the 2017 BDO Facility Agreement equivalent to approximately ₱6.68 billion.

Common Stock
As of March 31, 2024 and December 31, 2023, the total authorized common stock of the *Equity Attributable to Equity Holders* of CHP consisted of 18,810,395,454 shares at a par value of P1 per share and the total issued and outstanding common stock was 13,489,226,623 shares. This accounted for approximately 20% of respective total liabilities and equity for both relevant periods.

Additional Paid-in Capital
As at March 31, 2024 and December 31, 2023, the additional paid-in capital amounted to P26.2 billion and corresponded to 38% and 39% of the total liabilities and equity, for the relevant periods. The subscription payments received in excess of the par value of shares issued are recognized in this account.

Other Equity Reserves
As at March 31, 2024 and December 31, 2023, the other equity reserves amounted to P1.5 billion and P1.4 billion and corresponded to 2% of total liabilities and equity for both relevant periods. The amount referred to the cumulative effects of items and transactions that were, temporarily or permanently, recognized directly to equity and includes the elements presented in the other comprehensive income (or loss) such as changes in equity during the period not resulting from the investments by owners and distributions to owners. The increase of P161.5 million or 12% was mainly due to the currency translation of foreign subsidiaries of the Parent Company.

Retained Earnings
Retained earnings as at March 31, 2024 and December 31, 2023 amounted to P14.6 million and P932.4 million, respectively, and corresponded to less than 1% and 1% of the total liabilities and equity for the relevant periods. This item includes the Company’s cumulative net results of operations. The decrease of P917.8 million or 98% pertains to the consolidated loss for the three months ended March 31, 2024.

Non-controlling interest
As at March 31, 2024 and December 31, 2023, non-controlling interest amounted to P64.2 thousand and P72.2 thousand, respectively, and corresponded to less than 1% of the total equity, for the relevant periods. The P8.1 thousand or 11% decrease year-over-year is ascribed to the portion of loss incurred by a subsidiary of CHP which is not wholly-owned.

Key Performance Indicators

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

Key Financial Indicators	Formula	**For the three months ended March 31, 2024**	For the year ended December 31, 2023
Current Ratio	Current Assets / Current Liabilities	**0.89:1**	0.97:1
Solvency Ratio	Profit (Loss) + Depreciation and Amortization / Total Liabilities	**-0.06:1**	-0.00:1
Net debt* to Equity Ratio	Net debt* / Total Equity	**0.63:1**	0.57:1
Asset to Equity Ratio	Total Assets / Total Equity	**1.66:1**	1.61:1

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

Key Financial Indicators	Formula	For the nine months ended March 31, 2024	2023
Interest Rate Coverage Ratio	Operating income before other income (expenses) - net / Interest	**-7.75:1**	-8.43:1
Profitability Ratio	Operating income before other income (expenses) - net / Revenue	**-0.09:1**	-0.09:1

Aging of Accounts Receivables

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at March 31, 2024:

		Current	1 to 30 days	31 to 60 days	More than 60 days	Total
Average ECL rates		0.1%	0.6%	4.1%	58.6%	1.8%
Trade receivables - gross carrying amount	P	650,860	102,859	15,500	21,757	790,976
Allowance for ECL		559	621	630	12,754	14,564

**Amounts in Thousands*

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PART II - OTHER INFORMATION

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

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

The Landslide prompted local and national authorities to order the suspension of the mining operations of ALQC. Business continuity plans were put in place by APO Cement and implemented to address the disruption in the supply arrangement with ALQC. By the third quarter of 2020, local and national authorities allowed ALQC to resume its mining operations in the affected areas.

On November 19, 2018, the Parent Company and APO Cement were served summons concerning an environmental class action lawsuit filed by 40 individuals and one legal entity (on behalf of 8,000 individuals allegedly affected by the Landslide) at the Regional Trial Court of Talisay, Cebu, against the Parent Company, APO Cement, ALQC, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for "Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems".

In the complaint, among other allegations, plaintiffs (i) claim that the Naga Landslide occurred as a result of the defendants' gross negligence; and (ii) seek, among other reliefs, (a) monetary damages in the amount of approximately P4.3 billion, (b) the establishment of a P500 million rehabilitation fund, and (c) the issuance of a Temporary Environment Protection Order against ALQC while the case is still pending. In the complaint, ALQC, APO Cement and the Parent Company are made solidarily liable for payment of monetary damages and establishment of a rehabilitation fund. The records of the case were subsequently transferred to the Regional Trial Court of Cebu City Branch 23.

Among other defenses and based on a report by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the Parent Company, ALQC and APO Cement hold the position that the Naga landslide occurred due to natural causes and deny liability, fault, and negligence.

In an order dated August 16, 2019, the Regional Trial Court denied plaintiffs' Application for Temporary Environment Protection Order. By denying such application, the Regional Trial Court found that the applicants did not sufficiently establish that they will suffer grave injustice and irreparable injury by the continued operations of ALQC while the proceedings are pending. Plaintiffs moved for reconsideration, but the Court also denied plaintiffs' motion in an Order dated September 30, 2019. Plaintiffs did not appeal this ruling, which became final as of December 5, 2020.

In an order dated September 30, 2019, the Regional Trial Court partially granted the affirmative defenses of the private defendants and ruled, among others, that the subject case against the Parent Company and APO Cement is dismissed for failure to state a cause of action. The court also ruled that: (i) the 22 plaintiffs who failed to sign the verification and certification against forum shopping are dropped as party-plaintiffs; (ii) the subject case is not a proper class suit, and that the remaining 17 plaintiffs can only sue for their respective claims, but not as representatives of the more than 8,000 alleged victims of the landslide incident; (iii) plaintiffs' cause of action against ALQC for violation of Section 19(a) of Republic Act No. 10121 is dismissed; (iv) there is a misjoinder of causes of action between the environmental suit and the damage suit; and (v) the damage suit of the remaining plaintiffs will proceed separately upon payment of the required docket fees within 30 days from receipt of order, otherwise, the case for damages will be dismissed. The plaintiffs filed a motion for reconsideration of the court's order dated September 30, 2019. During the hearing of plaintiffs' motion for reconsideration on September 11, 2020, the Province of Cebu was officially dropped as a party-defendant in the case, on oral motion of plaintiffs. In another order dated November 17, 2021, the Regional Trial Court denied plaintiffs' motion for reconsideration and also granted the motions of the Mines and Geosciences Bureau and the City Government of Naga and dismissed the subject case against them. On January 31, 2022, plaintiffs filed with the Regional Trial Court their Notice of Appeal, indicating their intention to appeal the court's latest order to the Court of Appeals. Defendants (including government defendants) opposed the plaintiff's Notice of Appeal, and, on April 28, 2022, the Regional Trial Court rejected the plaintiffs' Notice of Appeal for having been filed out of time and instructed the entry of judgement and to issue the corresponding certificate of finality. The plaintiffs did not file a Motion for Reconsideration and due to this failure, the Regional Trial Court issued the corresponding certificate of finality. Accordingly, the court's order dated September 30, 2019, partially granting the affirmative defenses of the private defendants and ruling, among others, that the subject case against the Parent Company and APO Cement is dismissed for failure to state a cause of action, is now deemed to be final and executory.

As of March 31, 2024, only ALQC remains as a private defendant in the subject case regarding the environmental aspect of ALQC's supposed violation of the Philippine Mining Act which purportedly caused damage to the environment.

Impact of COVID-19

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

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

Subsequent to the recommendations of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) in its Resolution No. 146-F (s. 2021) dated October 28, 2021, the President of the Philippines issued Executive Order No. 151 dated November 11, 2021 adopting the Alert Level System for all areas of the Philippines through a nationwide roll-out which was designed to allow the reinvigoration of the economy through the opening of more sectors, while protecting the people's health through the continuous observance of public health protocols and interventions and the heightened implementation of lockdowns in smaller areas, also known as granular lockdowns. Restrictions and/or limitations affecting intrazonal and interzonal movement as well as the level of operations and activities undertaken by establishments and persons in areas nationwide were defined depending on the applicable Alert Level Status (ranging from 1 to 5). At any level, minimum public health standards and precautions such as the wearing of face masks and social distancing protocols may be mandated. Provinces and cities (such as the Province of Rizal, including Antipolo City, the Province of Cebu, Cebu City and the cities and municipalities comprising Metro Manila) were placed from time to time under different Alert Level Status with corresponding restrictions, respectively.

Finally, on July 21, 2023, President Ferdinand Marcos, Jr. signed Proclamation No. 297 lifting the State of Public Health Emergency throughout the country due to COVID-19 Pandemic, thereby withdrawing or revoking all prior orders, memoranda and issuances that are effective only during this public health emergency.

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. For the three months ended March 31, 2024, and 2023, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 Pandemic amounting to P246.3 thousand and P544.4 thousand, respectively. These additional expenses were presented under "Operating expenses and cost of sales" and "Other income (expenses) - net" account in the condensed consolidated interim statements of comprehensive income for the three months ended March 31, 2024, and 2023, respectively. The Company implemented, and continues to implement, hygiene protocols in its operations and modified its manufacturing, sales, and delivery processes to implement physical distancing, so as to protect the health and safety of its employees and their families, customers and suppliers, and drastically reduce the possibility of contagion during the COVID-19 Pandemic. It will continue to place emphasis on the use of the CEMEX Go platform for a digital, contactless and/or limited contact experiences for customers, and enable additional online channels to promote engagement, manage communications and facilitate transactions with customers.

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

Arbitration Proceedings
In July 2023, Solid Cement initiated arbitration proceedings with the Philippine Dispute Resolution Center Inc. against Limay Power, Inc. (formerly known as SMC Consolidated Power Corporation; "LPI"), on the ground that LPI has wrongfully terminated the retail power supply agreement for electricity to Solid Cement's plant located in Antipolo City, Province of Rizal. This retail power supply agreement between Solid Cement and LPI would have expired in December 2025.

As of the date of this report, the Company is not able to assess with certainty the total amount of compensation for losses and damages that may be due to it in connection with this dispute, and it is not able to determine if a final adverse resolution on the arbitration proceedings would have a material adverse impact on the Company's consolidated results of operations, liquidity and financial condition.

In addition to the above proceedings, the Company is involved in various legal proceedings that have arisen in the ordinary course of business. These proceedings involve: 1) national and local tax assessments; 2) labor claims; and 3) other diverse civil actions. The Company also received various information requests from governmental and administrative authorities when such authorities are conducting periodic or general reviews of the markets in which we operate. Although there is no guarantee for a favorable outcome, the Parent Company believes that it has made adequate provisions to cover both current and contemplated general and specific litigation risks. The Parent Company is sometimes able to make and disclose reasonable estimates of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, the Parent Company may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believe that disclosure of such information on a case-by-case basis would prejudice our position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, the Parent Company has disclosed qualitative information with respect to the nature and characteristics of the contingency, but have not disclosed the estimate of the range of potential loss.

SIGNATURES

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

CEMEX HOLDINGS PHILIPPINES, INC.

By:

LUIS GUILLERMO FRANCO CARRILLO
President & Chief Executive Officer
Date: May 3, 2024

STEVE KUANSHENG WU
Treasurer and Chief Financial Officer
Date: May 3, 2024

Cautionary Statement Regarding Forward-Looking Statements

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

Item 1. Financial Statements.

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

	Notes	**March 31, 2024 (Unaudited)**	December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	*6,14*	**P1,509,542**	P1,721,492
Trade receivables - net	*14*	**776,412**	666,808
Due from related parties	*10,14*	**9,174**	8,198
Insurance premiums receivable	*11,14*	**323,809**	396,317
Other current accounts receivable	*14*	**346,756**	437,631
Inventories		**3,575,569**	3,672,655
Derivative assets	*14,15*	**18,273**	13,815
Prepayments and other current assets		**4,207,206**	3,580,246
Total Current Assets		**10,766,741**	10,497,162
Noncurrent Assets			
Investment in an associate and other investments		**13,173**	13,173
Advances to contractors	*7*	**135,205**	228,792
Other assets and noncurrent accounts receivable		**415,133**	405,610
Property, machinery and equipment and assets for the right-of-use - net	*7*	**28,456,294**	27,514,960
Deferred income tax assets - net		**885,244**	826,230
Goodwill		**27,859,694**	27,859,694
Total Noncurrent Assets		**57,764,743**	56,848,459
TOTAL ASSETS		**P68,531,484**	P67,345,621
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables	*14*	**P4,577,667**	P4,721,459
Due to related parties	*10,14*	**2,866,184**	2,986,140
Unearned income, other accounts payable and accrued expenses		**2,400,445**	1,735,282
Current portion of:			
Lease liabilities	*8,14*	**507,287**	261,443
Long-term bank loan	*13,14,15*	**835,469**	417,734
Short-term bank loan	*13,14*	**750,000**	145,000
Contract liabilities	*14*	**208,991**	224,860
Income tax payable		**96**	223
Total Current Liabilities		**12,146,139**	10,492,141

Forward

	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Noncurrent Liabilities			
Long-term bank loan - net of current portion	*13,14,15*	**P5,814,863**	P6,227,927
Long-term payable to related party	*10*	**6,567,924**	5,967,992
Lease liabilities - net of current portion	*8,14*	**2,407,936**	2,263,267
Retirement benefits liability		**242,773**	268,317
Deferred income tax liabilities - net		**112,878**	130,705
Total Noncurrent Liabilities		**15,146,374**	14,858,208
Total Liabilities		**27,292,513**	25,350,349
Equity			
Common stock	*9*	**13,489,227**	P13,489,227
Additional paid-in capital		**26,217,799**	26,217,799
Other equity reserves	*9*	**1,517,257**	1,355,714
Retained earnings		**14,624**	932,460
Equity Attributable to Equity Holders of the Parent Company		**41,238,907**	41,995,200
Non-controlling interest		**64**	72
Total Equity		**41,238,971**	41,995,272
TOTAL LIABILITIES AND EQUITY		**P68,531,484**	P67,345,621

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

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

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

		For the Three Months Ended March 31	
	Note	**2024**	2023
REVENUES	*4*	**P3,940,690**	P4,645,083
COST OF SALES		**(3,288,442)**	(3,702,660)
GROSS PROFIT		**652,248**	942,423
OPERATING EXPENSES			
Administrative and selling expenses		**(682,839)**	(674,025)
Distribution expenses		**(604,144)**	(679,069)
TOTAL OPERATING EXPENSES		**(1,286,983)**	(1,353,094)
OPERATING INCOME BEFORE OTHER INCOME (EXPENSES) - Net		**(634,735)**	(410,671)
Other income (expenses) - net		**1,036**	7,671
OPERATING INCOME AFTER OTHER INCOME (EXPENSES) - Net		**(633,699)**	(403,000)
Financial expenses and other financial expenses		**(47,838)**	(67,644)
Foreign exchange loss - net		**(260,442)**	281,455
LOSS BEFORE INCOME TAX		**(941,979)**	(189,189)
INCOME TAX EXPENSE		**24,135**	(166,301)
LOSS		**(917,844)**	(355,490)
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified subsequently to profit or loss			
Gain (Loss) on remeasurement on retirement benefits liability		**21,588**	(11,416)
Tax effect		**(5,397)**	2,854
	9	**16,191**	(8,562)
Items that will be reclassified subsequently to profit or loss			
Currency translation gain(loss) of foreign subsidiaries		**138,690**	(225,366)
Cash flow hedges – effective portion of changes in fair value		**6,662**	(20,461)
Cash flow hedges – reclassified to profit or loss		**-**	(279)
		145,352	(246,106)
TOTAL OTHER COMPREHENSIVE INCOME(LOSS)		**161,543**	(254,668)
TOTAL COMPREHENSIVE LOSS		**(756,301)**	(610,158)
Non-controlling interest in comprehensive loss		**8**	8
CONTROLLING INTEREST IN CONSOLIDATED COMPREHENSIVE LOSS		**(P756,293)**	(P610,150)
Basic / Diluted Earnings Per Share	*5*	**(P0.07):1**	(P0.03):1

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

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Amounts in Thousands)
(Unaudited)

	Note	For the Three Months Ended March 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(P941,979)**	(P189,189)
Adjustments for:			
Depreciation and amortization of property, machinery and equipment and assets for the right-of-use		**483,905**	513,130
Financial expenses, other financial expenses (income) and unrealized foreign exchange result		**297,299**	(251,299)
Retirement benefits expense		**17,158**	20,307
Impairment loss on trade receivables, inventory write-down and provisions during the period		**(102)**	(15,600)
Gain on disposal of property, machinery and equipment		**(540)**	(997)
Operating profit before working capital changes		**(144,259)**	76,352
Changes in working capital:			
Decrease (increase) in:			
Trade receivables		**(111,414)**	(20,547)
Due from related parties		**141,967**	(233,605)
Insurance claims and premiums receivable		**72,508**	214,005
Other current accounts receivable		**95,942**	(18,731)
Inventories		**84,265**	555,231
Derivative asset		**2,204**	(470)
Prepayments and other current assets		**(635,241)**	(154,214)
Increase (decrease) in:			
Trade payables		**204,372**	(1,395,970)
Due to related parties		**(410,947)**	(1,238,699)
Unearned income, other accounts payable and accrued expenses		**662,865**	9,549
Contract liabilities		**(15,869)**	6,829
Cash absorbed by operations		**(53,607)**	(2,200,270)
Interest received		**8,805**	5,487
Interest paid		**(178,227)**	(166,229)
Income taxes paid		**(49,948)**	(53,796)
Benefits paid to employees		**(24,889)**	(12,349)
Net cash used in operating activities		**(P297,866)**	(P2,427,157)

Forward

		For the Three Months Ended March 31	
	Note	**2024**	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Collection (payment) of debt service reserve account		**P20,433**	(P15,294)
Decrease (Increase) in other assets and noncurrent accounts receivable		**(29,956)**	(844)
Additions to property, machinery and equipment and assets for the right of use		**(921,789)**	(342,568)
Proceeds from sale of property, machinery and equipment		**540**	997
Net cash used in investing activities		**(930,772)**	(357,709)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Related parties		**502,213**	2,351,506
Bank loan	*13*	**2,440,000**	1,120,000
Payments of:			
Lease liabilities - net of interest		**(91,609)**	(122,809)
Bank loan	*13*	**(1,835,000)**	(1,540,000)
Net cash provided financing activities		**1,015,604**	1,808,697
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(213,034)**	(976,169)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**1,084**	2,346
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**1,721,492**	2,720,304
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**P1,509,542**	P1,746,481

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

CEMEX HOLDINGS PHILIPPINES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)
(Unaudited)

For the Three Months Ended March 31, 2023

		Attributable to Equity Holders of the Parent Company						
		Common Stock *(see Note 9)*	**Additional Paid-in Capital**	**Other Equity Reserves *(see Note 9)***	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
As at January 1, 2024	**P**	**13,489,227**	**26,217,799**	**1,355,714**	**932,460**	**41,995,200**	**72**	**41,995,272**
Total comprehensive income for the period:								
Profit		**–**	**–**	**–**	**(917,836)**	**(917,836)**	**(8)**	**(917,844)**
Other comprehensive income		**–**	**–**	**161,543**	**-**	**161,543**	**–**	**(161,543)**
As at March 31, 2024	**P**	**13,489,227**	**26,217,799**	**1,517,257**	**14,624**	**41,238,907**	**64**	**41,238,971**

For the Three Months Ended March 31, 2022

		Attributable to Equity Holders of the Parent Company						
		Common Stock	Additional Paid-in Capital	Other Equity Reserves	Retained Earnings	Total	Non-controlling Interest	Total Equity
As at January 1, 2023	P	13,489,227	26,217,799	1,459,326	2,957,360	44,123,712	101	44,123,813
Total comprehensive income for the period:								
Profit		–	–	–	(355,482)	(355,482)	(8)	(355,490)
Other comprehensive income		–	–	(254,668)	–	(254,668)	–	(254,668)
As at March 31, 2023	P	13,489,227	26,217,799	1,204,658	2,601,878	43,513,562	93	43,513,655

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

NOTE 1 - DESCRIPTION OF BUSINESS

CEMEX HOLDINGS PHILIPPINES, INC. (the “Parent Company”), a subsidiary of CEMEX ASIAN SOUTH EAST CORPORATION (CASEC), was incorporated as a stock corporation on September 17, 2015 under Philippine laws, primarily to invest in or purchase real or personal property; and to acquire and own, hold, use, sell, assign, transfer, mortgage all kinds of properties, such as shares of stock, bonds, debentures, notes, or other securities and obligations; provided that the Parent Company shall not engage either in the stock brokerage business or in the dealership of securities, and in the business of an open-end investment company as defined in Republic Act 2629, Investment Company Act.

CASEC was incorporated as a stock corporation on August 25, 2015 under Philippine laws.

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

The term "Parent Company" used in these accompanying notes to the consolidated financial statements refers to CEMEX HOLDINGS PHILIPPINES, INC. without its subsidiaries. The term “Company” refers to CEMEX HOLDINGS PHILIPPINES, INC., together with its consolidated subsidiaries. Unless otherwise indicated or the context otherwise requires, all references in these accompanying notes to the consolidated financial statements to “Cemex Group” refer to Cemex and its consolidated subsidiaries (other than the Company).

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

The Company also includes Cemex Asia Research AG (CAR), a wholly-owned subsidiary incorporated in December 2015 under the laws of Switzerland. Pursuant to license agreements that CAR entered into with the Cemex Group, CAR became a licensee for certain trademarks, including the CEMEX trademark, and other intangible assets forming part of the intellectual property portfolio owned and developed by the Cemex Group. CAR is engaged primarily in the development, maintenance and customization of these intangible assets for the Asia Region and it in turn provides non-exclusive licenses to Solid and APO to use the CEMEX trademark and other trademarks and intangible assets of the Cemex Group.

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

On June 30, 2016, the Philippine Securities and Exchange Commission (SEC) resolved to render effective the Registration Statement of the Parent Company and issued a Certificate of Permit to Offer Securities for Sale in favor of the Parent Company. On July 18, 2016, the Parent Company’s initial public offering (IPO) of 2,337,927,954 common shares at P10.75 per share culminated with the listing and trading of shares of the Parent Company on the Main Board of the Philippine Stock Exchange (PSE), resulting in an increase in capital stock of P2,337,928 and additional paid-in capital of P21,959,159, net of P835,639 transaction cost that is accounted for as a reduction in equity. A total of 5,195,395,454 common shares of the Parent Company was initially listed on the PSE.

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

On January 6, 2020, the Parent Company announced that the Stock Rights Offering would involve the offer of 8,293,831,169 common shares with a par value of P1.00 per share (the "Rights Shares") at an offer price of P1.54 per Rights Share that would be issued from the Parent Company's increased ACS. The proceeds from the Stock Rights Offering would be used primarily (i) to fund the expansion of Solid's cement plant in Antipolo City, Rizal, involving the construction and installation of a 1.5 million metric tons per year new integrated cement production line (the "Solid New Line Project"), including to pay outstanding amounts owed by Solid under a revolving credit facility agreement dated November 21, 2018, as amended and restated from time to time, between Solid, as the borrower, and Cemex Asia, B.V. ("CABV"), as the lender (the "Solid Expansion Facility Agreement"), which facility agreement had been used primarily but not exclusively to fund the Solid New Line Project, and (ii) for other general corporate purposes, including to pay outstanding amounts owed by APO under a master loan agreement dated October 1, 2014, as amended and restated from time to time, between APO, as borrower, and CABV, as lender (as assignee to Cemex Hungary KFT) (the "APO Operational Facility Agreement").

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

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

As of December 31, 2020, the shareholdings in the Parent Company owned by CASEC was 10,500,624,662 common shares at P1 par value per share.

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

In March 2023, in connection with the voluntary tender offer exercise launched by CASEC, CASEC acquired 1,614,000,000 common shares of the Parent Company at the Tender Offer Price of P1.30 with a total transaction price of P2,098,200. The cross sales were executed last March 29, 2023. As a result of the tender offer, CASEC owns and controls 12,121,954,662 common shares of the Parent Company (inclusive of 5 shares held by individuals), which is approximately 89.86% of the issued and outstanding common shares of the Parent Company.

Based on the lists of stockholders registered with the stock transfer agent of the Parent Company, the Parent Company had 37 stockholders as at March 31, 2024, with each of PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Non-Filipino) recorded as a stockholder.

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

NOTE 2 - BASIS OF PREPARATION

A) STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information required for a complete set of financial statements and should be read in conjunction with the annual consolidated financial statements of the company as at and for the year ended December 31, 2023.

B) BASIS OF MEASUREMENT

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

C) PRINCIPLES OF CONSOLIDATION

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

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

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

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

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

If the Company loses control over a subsidiary, it:

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

The Company has P64 and P72 non-controlling interest as at March 31, 2024 and December 31, 2023, respectively.

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

D) DEFINITION OF TERMS

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

E) FUNCTIONAL AND PRESENTATION CURRENCY

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

F) USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

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

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

Assessing Whether the Insurance Contract with the Third Party Insurer and Reinsurance Contract of Falcon are Linked Transactions

The Company, through Solid and APO, insures certain risks with a third party insurer in which Falcon takes some of the risks back into the Company. It was assessed that the insurance transactions between the third party insurer and Solid and APO are interdependent with the reinsurance transaction to Falcon. Since Falcon does not have the regulatory approval required to issue direct insurance contract to Philippine entities, the third party insurer acts as a conduit for Falcon, the captive insurer. This makes the transactions, in substance, form a single arrangement that achieves an overall commercial effect of self-insurance. In addition, the reinsurance contract by Falcon were entered in contemplation of the insurance contracts entered by Solid and APO with the third party insurer. Thus, the insurance expense of Solid and APO and revenue from insurance contracts of Falcon were offset during consolidation.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty as at reporting date that have the most significant risk of resulting in a material adjustment to the carrying amounts of assets, liabilities and equity within the next financial year are as follows:

Expected credit losses of trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected credit loss (ECL) rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Details of key assumptions and inputs and other information about the Company's ECL are disclosed in Note 14. As at March 31, 2024 and December 31, 2023, allowance for impairment losses on receivables amounted to P14,564 and P12,840, respectively (see Note 14).

NOTE 3 – MATERIAL ACCOUNTING POLICIES

A) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2023. Except as otherwise indicated, the adoption of these amendments to standards did not have any significant impact on the Company's consolidated financial statements.

1. Adoption of Amendments to Standards and Interpretations

The Company has adopted the following amendments to standards starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Company's consolidated financial statements.

1.1 Definition of Accounting Estimates (Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors). To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments also provide examples on the application of the new definition.

The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

1.2 Disclosure of Accounting Policies (Amendments to PAS 1, Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements). The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures, assisting companies to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Company reviewed the accounting policies and although the amendments did not result in any changes to the accounting policies themselves, updates were made to the accounting policy information disclosed in Note 3 Material Accounting Policies in certain instances in line with the amendments.

1.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, Income Taxes). The amendments clarify that that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations.

For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

1.4 International Tax Reform - Pillar Two Model Rules (Amendments to PAS 12). The amendments provide a temporary mandatory exception from accounting for deferred tax that arises from legislation implementing the Pillar Two model rules published by the Organisation for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules. Under the relief, a company:

- discloses that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- discloses separately its current tax expense (income) related to Pillar Two income taxes; and
- in periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

2. Standards Issued But Not Yet Adopted

A number of amendments to standards are effective for annual periods beginning after January 1, 2024. However, the Company has not early adopted the following amended standards in preparing these consolidated financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's consolidated financial statements.

Effective January 1, 2024

2.1 Classification of Liabilities as Current or Noncurrent – 2020 amendments and Non-Current Liabilities with Covenants – 2022 amendments (Amendments to PAS 1). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:

- removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
- clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
- provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to enable the assessment of the risk that the liability could become repayable within twelve months; and
- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

2.2 Supplier Finance Arrangements (Amendments to PAS 7, Statement of Cash Flows and PFRS 7, Financial Instruments: Disclosures). The amendments introduce new disclosures about a company's supplier finance arrangements that would enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, a company discloses in aggregate for its supplier finance arrangements:

- the terms and conditions of the arrangements;
- beginning and ending carrying amounts and associated line items of the financial liabilities that are part of a supplier finance arrangement, distinguishing those for which suppliers were already paid, and range of payment due dates including those for comparable trade payables not part of a supplier finance arrangement; and
- the type and effect of non-cash changes in the carrying amounts.

The amendments also add supplier finance arrangements as an example to the existing disclosure requirements on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted. However, a company is not required to disclose comparative information for any prior reporting periods, information on carrying amounts for which suppliers already received payment and range of payment due dates as at the beginning of the annual reporting period the company first applies the amendments, and information for any interim period within the annual reporting period in which the company first applies those amendments.

Effective January 1, 2025

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

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

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

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

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

PFRS 17 is effective for annual periods beginning on or after January 1, 2025. Full retrospective application is required, unless it is impracticable, in which case the entity chooses to apply the modified retrospective approach or the fair value approach. However, if the entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, then it applies the fair value approach. There is also a transition option allowing presentation of comparative information about financial assets using a classification overlay approach on a basis that is more consistent with how PFRS 9, *Financial Instruments,* will be applied in future reporting periods. Early application is permitted for entities that apply PFRS 9 on or before the date of initial application of PFRS 17.

NOTE 4 - REVENUES

Disaggregation of Revenues from Contracts with Customers
Revenues for the three months ended March 31, 2024 and 2023 are detailed by major product lines and timing of revenue recognition as follows:

	Timing of revenue recognition		**March 31, 2024**	March 31, 2023
Revenue from sale of goods				
Cement	At a point in time	P	**3,927,315**	4,626,515
Admixtures and others	At a point in time		**2,565**	6,911
			3,929,880	4,633,426
Revenue from services				
Co-processing of alternative fuel resources	Over time		**10,810**	11,657
		P	**3,940,690**	4,645,083

Breakdown of cement sales per customer for the three-month period ended March 31, 2024 and 2023 is as follows:

		March 31, 2024	March 31, 2023
Retailers	P	**3,096,839**	3,642,377
Institutional		**798,726**	960,330
Others		**31,750**	23,808
Total	P	**3,927,315**	4,626,515

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

Contract Balances

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

		March 31, 2024	December 31, 2023
Trade receivables - net	P	**776,412**	666,808
Contract liabilities			
Advances from customers	P	**200,911**	218,166
Customer loyalty program		**8,080**	6,694
	P	**208,991**	224,860

The contract liabilities include unredeemed customer loyalty points and advances from customers. These will be recognized as revenue when the points are redeemed by customers or when the goods are delivered to the customer and when the right to redeem expires, which is expected to occur the following year. Contract liabilities as at March 31, 2024 are expected to be recognized as revenue within 12 months. The amount recognized in contract liabilities as at December 31, 2023 is expected to be recognized as revenue within 12 months from the reporting date. There is no other unperformed obligation other than those already included in contract liabilities.

Seasonality of Operations

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

NOTE 5 – BASIC/ DILUTED EARNINGS PER SHARE

For the three months ended March 31, 2024 and 2023, basic and diluted earnings per share is computed as follows:

	March 31, 2024	March 31, 2023
Profit	**(P917,844)**	(P355,490)
Add: non-controlling interest in net loss	**8**	8
Controlling interest in profit (a)	**(917,835)**	(P355,482)
Weighted average number of shares outstanding - Basic/Diluted (b)	**13,489,226,623**	13,489,226,623
Basic/Diluted EPS (a/b)	**(P0.07)**	(P0.03)

As at March 31, 2024 and 2023, the Company has no dilutive equity instruments.

NOTE 6 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents as at March 31, 2024 and December 31, 2023 consisted of:

		March 31, 2024	December 31,2023
Cash in banks	P	**777,970**	663,800
Short-term investments		**731,572**	1,057,692
	P	**1,509,542**	1,721,492

Cash in banks earns interest at the prevailing bank deposit rates. Short-term investments are made for varying periods of up to three months, depending on the immediate cash requirements of the Company.

For the three months ended March 31, 2024 and 2023, interest income earned on cash and cash equivalents amounted to P8,679 and P10,519, respectively.

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

As at March 31, 2024 and December 31, 2023, short-term investments include deposits of the Company with CIH (a related party) amounting to P731,572 and P1,057,692, respectively (see Note 10).

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

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

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

		March 31, 2024	December 31, 2023
Property, machinery and equipment - net	P	**25,887,576**	25,293,285
Assets for the right-of-use - net		**2,568,718**	2,221,675
	P	**28,456,293**	27,514,960

Property, Machinery and Equipment - net

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

		Buildings and improvements	Machinery and equipment	Construction In-progress	Total
Gross Carrying Amount					
January 1, 2023	**P**	4,778,383	14,425,017	12,583,220	31,786,620
Additions		30,328	492,039	3,413,648	3,936,015
Disposals		(93,554)	(94,622)	(4,546)	(192,722)
Transfers		222,114	1,388,235	(1,610,349)	–
December 31, 2023		4,937,271	16,210,669	14,381,973	35,529,913
Additions		**–**	**6,447**	**924,618**	**931,065**
Transfers		**29,675**	**117,316**	**(146,992)**	**–**
Disposals		**–**	**(795)**	**–**	**(795)**
March 31, 2024		**4,966,946**	**16,333,637**	**15,159,599**	**36,460,183**
Accumulated depreciation and impairment					
January 1, 2023		(1,677,266)	(7,398,358)	–	(9,075,624)
Depreciation for the year		(226,142)	(1,110,499)	–	(1,336,641)
Disposal		93,037	82,600	–	175,637
December 31, 2023		(1,810,371)	(8,426,257)	–	(10,236,628)
Depreciation for the period		**(58,713)**	**(278,061)**	**–**	**(336,774)**
Disposals		**–**	**795**	**–**	**795**
March 31, 2024		**(1,869,084)**	**(8,703,523)**	**–**	**(10,572,607)**
Carrying Amounts					
December 31, 2023	P	3,126,900	7,784,412	14,381,973	25,293,285
March 31, 2024	**P**	**3,097,862**	**7,630,114**	**15,159,599**	**25,887,576**

In relation to the Solid New Line Project, the Company capitalized borrowing cost amounting to P48,232 and P34,662 for the three months ended March 31, 2024 and 2023, respectively. The average capitalization rate used to determine the amount of borrowing cost eligible for capitalization during the three months ended March 31, 2024 and 2023 is 5.10% and 5.40%, respectively.

Assets for the Right-of-Use - net
The movements in the balance of assets for the right-of-use are as follows:

		Land and Buildings	Machinery and Equipment	Total
Gross Carrying Amount				
January 1, 2023	P	3,248,586	1,808,279	5,056,865
Additions		194,389	225,675	420,064
Cancellation and remeasurements		(102,571)	(463,884)	(566,455)
December 31, 2023		3,340,404	1,570,070	4,910,474
Additions		**90,878**	**388,563**	**479,441**
March 31, 2024		**3,431,282**	**1,958,635**	**5,389,915**
Accumulated amortization				
January 1, 2023		(962,244)	(1,638,216)	(2,600,460)
Depreciation for the year		(265,527)	(299,025)	(564,552)
Cancellation and remeasurements		25,342	450,871	476,213
December 31, 2023		(1,202,429)	(1,486,370)	(2,688,799)
Amortization for the period		**(69,710)**	**(62,688)**	**(132,398)**
March 31, 2024		**(1,272,138)**	**(1,549,058)**	**(2,821,197)**
Carrying Amounts				
December 31, 2023	P	2,137,975	83,700	2,221,675
March 31, 2024	**P**	**2,159,143**	**409,575**	**2,568,718**

NOTE 8 – LEASE LIABILITIES

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

		March 31, 2024	December 31, 2023
Balance at beginning of the period	P	**2,524,710**	2,842,588
Additions		**479,313**	417,540
Accretion of interest		**48,209**	186,318
Effect of changes in exchange rates		**2,809**	1,634
Payments		**(139,818)**	(832,657)
Remeasurement due to lease termination		**–**	(90,713)
Balance at end of the period	P	**2,915,223**	2,524,710

Pursuant to PFRS 16, the determination of whether an arrangement is, or contains a lease is, if the contract conveys a right to control the use of an identified asset (whether or not exclusive) for a period of time in exchange for consideration. Such assessment is made at the inception of the contract.

NOTE 9 – EQUITY

Common Stock

As at March 31, 2024 and December 31, 2023 the account consists of:

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

On September 17, 2015, CASEC subscribed to 376,000 shares of stock of the Parent Company at P100 par value per share. Of the agreed subscription price of P37,600, only P9,400 was paid in 2015, while the remainder of P28,200 was paid in 2016. In 2016, the Parent Company's BOD approved the amendment of articles of incorporation and increase in the authorized capital stock of the Parent Company from P150,400, divided into 1,504,000 common shares with par value of P100 per share, to P5,195,395, divided into 5,195,395,454 common shares with par value of P1 per share.
On May 20, 2016, the SEC approved the Parent Company's application for the amendment of articles of incorporation and increase in its authorized capital stock. Accordingly, the original subscription of CASEC changed from 376,000 common shares, with par value of P100 per share, to 37,600,000 common shares, with par value of P1 per share. Furthermore, in connection with the increase in authorized capital stock, CASEC subscribed to an additional 2,819,867,500 shares at P1 par value per share or a total par value of P2,819,867 which was fully paid. During the IPO which culminated in the listing of all of the outstanding shares of stock of the Parent Company on July 18, 2016, the Parent Company issued additional 2,337,927,954 shares at P1 par value per share or a total par value of P2,337,928 at the offer price of P10.75 per share (see Note 1).

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

In connection with the proposed ACS increase, the Company's BOD on September 3, 2019 approved the conduct of SRO. The shares subject of the SRO will come from an increase in Parent Company's ACS. On December 11, 2019, the SEC issued a Notice of Confirmation of Exempt Transaction, confirming that the SRO is exempt from the registration requirements of the Securities Regulation Code of the Philippines, and the board of directors of the PSE approved the Parent Company's application for listing of the shares to be offered in the SRO, subject to the fulfillment of certain listing conditions, such as but not limited to the Parent Company having obtained the SEC's approval of the increase in the company's authorized capital stock. As at December 31, 2019, the shareholdings in the Parent Company owned by CASEC increased to 3,469,412,498 common shares at P1 par value per share or P3,469,412.

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

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

As of December 31, 2020, the shareholdings in the Parent Company owned by CASEC was 10,500,624,662 common shares at P1 par value per share, which correspond to approximately 77.84% of the total issued and outstanding capital stock of the Parent Company. CASEC increased its shareholdings in the Parent Company to 10,507,954,662 common shares at P1 par value per share as at December 31, 2022.

In 2020, the total proceeds from the issuance of common stock amounted to P12,772,500 which resulted in the increase in common stock and additional paid-in capital (APIC) by P8,293,832 and P4,478,668, respectively. Total cost related to the SRO amounted to P224,320, of which P220,028 direct share issuance cost was charged as reduction against APIC, while the remaining portion of the total cost amounting to P4,292 was recognized in profit or loss. As of December 31, 2020, the shareholdings in the Parent Company owned by CASEC was 10,500,624,662 common shares at P1 par value per share.

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

In March 2023, in connection with the voluntary tender offer exercise launched by CASEC, CASEC acquired 1,614,000,000 common shares of the Parent Company at the Tender Offer Price of P1.30 with a total transaction price of P2,098,200. The cross sales were executed last 29 March 2023. As a result of the tender offer, CASEC owns and controls 12,121,954,662 common shares of the Parent Company (inclusive of 5 shares held by individuals), which is approximately 89.86% of the issued and outstanding common shares of the Parent Company.

As of March 31, 2024, CASEC owns and controls 12,121,954,662 common shares of CHP (inclusive of the 5 shares held by individuals), which is approximately 89.86% of the issued and outstanding common shares of CHP.

On April 25, 2024, CABV entered into an agreement with third parties for the sale of CABV's 42,140,266 common shares in CASEC, representing 100% of the outstanding share capital of CASEC. CABV expects to complete and close this sale transaction before year-end 2024, subject to the satisfaction of various pre-completion conditions, including, but not limited to, the approval by the Philippine Competition Commission and the fulfillment of any mandatory tender offer requirement by the buyers to the shareholders of CHP.

When the sale transaction involving CABV's shares in CASEC is completed and closed, the Company will no longer be an indirect subsidiary of Cemex.

Other Equity Reserves

The movements on components of Other equity reserves as at March 31, 2024 and December 31, 2023 is as follow:

		Cumulative translation of foreign subsidiaries	Remeasurements on retirement benefits liability	Share-based compensation reserve	Hedge reserve	Total
Balance at January 1, 2023	P	1,097,427	253,762	75,952	32,185	1,459,326
Currency translation gain of foreign subsidiaries		(93,616)	–	–	–	(93,616)
Gain on remeasurement on retirement benefits liability, net of tax		–	(25,646)	–	–	(25,646)
Share-based compensation		–	–	42,834	–	42,834
Cash flow hedges - effective portion of changes in fair value		–	–	–	(14,431)	(14,431)
Cash flow hedges - reclassified to profit or loss		–	–	–	(12,753)	(12,753)
Balance at December 31, 2023	P	1,003,811	228,116	118,786	5,001	1,355,714
Currency translation gain of foreign subsidiaries		**138,690**	–	–	–	**138,690**
Loss on remeasurement on retirement benefit liability, net of tax		–	**16,191**	–	–	**16,191**
Cash flow hedges - effective portion of changes in fair value		–	–	–	**6,662**	**6,662**
Balance as at March 31, 2024	**P**	**1,142,501**	**244,307**	**118,786**	**11,663**	**1,517,257**

Capital Management

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

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

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

		March 31, 2024	December 31, 2023
Total liabilities	P	**27,292,513**	25,350,349
Less: cash and cash equivalents		**1,509,542**	1,721,492
Net debt (a)	P	**25,782,971**	23,628,857
Total equity (b)	P	**41,238,971**	41,995,272
Net debt to equity ratio (a/b)	P	**0.63:1**	0.56:1

NOTE 10 – RELATED PARTY TRANSACTIONS

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

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

Set out below are the Company's balances of related party short-term investments, due from related parties, due to related parties, and lease liabilities as at March 31, 2024 and December 31, 2023:

		March 31, 2024	December 31, 2023
Short-term investments			
Other related party [15]			
CIH (Note 6)	P	**731,572**	1,057,692
Due from related parties			
Ultimate Parent			
Cemex, S.A.B. de C.V.[1]	P	**1,597**	2,158
Parent			
CASEC [2]		**–**	1
Other related parties [15]			
Beijing CXP Import & Export Co.[4]		**7,147**	5,076
APO Land & Quarry Corporation (ALQC) [2]		**229**	285
IQAC [3]		**201**	372
Cemex Admixtures GmbH[10]		**–**	306
	P	**9,174**	8,198
Due to related parties			
Ultimate Parent			
Cemex, S.A.B. de C.V.[1]	P	**477,519**	428,520
Other related parties [14]			
Cemex Operaciones México, S.A. de C.V.[5]		**956,134**	941,343
CIH[11]		**736,060**	625,096
Cemex International Trading LLC [7]		**439,932**	729,072
IQAC[3]		**101,874**	130,265
ALQC[2]		**59,373**	28,637
Sunbulk Shipping, S.L.[8]		**33,408**	–
Sunbulk Shipping Limited [8]		**29,481**	51,139
Cemex Internacional, S.A. de C.V. [12]		**14,577**	–
Beijing CXP Import & Export Co.[4]		**11,645**	39,717
Servicios Profesionales Cemex [9]		**6,016**	12,351
Cemex Admixtures GmbH[10]		**165**	–
	P	**2,866,184**	2,986,140

Forward

		March 31, 2024	December 31, 2023
Long term payable to related party			
Other related parties [14]			
CIH[11]		**6,567,924**	5,967,992
Lease liabilities on land [13]			
ALQC	P	**1,752,106**	1,738,081
IQAC		**455,936**	456,234
	P	**2,208,042**	2,194,315

[1]The due from related party balance as at March 31, 2024 and December 31, 2023 pertains to the following:

a) hedge settlement received by Cemex on behalf of the Company which is due on demand and unimpaired, which amounted to the receivable of P385 and P107, respectively; and
b) Others pertain to reimbursable expenses amounting to P1,212 and P2,051, respectively.

The due to related party balance that is unsecured, noninterest-bearing and payable upon demand as at March 31, 2024 and December 31, 2022, respectively, pertains to the following:

a) The use of CEMEX "marks" which is payable in 30 days after receipt of invoice and is unsecured and noninterest bearing which amounted to P27,937 and P21,776, respectively. On January 1, 2016, CAR entered into an agreement with Cemex for the right to use of its "marks" and to further license the "marks" with other Cemex group companies operating in the Asia territories;
b) The payable balance pertains to service fee amounting to P449,582 and P401,454, respectively; and
c) Others pertain to reimbursements and/or advances amounting to nil and P5,290, respectively.

[2]The due from related party balance, which is unimpaired, unsecured, noninterest-bearing and due on demand as at December 31,2023 and 2022 includes:

a) The service agreements entered by Solid and APO with ALQC wherein Solid and APO provides back-office and other support services to ALQC. Fees are calculated at cost incurred plus fixed mark-up. Outstanding receivable amounted to P174 and P232, respectively; and
b) Others pertain to reimbursements and/or advances amounting to P55 and P53, respectively.

The due to related party balance that is unsecured, noninterest-bearing and payable upon demand as at March 31, 2024 and December 31, 2023 pertains to the following:

a) The purchase of raw materials which amounting to P45,641 and P14,905, respectively; and
b) The transfer of pension amounting to P13,732, respectively.

[3]The due from related party balance as at March 31, 2024 and December 31, 2023, which is unimpaired, unsecured, noninterest-bearing and due on demand pertains to the following:

a) The service agreements were entered by Solid with IQAC wherein Solid provides back-office and other support services to IQAC. Fees are calculated at cost incurred plus fixed mark-up. Outstanding receivable amounted to P178 and P238, respectively; and
b) reimbursable expenses amounting to P28 and P134, respectively.

The due to related party balance as at March 31, 2024 and December 31, 2023, respectively, includes the following:

a) unsecured payable arising from purchase of raw materials with a 30-day term and noninterest-bearing amounting to P101,874 and P119,224, respectively. Solid purchases the majority of its limestone, pozzolan and clay requirements from IQAC pursuant to a long-term supply agreement;
b) collections from housing loan on behalf of IQAC amounting to nil and P758, respectively, which are unsecured, noninterest-bearing and payable on demand;
c) transfer of pension amounting to nil and P10,231, respectively; and
d) Others pertain to reimbursements amounting to nil and P52, respectively.

[4]The due from related party balance as at March 31, 2024 and December 31, 2023 pertains to advances which are unimpaired, unsecured, noninterest-bearing and due on demand amounting to P7,147 and P5,076, respectively.

The due to related party balance as at March 31, 2024 and December 31, 2023, pertains to the outstanding liability for the purchases of materials, supplies and spare parts, which is unsecured, noninterest-bearing and payable on demand.

[5]The due to related party balances as at March 31, 2024 and December 31, 2023, is the business support services received by the Company which is unsecured, noninterest-bearing and payable on demand. In 2009, Solid and APO entered into separate service agreements with CAPL, whereby the latter through CAPL-PHQ shall provide to Solid and APO services relating to, among others, general administration and planning; business planning and coordination; marketing control and; sales promotion and business development. In the implementation of these service agreements, CAPL-PHQ also arranged for certain services to be performed by Cemex Central, S.A. de C.V. ("Cemex Central") and, accordingly, CAPL-PHQ collected from each of Solid and APO as reimbursement of the fees billed by Cemex Central for services rendered. In 2017, the arrangement between CAPL-PHQ and Cemex Central was changed resulting in Solid and APO entering into separate service agreements directly with Cemex Central wherein the latter shall provide to the companies those particular services previously performed by Cemex Central through the service agreements with CAPL-PHQ. Cemex Operaciones, S.A. de C.V., a Cemex subsidiary organized and existing under the laws of Mexico, was merged with Cemex Central, whereby Cemex Operaciones was the surviving entity pursuant to an agreement with respect to such merger dated August 1, 2019. Effective from January 1, 2022, the business support services will be provided by Cemex, S.A.B. de C.V. to Solid and APO, respectively, pursuant to separate service agreements, the terms and conditions of which are substantially similar to those under the previous service agreements. The payable balance amounted to P956,134 and P941,343, respectively.

[6]The due from related party balance as at March 31, 2024 and December 31, 2023, pertains to credit memo related to freight charges, which is unsecured, not impaired, noninterest-bearing and due on demand.

[7]The due to related party balance as at March 31, 2024 and December 31, 2023, pertains to the purchase of coal with a term of 30 days, noninterest-bearing and unsecured. On November 28, 2022, Transenergy, Inc merged with Cemex Trading International, LLC.

[8] The due to related party balance as at March 31, 2024 and December 31, 2023, pertains to international freight charges, which is unsecured, noninterest-bearing and due on demand.

[9]The due to related party balance as at March 31, 2024 and December 31, 2023, which is unsecured, noninterest-bearing and due on demand pertains to services acquired related to the Solid's new line expansion project.

[10]The due from related party balance as at March 31, 2024 and December 31, 2023, pertains to advances which are unimpaired, unsecured, noninterest-bearing and due on demand amounting to nil and P306, respectively.

The due to related party balance as at March 31, 2024 and December 31, 2023, pertains to the purchase of raw materials with a 30-day term which is unsecured and noninterest-bearing.

[11]The due to related party as at March 31, 2024 and December 31, 2023, which is unsecured, noninterest-bearing and payable on demand, pertains to

a) the unpaid royalties/license fees amounted to P621,825 and P625,096, respectively; and
b) Interest on loans amounting to P114,235 and nil, respectively.
c) On December 2022 and January 2023, respectively, Solid and APO entered into separate revolving facility agreements with CIH to borrow funds of up to 75 million USD to finance their working capital requirements. The loans which are unsecured bear an interest rate of 7.3% and will mature in three years. Effective March 2023, Solid entered another revolving facility agreement with CIH to finance expenditures for the Solid new production line or expansion project of up to 130 million USD bears an interest rate of 9.4% and will mature on March 1, 2029. The outstanding balance of these loans as at December 31, 2023 and 2022 amounted to P6,567,924 and P5,967,992, respectively.

[12]The due to related party balance as at March 31, 2024 and December 31, 2023 pertains to the purchase of other production supplies including additives, fuel and others with a 30-day term which is unsecured and noninterest-bearing, which amounted to P14,577 and nil, respectively.

[13]The balances, which are recognized under "Lease liabilities" account, are unsecured, noninterest-bearing and payable on an annual basis. These land rentals and the fees for right to use have a 30-day term and are both noninterest-bearing and unsecured. The principal manufacturing installations of APO and Solid are located on land owned by ALQC or IQAC, respectively, under long-term lease agreements.

[14]Other related parties pertain to entities under common control of Cemex, except for IQAC and ALQC.

The reconciliation of opening and closing balances of loans from a related party payables follows:

		Principal	Interest	Total
Balance as at January 1, 2024	P	**5,967,992**	**–**	**5,967,992**
Loan drawdown		**502,213**	**–**	**502,213**
Interest expense		**–**	**126,927**	**126,927**
Effect of exchange rate changes		**97,719**	**1**	**97,720**
Payment of:				
Interest		**–**	**(12,693)**	**(12,693)**
Balance as at March 31, 2024	**P**	**6,567,924**	**114,235**	**6,682,159**

		Principal	Accrued Interest	Total
Balance as at January 1, 2023	P	–	–	–
Loan drawdown		5,948,267	–	5,948,267
Interest expense		–	277,325	277,325
Effect of exchange rate changes		10,459	(1,954)	8,505
Payment of:				
Principal		(68,606)	–	(68,606)
Interest		–	(197,499)	(197,499)
Capitalization of interest		77,872	(77,872)	–
Balance as at December 31, 2023	P	5,967,992	–	5,967,992

The main transactions entered by the Company with related parties for the three months ended March 31,2024 and 2023 are shown below:

		March 31, 2024	March 31, 2023
Transactions with ultimate parent			
Trademarks			
Cemex. S.A.B. de C.V.[1]	P	**5,117**	6,136
Corporate services and administrative expenses			
Cemex. S.A.B. de C.V.[1]	P	**44,827**	55,391

Transactions with other related parties [3]		**March 31, 2024**	March 31, 2023
Purchases of raw materials, supplies and/or spare parts			
Cemex International Trading, LLC[1]	P	**464,912**	546,105
IQAC[1]		**64,875**	115,351
ALQC[1]		**61,806**	64,608
Beijing CXP Import & Export Co.[1]		**19,107**	7,140
Cemex Internacional, S.A. de C.V.[1]		**14,577**	–
Cemex Admixtures GmbH[1]		**–**	2,221
	P	**625,277**	735,425
Loan drawdown			
CIH[1]	P	**502,213**	2,351,506
Royalties			
CIH [1]	P	**143,123**	169,866
Interest expense			
CIH[1]	P	**35,360**	17,280
Freight services			
Sunbulk Shipping, S.L.[1]	P	**27,248**	–
Sunbulk Shipping Limited[1]		**7,160**	40,537
	P	**34,408**	40,537
Interest income			
CIH[2]	P	**13,308**	8,646
Corporate services and administrative income			
ALQC[1]	P	**575**	548
IQAC[1]		**590**	564
	P	**1,165**	1,112

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

NOTE 11 – INSURANCE PREMIUMS RECEIVABLE

Insurance premiums receivable as at March 31, 2024 and December 31, 2023 amount to P323.8 million and P396.3 million respectively.

Insurance premiums receivable pertains to Falcon's premiums receivable from third party insurance company (see Note 1).

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

NOTE 12 – SEGMENT INFORMATION

The Company applies PFRS 8, *Operating Segment,* which are defined as the components of an entity that engage in business activities from which they may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's top management to make decisions about resources to be allocated to the segments and assess their performance; and for which discrete financial information is available. The Company's results and performance is evaluated for decision-making purposes and allocation of resources is made on a per country basis. Hence, the Company represents a single geographical operating segment. The Company's main activity is oriented to the construction industry through the production, distribution, marketing and sale of cement, ready-mix concrete and other construction materials. For the three-months period ended March 31, 2024 and 2023, the cement sector represented approximately 90.0% and 88.9% respectively, of total net revenues before eliminations resulting from consolidation, (86.68%) and 380.58% of Operating EBITDA.

The main indicator used by the Company's management to evaluate performance is "Operating EBITDA", representing operating earnings before other income - net, interest, tax, depreciation and amortization, considering that such amount represents a relevant measure for the Company's management as an indicator of the ability to internally fund capital expenditures, as well as a widely accepted financial indicator to measure the Company's ability to service or incur debt.

Operating EBITDA should not be considered as an indicator of the Company's financial performance, as an alternative to cash flow, as a measure of liquidity, or as being comparable to other similarly titled measures of other companies.

NOTE 13 – BANK LOAN

Parent Company – BDO

On February 1, 2017, the Parent Company signed a Senior Unsecured Peso Term Loan Facility Agreement (Facility Agreement) with BDO for an amount of up to the Philippine Peso equivalent of US$280,000 to refinance a majority of the Parent Company's outstanding long-term loan with New Sunward Holding B.V. The term loan provided by BDO has a tenor of seven (7) years from the date of the initial drawdown on the facility and consists of a fixed rate and a floating rate tranche based on market rates plus spread. Short-term portion of the bank loan amounted to P835,469 and P417,734 as at March 31, 2024 and December 31, 2023, respectively.

The unamortized debt issuance cost of this bank loan amounting to P33,418 and P38,089 as at March 31, 2024 and December 31, 2023, respectively, was deducted from the total loan liability. Interest expense incurred for the three months period March 31, 2024 and 2023, excluding amortization of debt issuance cost, amounted to P121,856 and P109,569, respectively, which is recognized under "Financial expenses" account in the condensed consolidated statements of comprehensive income (loss).

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

		Bank Loan	Accrued Interest	Total
Balance as at January 1, 2023	P	7,723,630	65,298	7,788,928
Loan drawdown		–	–	–
Interest expense		35,989	511,774	547,763
Payment of:				
Principal		(1,113,958)	–	(1,113,958)
Interest		–	(500,308)	(500,308)
Balance as at December 31, 2023	P	6,645,661	76,764	6,722,425
Loan drawdown		**–**	**–**	**–**
Interest expense		**4,670**	**121,856**	**126,526**
Payment of:				
Interest		**–**	**(125,260)**	**(125,260)**
Balance as at March 31, 2024	**P**	**6,650,331**	**73,360**	**6,723,691**

Accrued interest from this bank loan amounting to P73,361 and P76,764 as at March 31, 2024 and December 31, 2023, respectively, are recognized under "Unearned income, other accounts payable and accrued expenses" account in the condensed consolidated interim statements of financial position.

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

i. the commencement date for compliance with the aforementioned financial covenants under the Facility Agreement would be in June 2020;
ii. debt service reserve accounts were created (see Notes 15B and 15C); and
iii. additional debt incurrence restrictions be put in place.

One of these debt incurrence restrictions agreed is based on a financial ratio that measures, on a consolidated basis, the Parent Company's ability to cover its interest expense using its Operating EBITDA (interest coverage ratio) and is measured by dividing Operating EBITDA by the financial expense for the last twelve months as of the calculation date. Operating EBITDA equals operating income before other income, net plus depreciation. On December 14, 2018, the Parent Company entered into another Supplemental Agreement to the Facility Agreement that provides an option, only for certain potential events of default under the Facility Agreement, for the Parent Company's ultimate parent company, Cemex, or any affiliate of Cemex which is not a direct or indirect subsidiary of the Parent Company, to pay all amounts outstanding under the Facility Agreement before they become due and payable prior to their maturity in certain events.

On May 15, 2019, the Company signed an Amendment to the Facility and Supplemental Agreements with BDO mainly to:

i. conform the Facility Agreement with certain changes required due to PFRS 16 entering into effect;
ii. exclude from financial covenants in the Facility Agreement any principal and interest from certain subordinated loans and advances incurred in relation with the new cement line being built by Solid that have been made or are to be made to the Company by any subsidiary of Cemex; and
iii. allow for certain loans taken by the Company with any Cemex subsidiary to be paid with the proceeds from any equity fundraising activity of the Parent Company without having to pay a prepayment fee to BDO under the Facility Agreement.

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

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

On December 16, 2022, BDO approved the request to waive the Parent Company's compliance with certain financial covenants for a two-year period beginning December 31, 2022, subject to maintenance of a Debt Service Reserve Account with funding balance equivalent to 2 quarters' worth of forward-looking debt service (principal and interest, depending on the period covered). During the two-year period, these financial covenants are not applicable or enforceable.

On August 4, 2023, the Parent Company prepaid P600 million of the outstanding loan balance under the 2017 Facility Agreement. On November 6, 2023, the remaining balance amounting to P513,958 was paid in full.

Debt service reserve account related to the Company's bank loan amounted to P238,770 and P259,204 as at March 31, 2024 and December 31, 2023, respectively, and is recognized under "Other current accounts receivable" account in the condensed consolidated interim statements of financial position.

Short-term BDO Loan

The Company made draw downs on its short-term credit line with BDO to cover operational/working capital requirements.

As at March 31, 2024 and December 31, 2023, outstanding balances from this short-term credit line amounts to P750,000 and P145,000, respectively.

The reconciliation of opening and closing balances of loan follows:

		Bank Loan	Accrued Interest	Total
Balance as at January 1, 2023	P	420,000	630	420,630
Loan drawdown		5,819,000	–	5,819,000
Interest expense		–	26,554	26,554
Payment of:				
Principal		(6,094,000)	–	(6,094,000)
Interest		–	(27,130)	(27,130)
Balance as at December 31, 2023	P	145,000	54	145,054
Loan drawdown		**2,440,000**	–	**2,440,000**
Interest expense		–	**9,867**	**9,867**
Payment of:				
Principal		**(1,835,000)**	–	**(1,835,000)**
Interest		–	**(7,195)**	**(7,195)**
Balance as at March 31, 2024	**P**	**750,000**	**2,726**	**752,726**

NOTE 14 – FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

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

The Company's risk management policies are intended to:
a) identify and analyze the risks faced by the Company;
b) implement appropriate risk limits and controls; and
c) monitor the risks and the compliance with the limits.

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

Credit Risk

Credit risk is the risk of financial loss faced by the Company if a customer or counterparty of a financial instrument does not meet its contractual obligations and originates mainly from trade receivables. As at March 31, 2024 and December 31, 2023, the maximum exposure to credit risk is represented by the balance of financial assets (excluding equity investments). Management has developed policies for the authorization of credit to customers. The exposure to credit risk is monitored constantly according to the behavior of payment of the debtors. Credit is assigned on a customer-by-customer basis and is subject to assessments which consider the customers' payment capacity, as well as past behavior regarding due dates, balances past due and delinquent accounts. In cases deemed necessary, the Company's management requires cash bonds from its customers and financial counterparties with regard to financial assets, which can be called upon if the counterparty is in default under the terms of the agreement. Cash bonds received from credit customers as at March 31, 2024 and December 31, 2023 amounted to P32,324, respectively.

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

The carrying amount of financial assets below represents the maximum credit exposure without taking into account the effect of collateral and any credit enhancements. The maximum exposure to credit risk as at March 31, 2024 and December 31, 2023 is as follows:

		Gross Carrying Amount		Net Carrying Amount	
		March 31, 2024 (Unaudited)	December 31, 2023 (Audited)	**March 31, 2024 (Unaudited)**	December 31, 2023 (Audited)
Financial assets at amortized cost					
Cash and cash equivalents (Note 11)	P	**1,509,542**	1,721,492	**1,509,542**	1,721,492
Trade receivables (Note 12)		**790,976**	679,648	**776,412**	666,808
Due from related parties (Note 13)		**9,174**	8,198	**9,174**	8,198
Insurance claims and premiums receivable (Note 15A)		**323,809**	396,317	**323,809**	396,317
Other current accounts receivable (Note15B)		**346,756**	437,631	**346,756**	437,631
Long-term time deposits, rental guaranty deposits and finance lease receivable, net of current portion (Note 15C; under other assets and noncurrent accounts receivable)		**213,060**	208,847	**213,060**	208,847
		3,193,317	3,452,133	**3,178,753**	3,439,293
Financial assets at fair value (hedging instrument)					
Derivative asset		**18,273**	13,815	**18,273**	13,815
	P	**3,211,590**	3,465,948	**3,197,026**	3,453,108

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

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

As at March 31, 2024		**Current**	**1 to 30 days**	**31 to 60 days**	**More than 60 days**	**Total**
Average ECL rates		**0.1%**	**0.6%**	**4.1%**	**58.6%**	**1.8%**
Trade receivables - gross carrying amount	**P**	**650,860**	**102,859**	**15,500**	**21,757**	**790,976**
Allowance for ECL		**560**	**621**	**630**	**12,753**	**14,564**

As at December 31, 2023		Current	1 to 30 days	31 to 60 days	More than 60 days	Total
Average ECL rates		0.1%	0.8%	11.5%	86.3%	1.9%
Trade receivables - gross carrying amount	P	575,073	86,081	5,806	12,688	679,648
Allowance for ECL		574	647	669	10,950	12,840

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

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

The Company sells its products primarily to retailers in the construction industry, with no specific geographic concentration of credit within the country in which the Company operates. As at March 31, 2024 and December 31, 2023, no single customer individually accounted for a significant amount of the reported amounts of sales or the balances of trade receivables.

Movements in the Allowance for ECL on Trade Receivables
Changes in the allowance for impairment losses for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 are as follows:

		March 31, 2024	December 31, 2023
Balance at beginning of period	P	**12,840**	22,478
Charged to selling expenses		**1,810**	(9,461)
Write-off of trade receivables		**(86)**	(177)
Balance at end of period	P	**14,564**	12,840

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate in relation to changes in exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to its operational and financing activities. The objective of foreign currency risk management is to manage and control exposures within acceptable parameters while optimizing the return. The Company's revenue and costs are generated and settled mainly in Philippine Peso. For the three months ended March 31, 2024, and as at December 31, 2023 approximately less than 5% of the Company's net sales, were generated in U.S. dollars.

The Company had an exposure arising from the dollar-denominated financial obligations as compared to the currency in which the majority of the Company's revenues are generated. The Company's only revenue denominated in U.S. dollars to cover such dollar-denominated obligations are those generated by exports. As at March 31, 2024 and December 31, 2023, the Company has not implemented any derivative financing hedging strategy to address this foreign currency risk.

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

As at March 31, 2024 and December 31, 2023, a summary of the quantitative information of the exposure of the Company due to foreign currencies is provided to the top management on the basis of its risk management policy as follows:

	As at March 31, 2024	
	(in U.S. dollar)	***(in Euro)***
Cash and cash equivalents	**US$2,150**	**€-**
Due from related parties*	**155**	**-**
Trade payables	**(13,299)**	**(2,288)**
Due to related parties*	**(153,821)**	**(3)**
Lease liabilities	**(7,234)**	**-**
Net liabilities denominated in foreign currency	**US$172,049**	**(€2,291)**

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

	As at December 31, 2023	
	(in U.S. dollar)	*(in Euro)*
Cash and cash equivalents	US$3,722	€–
Due from related parties*	132	5
Trade payables	(15,470)	(1,111)
Due to related parties*	(147,557)	–
Lease liabilities	(2,387)	–
Net liabilities denominated in foreign currency	(US$161,560)	(€1,106)

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

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

Amounts owed by	**Amounts owed to**	**March 31, 2024**	December 31, 2023
Parent Company	CAR	**(US$98,896)**	(US$97,842)
Parent Company	Falcon	**(57,241)**	(53,228)
APO	CAR	**(4,002)**	(2,399)
Solid	CAR	**(2,037)**	(1,182)
		(US$162,176)	(US$154,651)

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

	March 31,2024		December 31, 2023	
Currency	**Closing**	**Average**	Closing	Average
U.S. dollar	**P56.24**	**P56.24**	P55.37	P55.56
Euro	**P60.71**	**P60.88**	P61.12	P60.22

Sensitivity Analysis on Foreign Currency Risk

The following table demonstrates the sensitivity to a reasonably possible change in various foreign currencies, with all other variables held constant, of the Company's profit (loss) before income tax and equity for the three-month period ended March 31, 2024, and for the year ended December 31, 2023:

U.S. Dollar	Strengthening (Weakening) of Philippine Peso	Effect on Earnings before Income Tax	Effect on Equity
March 31, 2024	**+1.57%**	**P151,914**	**P113,935**
	-1.57%	**(151,914)**	**(113,935)**
December 31, 2023	+0.69%	61,724	46,293
	-0.69%	(61,724)	(46,293)

EUR	Strengthening (Weakening) of Philippine Peso	Effect on Earnings before Income Tax	Effect on Equity
March 31, 2024	**+0.67%**	**P932**	**P699**
	-0.67%	**(932)**	**(699)**
December 31, 2023	+2.43%	1,643	1,232
	-2.43%	(1,643)	(1,232)

Sensitivity Analysis Pertaining to Eliminated Intragroup Balances

U.S. Dollar	Strengthening (Weakening) of Philippine Peso	Effect on Earnings before Income Tax	Effect on Equity
March 31, 2024	**+1.57%**	**P143,196**	**P107,397**
	-1.57%	**(143,196)**	**(107,397)**
December 31, 2023	+0.69%	59,085	44,314
	-0.69%	(59,085)	(44,314)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As at March 31, 2024 and December 31, 2023, the Company is exposed to interest rate risk primarily on the floating interest rate tranche corresponding to P6,683,750, respectively, of the long-term bank loan with BDO (see Note 24) and short-term investments in Cemex Innovation Holding amounting to P731,572 and P1,057,692 at March 31, 2024 and December 31, 2023, respectively. The short-term investments in Cemex Innovation Holding bears interest at a rate equivalent to the higher of WAILRF rate minus 10 basis points and zero interest.

Sensitivity analysis on Interest Rate Risk

As at March 31, 2024 and December 31, 2023, a hypothetical 1% increase in interest rate, with all other variables held constant, the Company's profit for the three months ended March 31, 2024 and 2023, would have decreased by approximately P44,641 and P42,195, respectively. Conversely, a hypothetical 1% decrease in interest rate would have the opposite effect.

Commodity Price Risk

In the ordinary course of business, the Company is exposed to commodity price risk, including the exposure from diesel fuel prices, and expose the Company to variations in prices of the underlying commodity. The Company established specific policies oriented to obtain hedge with the objective of fixing diesel fuel prices. Beginning 2021, the Company adopted a hedging strategy for diesel fuel which involved the purchase of collars over a certain volume representing a portion of estimated consumption of diesel fuel in the operations for 2022, 2023 and 2024. Through these contracts, the Company fixed the price of diesel over a certain volume representing a portion of the estimated consumption of diesel fuel in the operations. These contracts have been designated as cash flow hedges of diesel fuel consumption, and as such, changes in fair value are recognized temporarily through OCI and are recycled to profit or loss as the related diesel volumes are consumed.

The following amounts relating to items designated as hedging instruments as at March 31, 2024 and December 31, 2023 were as follows:

	March 31, 2024		December 31, 2023	
	Notional amount	**Carrying amount**	Notional amount	Carrying amount
Commodity collar transaction	**P149,582**	**P18,273**	P196,358	P13,815

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds available to meet its obligations. The Company has fulfilled its operational liquidity needs primarily through its own operations and expects to continue to do so for both the short and long-term liabilities. Although cash flow from the Company's operations has historically covered its overall liquidity needs for operations, servicing debt and funding capital expenditures and acquisitions, the consolidated entities are exposed to risks from changes in foreign currency exchange rates, prices and currency controls, interest rates, inflation, governmental spending, social instability and other political, economic and/or social developments in the countries in which they operate, any one of which may materially decrease the Company's net profit and reduce cash flows from operations. Accordingly, in order to meet its liquidity needs, the Company also relies on cost-control and operating improvements to optimize capacity utilization and maximize profitability, as well as proceeds from asset sales, advances or borrowings under credit facilities or proceeds from debt from financial institutions or related parties. The Company's consolidated net cash flows used in operating activities, as presented in its unaudited condensed consolidated interim statements of cash flows, amounted to P297,866 and P2,427,156 for the three months ended March 31, 2024, and 2023, respectively. In addition, there is no significant concentration of a specific supplier relating to the purchase of raw materials.

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

	As at March 31, 2024				
	Carrying Amount	**Contractual Cash Flows**	**12 Months or Less**	**1 to 5 Years**	**More than 5 Years**
Trade payables..................................	**P4,577,667**	**P4,577,667**	**P4,577,667**	**P–**	**P–**
Due to related parties	**9,434,108**	**10,963,297**	**2,866,184**	**8,097,113**	**–**
Unearned income, other accounts payable and accrued expenses*	**635,281**	**635,281**	**635,281**	**–**	**–**
Lease liabilities	**2,915,223**	**6,723,216**	**680,543**	**982,502**	**5,060,171**
Bank loan	**7,400,332**	**8,559,303**	**2,057,226**	**6,502,077**	**–**
Total	**P24,962,611**	**P31,458,764**	**P10,816,901**	**P15,581,692**	**P5,060,171**

**Excluding government-related payables, unearned income from insurance premiums and other non-financial liabilities amounting to P1,765.2 million.*

	As at December 31, 2023				
	Carrying Amount	Contractual Cash Flows	12 Months or Less	1 to 5 Years	More than 5 Years
Trade payables..................................	P4,721,459	P4,721,459	P4,721,459	P–	P–
Due to related parties	8,954,132	10,372,245	2,986,239	5,028,459	2,357,547
Unearned income, other accounts payable and accrued expenses*	482,454	482,454	482,454	–	–
Lease liabilities..................................	2,524,710	6,353,764	415,550	852,383	5,085,831
Bank loan	6,790,661	8,192,009	1,081,712	7,110,297	–
Total	P23,473,416	P30,121,931	P9,687,414	P12,991,139	P7,443,378

**Excluding government-related payables, unearned income from insurance premiums and other non-financial liabilities amounting to P1,252.8 million.*

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

Insurance Risk Management

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

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

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

NOTE 15 – FAIR VALUE OF FINANCIAL ASSET AND FINANCIAL LIABILITIES

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

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

		March 31, 2024			December 31, 2023	
		Carrying amount	**Fair value**		Carrying amount	Fair value
Financial assets measured at amortized cost						
Long-term time, rental guaranty and other refundable deposits and debt service reserve account	P	**213,060**	**213,060**	P	267,183	267,183
Sublease and finance lease receivable		**9,027**	**9,027**		8,957	8,957
Financial assets at fair value (hedging instrument)						
Derivative asset		**18,273**	**18,273**		13,815	13,815
	P	**240,360**	**240,360**	P	289,955	289,955
Financial liabilities measured at amortized cost						
Bank loan	P	**7,400,331**	**7,589,397**	P	6,790,661	7,015,363
Long-term payable to a related party		**6,567,924**	**6,687,590**		5,967,992	5,982,816
	P	**13,968,255**	**14,276,987**	P	12,758,653	12,998,179

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

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

NOTE 16 – CONTINGENCIES

As at March 31, 2024 and December 31, 2023, the Company is involved in various legal proceedings of minor impact that have arisen in the ordinary course of business. These proceedings involve: 1) national and local tax assessments; 2) labor claims; and 3) other diverse civil actions. Although there is no guarantee for a favorable outcome, the Company believes that it has made adequate provisions to cover current and contemplated general and specific litigation risks. In relation to ongoing legal proceedings, the Company is able to make a reasonable estimate of the expected loss or range of possible loss, as well as disclose any provision accrued for such loss. However, the Company may not be able to make a reasonable estimate of the expected loss or range of possible loss or may be able to do so but believes that disclosure of such information on a case-by-case basis would prejudice Company's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, the Company has disclosed qualitative information with respect to the nature and characteristics of the contingency but has not disclosed the estimate of the range of potential loss.

NOTE 17 – RELEVANT INFORMATION REGARDING THE 2018 LANDSLIDE

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

The Landslide prompted local and national authorities to order the suspension of the mining operations of ALQC. Business continuity plans were put in place by APO Cement and implemented to address the disruption in the supply arrangement with ALQC. By the third quarter of 2020, local and national authorities allowed ALQC to resume its mining operations in the affected areas.

On November 19, 2018, the Parent Company and APO Cement were served summons concerning an environmental class action lawsuit filed by 40 individuals and one legal entity (on behalf of 8,000 individuals allegedly affected by the Landslide) at the Regional Trial Court of Talisay, Cebu, against the Parent Company, APO Cement, ALQC, the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the City Government of Naga, and the Province of Cebu, for "Restitution of Damage of the Natural and Human Environment, Application for the Issuance of Environmental Protection Order against Quarry Operations in Cebu Island with Prayer for Temporary Protection Order, Writ of Continuing Mandamus for Determination of the Carrying Capacity of Cebu Island and Rehabilitation and Restoration of the Damaged Ecosystems".

In the complaint, among other allegations, plaintiffs (i) claim that the Naga Landslide occurred as a result of the defendants' gross negligence; and (ii) seek, among other reliefs, (a) monetary damages in the amount of approximately P4.3 billion, (b) the establishment of a P500 million rehabilitation fund, and (c) the issuance of a Temporary Environment Protection Order against ALQC while the case is still pending. In the complaint, ALQC, APO Cement and the Parent Company are made solidarily liable for payment of monetary damages and establishment of a rehabilitation fund. The records of the case were subsequently transferred to the Regional Trial Court of Cebu City Branch 23.

Among other defenses and based on a report by the Mines and Geosciences Bureau of the Department of Environment and Natural Resources, the Parent Company, ALQC and APO Cement hold the position that the Naga landslide occurred due to natural causes and deny liability, fault, and negligence.

In an order dated August 16, 2019, the Regional Trial Court denied plaintiffs' Application for Temporary Environment Protection Order. By denying such application, the Regional Trial Court found that the applicants did not sufficiently establish that they will suffer grave injustice and irreparable injury by the continued operations of ALQC while the proceedings are pending. Plaintiffs moved for reconsideration, but the Court also denied plaintiffs' motion in an Order dated September 30, 2019. Plaintiffs did not appeal this ruling, which became final as of December 5, 2020.

In an order dated September 30, 2019, the Regional Trial Court partially granted the affirmative defenses of the private defendants and ruled, among others, that the subject case against the Parent Company and APO Cement is dismissed for failure to state a cause of action. The court also ruled that: (i) the 22 plaintiffs who failed to sign the verification and certification against forum shopping are dropped as party-plaintiffs; (ii) the subject case is not a proper class suit, and that the remaining 17 plaintiffs can only sue for their respective claims, but not as representatives of the more than 8,000 alleged victims of the landslide incident; (iii) plaintiffs' cause of action against ALQC for violation of Section 19(a) of Republic Act No. 10121 is dismissed; (iv) there is a misjoinder of causes of action between the environmental suit and the damage suit; and (v) the damage suit of the remaining plaintiffs will proceed separately upon payment of the required docket fees within 30 days from receipt of order, otherwise, the case for damages will be dismissed. The plaintiffs filed a motion for reconsideration of the court's order dated September 30, 2019. During the hearing of plaintiffs' motion for reconsideration on September 11, 2020, the Province of Cebu was officially dropped as a party-defendant in the case, on oral motion of plaintiffs. In another order dated November 17, 2021, the Regional Trial Court denied plaintiffs' motion for reconsideration and also granted the motions of the Mines and Geosciences Bureau and the City Government of Naga and dismissed the subject case against them. On January 31, 2022, plaintiffs filed with the Regional Trial Court their Notice of Appeal, indicating their intention to appeal the court's latest order to the Court of Appeals. Defendants (including government defendants) opposed the plaintiff's Notice of Appeal, and, on April 28, 2022, the Regional Trial Court rejected the plaintiffs' Notice of Appeal for having been filed out of time and instructed the entry of judgement and to issue the corresponding certificate of finality. The plaintiffs did not file a Motion for Reconsideration and due to this failure, the Regional Trial Court issued the corresponding certificate of finality. Accordingly, the court's order dated September 30, 2019, partially granting the affirmative defenses of the private defendants and ruling, among others, that the subject case against the Parent Company and APO Cement is dismissed for failure to state a cause of action, is now deemed to be final and executory.

As of March 31, 2024, only ALQC remains as a private defendant in the subject case regarding the environmental aspect of ALQC's supposed violation of the Philippine Mining Act which purportedly caused damage to the environment. On September 20, 2018, a landslide occurred in Sitio Sindulan, Barangay Tina-an, Naga City, Cebu, Philippines (the "Landslide"), a site located within an area covered by the mining rights of APO Land & Quarry Corporation ("ALQC") who is a principal raw material supplier of APO Cement. The Parent Company does not own any equity stake (directly or indirectly) in ALQC or its parent company, Impact Assets Corporation. Cemex Asian South East Corporation which is a majority shareholder of the Parent Company, owns a minority 40% stake in Impact Assets Corporation.

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NOTE 18 – IMPACTS OF COVID-19

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

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

Subsequent to the recommendations of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) in its Resolution No. 146-F (s. 2021) dated October 28, 2021, the President of the Philippines issued Executive Order No. 151 dated November 11, 2021 adopting the Alert Level System for all areas of the Philippines through a nationwide roll-out which was designed to allow the reinvigoration of the economy through the opening of more sectors, while protecting the people's health through the continuous observance of public health protocols and interventions and the heightened implementation of lockdowns in smaller areas, also known as granular lockdowns. Restrictions and/or limitations affecting intrazonal and interzonal movement as well as the level of operations and activities undertaken by establishments and persons in areas nationwide were defined depending on the applicable Alert Level Status (ranging from 1 to 5). At any level, minimum public health standards and precautions such as the wearing of face masks and social distancing protocols may be mandated. Provinces and cities (such as the Province of Rizal, including Antipolo City, the Province of Cebu, Cebu City and the cities and municipalities comprising Metro Manila) were placed from time to time under different Alert Level Status with corresponding restrictions, respectively.

Finally, on July 21, 2023, President Ferdinand Marcos, Jr. signed Proclamation No. 297 lifting the State of Public Health Emergency throughout the country due to COVID-19 Pandemic, thereby withdrawing or revoking all prior orders, memoranda and issuances that are effective only during this public health emergency.

The consequences resulting from the COVID-19 Pandemic have negatively affected the Company. For the three months ended March 31, 2024, and 2023, additional expenses were incurred by the Company associated with measures designed to address the adverse impact of COVID-19 Pandemic amounting to P246.3 thousand and P544.4 thousand, respectively. These additional expenses were presented under "Operating expenses and cost of sales" and "Other income (expenses) - net" account in the condensed consolidated interim statements of comprehensive income for the three months ended March 31, 2024, and 2023, respectively. The Company implemented, and continues to implement, hygiene protocols in its operations and modified its manufacturing, sales, and delivery processes to implement physical distancing, so as to protect the health and safety of its employees and their families, customers and suppliers, and drastically reduce the possibility of contagion during the COVID-19 Pandemic. It will continue to place emphasis on the use of the CEMEX Go platform for a digital, contactless and/or limited contact experiences for customers, and enable additional online channels to promote engagement, manage communications and facilitate transactions with customers.

NOTE 19 – RUSSIA-UKRAINE CONFLICT

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