

COVER SHEET

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E A G L E   C E M E N T   C O R P O R A T I O N

(Company's Full Name)

2 / F   S M I T S   C O R P O R A T E   C E N T E R ,  
N O .   1 5 5   E D S A ,   B A R A N G A Y   W A C K - W A C K ,  
M A N D A L U Y O N G ,   C I T Y

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

Atty. Maria Farah Z.G. Nicolas-  
Suchianco

(Contract Person)

(02) 8633-9757

(Company Telephone Number)

1 2   3 1  
Month   Day  
(Fiscal Year)

2 0 - I S  
(Form Type)

0 6   2 4  
Month   Day  
(Annual Meeting)

Securities registered pursuant to  
Sections 8 and 12 of the SRC or  
Sections 4 and 8 of the RSA  
(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.



## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE is hereby given that the Annual Meeting of the Stockholders of EAGLE CEMENT CORPORATION (the "Company") will be held on June 24, 2021, 2:00 p.m., livestreamed from the principal office of the Company, and shall be conducted through livestreaming as authorized by resolution of the Board of Directors on April 7, 2021. The livestream may be accessed through the Company's website at: <https://www.eaglecement.com.ph/annual-stockholders-meeting>.

The Agenda of the meeting is as follows:

1. Call to order
2. Certification of Notice and Quorum
3. Approval of Minutes of Previous Meeting
4. Presentation of the Annual Report
5. Ratification of Acts and Resolutions of the Board of Directors and Corporate Officers
6. Appointment of External Auditors
7. Election of the Members of the Board of Directors
8. Delegation of Authority to the Board to Amend the by-laws
9. Other Matters
10. Adjournment

Minutes of the Annual Stockholders' Meeting held on July 15, 2020 and the resolutions of the Board of Directors beginning July 15, 2020 will be accessible through the Company's website (<https://www.eaglecement.com.ph/annual-stockholders-meeting>).

Given the continued threat of the COVID-19 Pandemic, stockholders may only participate in the annual meeting *via* remote communication and cast their votes electronically or *in absentia*, or through appointing the Chairman of the Meeting as proxy. Only stockholders of record as of May 10, 2021 are entitled to vote at this meeting.

Stockholders intending to attend the meeting by remote communication should notify the Company not later than June 14, 2021 at 5:00 PM through the following means:

1. By e-mail to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph);
2. By online registration through the Company website under the Investor Relations tab. For the online registration, kindly access and follow the instructions to be made available in the following link: <https://www.eaglecement.com.ph/annual-stockholders-meeting>.

Further details and procedure for attendance and participation in the meeting through remote communication are set forth in Annex 1 of the notice in this Definitive Information Statement, the Preliminary version of which was made available to the public as of May 14, 2021, through the PSE Edge and the Company website (<https://www.eaglecement.com.ph/corporate-disclosure/information-statement-sec-form-20-is/2>).

Duly accomplished ballots, proxies, and copies of valid government IDs shall be submitted through any of the following:

1. By e-mail to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph);
2. By ordinary mail to the Office of the Corporate Secretary of Eagle Cement Corporation at Suite 2801 Discovery Center, 25 ADB Avenue, Ortigas Center, Pasig City 1605;
3. By online submission, at the time of registration through the Company website (<https://www.eaglecement.com.ph/annual-stockholders-meeting>).

The deadline for submission of ballots and proxies is on June 14, 2021 at 5:00 PM. For corporations, ballots and proxies must be accompanied by the Corporate Secretary's sworn certification stating the

corporate officer's authority to vote for and to represent the Corporation in the meeting. Ballots and proxies need not be notarized.

Validation of ballots and proxies will be on June 18, 2021 at 2:00 p.m. at the office of the Company's Corporate Secretary at Suite 2801 Discovery Center, 25 ADB Avenue, Ortigas Center, Pasig City. For your convenience, samples of the ballot and proxy are available at the Company website under the Investor Relations tab.

Questions and comments to the Board of Directors and/or Management may be sent in advance of, or during, the meeting by email to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph).

Please refer to Annex 2 of the notice in the Information Statement for a brief discussion of and the rationale for the above agenda items.

A visual and audio recording of the proceedings of the annual meeting shall be kept by the Company.

For the Board of Directors.

  
**MARIA FARAH Z.G. NICOLAS-SUCHIANCO**  
*Corporate Secretary*

## PROCEDURE FOR ATTENDING THE MEETING THROUGH REMOTE COMMUNICATION

1. Stockholders of record as of May 10, 2021 who intend to attend the meeting through remote communication are requested to notify the Company and register by email to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph), or by online registration through the Company website under the Investor Relations tab. For the online registration, kindly access and follow the instructions to be made available in the following link: <https://www.eaglecement.com.ph/annual-stockholders-meeting>, not later than June 14, 2021 at 5 PM. Stockholders whose shares are lodged with brokers are requested to directly contact their respective brokers for guidance on their participation in the meeting.

2. For validation purposes, the email should contain the following information: (i) name; (ii) address; (iii) telephone number; and (iv) email address, and a scanned copy of any valid government-issued identification card ("ID") with photo of the stockholder. Only the stockholders who have notified the Company of their intention to participate through remote communication, as above-described, and have been validated to be stockholders of record of the Company will be considered in computing stockholder attendance at the meeting, together with the stockholders attending through proxies.

3. Unregistered stockholders may still attend the meeting by accessing the livestreaming link available at the Company's website under the Investor Relations tab (<https://www.eaglecement.com.ph/annual-stockholders-meeting>).

4. Votes of all stockholders can only be cast through ballots or proxies submitted on or before June 14, 2021 at 5 PM. A sample of the ballot and proxy is included in the Information Statement.

All ballots and proxies should be received by the Corporate Secretary on or before June 14, 2021 through the following means:

- a. By e-mail to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph);
- b. By ordinary mail to the Office of the Corporate Secretary of Eagle Cement Corporation at Suite 2801 Discovery Center, 25 ADB Avenue, Ortigas Center, Pasig City 1605;
- c. By online submission, at the time of registration through the Company website under the Investor Relations tab (<https://www.eaglecement.com.ph/annual-stockholders-meeting>).

For an individual, his/her ballot or proxy must be accompanied by a valid government-issued ID with a photo. For a corporation, its proxy must be accompanied by its corporate secretary's certification stating the representative's authority to represent the corporation in the meeting. Validation of ballots and proxies will be on June 18, 2021 at 2:00 p.m. at the office of the Company's Corporate Secretary.

5. Shareholders may send their questions and/or comments prior to or during the meeting to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph). Questions and comments may also be written in the space provided in the sample ballot/proxy form.

6. The proceedings of the meeting will be recorded.

Should you have questions or requests for clarification on the procedure for attending the annual stockholders' meeting through remote communication, please email them to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph).

**EXPLANATION AND RATIONALE OF AGENDA ITEMS FOR THE ANNUAL MEETING OF STOCKHOLDERS OF EAGLE CEMENT CORPORATION (the “Company”)**

1. Call to Order  
Our Chairman will formally open the meeting at 2:00 PM.
2. Certification of Notice and Quorum  
The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.
3. Approval of Minutes of Previous Meeting  
The minutes of the meeting held on July 15, 2020 will be available for download at the Company website. (<https://www.eaglecement.com.ph/annual-stockholders-meeting>)
4. Presentation of the Annual Report  
The Audited Financial Statements (AFS) as of December 31, 2020 will be presented to the stockholders for their approval. The AFS will be embodied in the Information Statement to be sent to the stockholders at least 28 days prior to the meeting. The Audit Committee has recommended to the Board the approval of the AFS, and the Board has approved the AFS on April 07, 2021.  
  
To give context to the AFS and bring to the shareholders attention the highlights, the CFO and/or the President will deliver the “Management Report” which provides the significant operating and financial performance for 2020 as well as the interim financial highlights. The report will also include significant events and recent developments in the Company, especially the measures and activities done and being done amid the COVID-19 pandemic.
5. Ratification of Acts and Resolutions of the Board of Directors and Corporate Officers  
All acts and resolutions of the Board of Directors and all the acts of Corporate Officers taken or adopted from the date of the last annual stockholders’ meeting until the date of this meeting will be submitted for ratification. A brief summary of the resolutions and actions is set forth in this Information Statement for this meeting. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any shareholder at the office of the Corporate Secretary during business hours.
6. Appointment of External Auditor  
The Audit Committee of our Board will endorse to the stockholders the re-appointment of Reyes Tacandong & Co. as the external auditor for the ensuing year. Representatives of the said firm are expected to be present at the annual meeting and to respond to appropriate questions from the shareholders. The profile of Reyes Tacandong & Co. will be provided in the Information Statement.
7. Election of the Members of the Board of Directors (including independent directors)  
The Corporate Secretary will present the names of the persons, whose background information are contained in the Information Statement, who have been duly nominated for election as directors of the Company in accordance with the by-laws and Manual on Corporate Governance of the Company and applicable laws and regulations. The voting procedure is set forth in the Information Statement for this meeting.
8. Delegation of Authority to the Board to Amend the by-laws  
In view of the enactment of the Revised Corporation Code, certain amendments will be made to the by-laws.
9. Other Matters  
The Chairman will open the floor for comments and questions by the stockholders. The stockholders may raise other matters or issues that may be properly taken up at the meeting by sending their questions and/or comments prior to the meeting to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph).

### **SAMPLE BALLOT / PROXY**

☐ Vote by Ballot: The undersigned stockholder of Eagle Cement Corporation (the "Company") casts his/her vote on the agenda items for the 2021 Annual Stockholders' Meeting, as expressly indicated with "X" in this ballot.

☐ Vote by Proxy: The undersigned stockholder of Eagle Cement Corporation (the "Company") hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, *as attorney-in-fact and proxy*, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on June 24, 2021 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the minutes of previous meeting  
\_\_\_ Yes \_\_\_ No \_\_\_ Abstain
2. Approval of the 2020 Annual Report  
\_\_\_ Yes \_\_\_ No \_\_\_ Abstain
3. Ratification of Acts and Resolutions of the Board of Directors and Corporate Officers  
\_\_\_ Yes \_\_\_ No \_\_\_ Abstain
4. Re-appointment of Reyes Tacandong & Co. as External Auditor  
\_\_\_ Yes \_\_\_ No \_\_\_ Abstain
5. Election of the Members of the Board of Directors, including the Independent Directors

	No. of Votes
Ramon S. Ang	_____
John Paul L. Ang	_____
Manny C. Teng	_____
Monica L. Ang	_____
Manuel P. Daway	_____
Mario K. Surio	_____
Luis A. Vera Cruz, Jr.	_____
Melinda Gonzales-Manto	_____
Ricardo C. Marquez	_____
Martin S. Villarama, Jr.	_____
Jose P. Perez	_____

6. At his/her discretion, the proxy named above are authorized to vote upon such other matters as may be properly come before the meeting.  
\_\_\_ Yes \_\_\_ No \_\_\_ Abstain

\_\_\_\_\_  
Printed Name and Signature of Stockholder  
Date:

The ballot of those who will attend the meeting via videoconference should be submitted to the Corporate Secretary, or by e-mail to [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph), or by online submission, at the time of registration through the Company website under the Investor Relations tab (<https://www.eaglecement.com.ph/annual-stockholders-meeting>), at the time allotted for registration on or before **June 14, 2021**.

This proxy should be received by the Corporate Secretary on or before **June 14, 2021**, the deadline for submission of proxies. For corporate stockholders, please attach to this proxy form the secretary's certificate on the authority of the signatory to appoint the proxy and sign this form.

This ballot/proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction was made, this ballot/proxy will be voted for the election of all nominees and/or the approval of the matters stated above and such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by management or board of directors.

A stockholder giving this proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
[ ] Preliminary Information Statement  
[✓] Definitive Information Statement (Amended as of June 07, 2021)
2. Name of Registrant as specified in its charter **EAGLE CEMENT CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization  
**METRO MANILA, PHILIPPINES**
4. SEC Identification Number **ASO95005885**
5. BIR Tax Identification Code **004-731-637-000**
6. **2/F SMITS Corporate Center, No. 155 EDSA, Brgy. Wack-Wack, Mandaluyong City** **1554**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code: **(02) 5301-3453**
8. Date, time and place of the meeting of security holders  
**JUNE 24, 2021, 2:00PM, VIA VIDEOCONFERENCING, livestreamed from the Principal Office of the Company**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **May 14, 2021**

10. **In case of Proxy Solicitations:**

**Name of Person Filing the Statement/Solicitor:** **N/A**

**Address and Telephone No.:** **N/A**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock
	Outstanding or Amount of Debt Outstanding (as of May 10, 2021)
<b>COMMON</b>	<b>5,000,000,005</b>

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

Yes [✓] No [ ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**PHILIPPINE STOCK EXCHANGE - 5,000,000,005 COMMON**

## INFORMATION REQUIRED IN INFORMATION STATEMENT

### **GENERAL INFORMATION**

#### **Date, time and place of meeting of security holders.**

The annual meeting of stockholders of the Eagle Cement Corporation (Corporation) will be held on June 24, 2021, 2:00 p.m., via virtual platform. Details will be provided in the Company website under the Investor Relations tab (<https://www.eaglecement.com.ph/2020-annual-stockholders-meeting>).

The Corporation's complete mailing address is at 2/F SMITS Corporate Center, No. 155 EDSA, Barangay Wack-Wack, Mandaluyong City.

Further details and procedure for attendance and participation in the meeting through remote communication are to be set forth in Annex 1 of the notice in this Definitive Information Statement, which is made available to the public through the PSE Edge and the Company website (<https://www.eaglecement.com.ph/corporate-disclosure/information-statement-sec-form-20-is/2>).

Due to the limited resources at this time due to the COVID-19 pandemic, stockholders wishing to obtain printed copies of the Definitive Information Statement must signify their intent by notifying the Corporate Secretary through e-mail at [corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph).

The Corporation is not soliciting proxies.

#### **Dissenters' Right of Appraisal**

Under Sections 80 and 81, Title X of the Revised Corporation Code of the Philippines, stockholders dissenting from and voting against the proposed corporate actions may demand payment of the fair value of their shares as of the day prior to the date on which the vote was taken for such corporate action: amendment to the corporation's articles and by-laws that has the effect of changing and restricting the rights of any shareholder or class of shares or authorizing preferences in any respect superior to those of outstanding shares of any class; sale, lease, mortgage or other disposition of all or substantially all of the corporation's asset; merger or consolidation; investment of corporate funds in another corporation or business or for any purpose other than its primary purpose; and extension or shortening of term of corporate existence. The stockholders' right of appraisal may be exercised for a period within thirty days from the date on which the vote on the corporate action was taken.

There are no matters to be acted upon by the stockholders at the Annual Meeting of the Stockholders to be held on June 24, 2021 which might give rise to the exercise of the appraisal right.

#### **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director or officer of the Corporation, or any nominee for election as a director of the Corporation, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

No director of the Corporation has informed it in writing that he intends to oppose any action to be taken by the Corporation at the annual meeting of stockholders.



## **CONTROL AND COMPENSATION INFORMATION**

### **Voting Securities and Principal Holders Thereof**

The Corporation has Five Billion and Five (5,000,000,005) outstanding common shares as of May 10, 2021. Every stockholder shall be entitled to one vote for each share of stock held as of the established record date.

All stockholders of record as of May 10, 2021 are entitled to notice and to vote at the Corporation's Annual Meeting of the Stockholders.

Article II, Section 8 of the by-laws of the Corporation provides that for purposes of determining the stockholders entitled to notice of, or to vote at, any meeting of the stockholders or any adjournment thereof or to receive payment of any dividend, or of making a termination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, but not to exceed, in any case, twenty (20) days immediately preceding the date of any meeting of the stockholders, or the date of the payment of any dividend, or the date for the allotment of rights or the date when any change or conversion or exchange of capital shall go into effect, unless the applicable rules and regulations of the Securities and Exchange Commission or the Philippine Stock Exchange, Inc. provided for a different period. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date which shall in no case be more than forty-five (45) days prior to the date, on which the particular action requiring the determination of stockholders is to be taken, except in any instance where applicable rules and regulations provide otherwise.

### **Election of Directors**

Article II, Section 7 of the by-laws of the Corporation states that at all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the secretary.

Section 12 of Memorandum Circular No. 6, series of 2020, of the SEC provides that the right to vote of stockholders may be exercised in person, through a proxy, or when authorized in the by-laws, through remote communication or in absentia, but that in the election of directors and officers of corporations vested with public interest, stockholders may vote through remote communication or in absentia, notwithstanding the absence of such a provision in the by-laws.

All proxies must be in the hands of the secretary before the time set for the meeting. The proxy filed with the Corporate Secretary may be revoked by the stockholder either in an instrument in writing duly presented and recorded with the Secretary prior to the scheduled meeting or by his personal presence at the meeting.

The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified.

Every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name on the stock books of the corporation. The stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by a stockholder shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected. No delinquent stock shall be voted. Candidates receiving the highest number of votes shall be declared elected.

Any meeting of the stockholders or members called for an election may adjourn from day to day or from time to time but not sine die or indefinitely if, for any reason, no election is held, or if there are not present or represented by proxy, at the meeting, the owners of a majority of the outstanding capital stock.

**Security Ownership of Record and Beneficial Owners of more than five per cent (5%) of the Corporation's Voting Stock as of March 31, 2021**

<b>Title of Class</b>	<b>Names and addresses of record owners and relationship with the Corporation</b>	<b>Names of beneficial owner and relationship with record owner</b>	<b>Citizenship</b>	<b>Number of shares held</b>	<b>% to Total Outstanding</b>
<b>Common</b>	Far East Holdings, Inc.* (Filipino) 153 EDSA, Mandaluyong City	Record Holder same as Beneficial Owner	Filipino	3,010,714,288 (D)	60.21%
<b>Common</b>	Ramon S. Ang (Filipino)	Record Holder same as Beneficial Owner	Filipino	1,317,857,139 (D)	26.36%

\* 100%-owned by Ramon S. Ang

Other than the persons identified above, there are no other beneficial owners of more than five per cent (5%) of the Corporation's voting stock known to the Corporation.

Far East Holdings, Inc. shall be represented by its Chairman and President, Ramon S. Ang, who is authorized to vote its shares.

**Security Ownership of Management as of March 31, 2021**

<b>Title of Class</b>	<b>Names of beneficial owner</b>	<b>Position</b>	<b>Amount and nature of beneficial ownership</b>	<b>Citizenship</b>	<b>% to Total Outstanding</b>
<b>CEO and FOUR MOST HIGHLY COMPENSATED OFFICERS</b>					
<b>Common</b>	John Paul L. Ang	President and Chief Executive Officer	96,428,569 (D)	Filipino	1.93%
<b>Common</b>	Manny C. Teng	General Manager and Chief Operating Officer	1 (D)	Filipino	-
<b>Common</b>	Monica L. Ang	Chief Finance Officer and Treasurer, Executive Vice-President for Business Support Group	123,000 (I) 1 (D)	Filipino	-
<b>Common</b>	Manuel P. Daway	Vice-President for Operations	1 (D)	Filipino	-
<b>OTHER DIRECTORS AND OFFICERS</b>					
<b>Common</b>	Ramon S. Ang	Chairman	1,317,857,139 (D) 3,010,714,288 (I)	Filipino	86.57%
<b>Common</b>	Mario K. Surio	Director	1 (D)	Filipino	-
<b>Common</b>	Luis A. Vera Cruz, Jr.	Director	1 (D)	Filipino	-

<b>Common</b>	Melinda Gonzales-Manto	Independent Director	1 (D)	Filipino	-
<b>Common</b>	Ricardo C. Marquez	Independent Director	1 (D)	Filipino	-
<b>Common</b>	Martin S. Villarama, Jr.	Independent Director	1 (D)	Filipino	-
<b>Common</b>	Jose P. Perez	Independent Director	1 (D)	Filipino	-
<b>Common</b>	Fabiola B. Villa	SVP for Legal Services/Data Protection Officer/ Compliance Officer	0	Filipino	-
<b>Common</b>	Marlon P Javarro	Assistant Corporate Secretary/Related Party Transaction Officer	0	Filipino	-
<b>Common</b>	Mercedes V. Jorquia	Chief Audit Executive	0	Filipino	-
<b>Common</b>	Maria Farah Z.G. Nicolas-Suchianco	Corporate Secretary	0	Filipino	-
		Total (D)	1,414,285,717		
		Total (I)	3,010,837,288		
		<b>TOTAL</b>	<b>4,425,123,005</b>		88.50%

(D) – Direct

(I) – Indirect; shares are lodged with PDTC

#### **Voting Trust Holders of 5% or More**

The Corporation is not aware of the existence of persons holding more than five per cent (5%) of the Corporation's common shares under a voting trust or similar agreement.

#### **Changes in Control**

There has been no change in the control of the Corporation since the beginning of its last fiscal year.

#### **Directors and Executive Officers**

##### **Directors**

The Board of the Corporation is entrusted with the responsibility for the overall management and direction of the Corporation. Currently, the Board consists of 11 directors, four of which are independent directors. The following incumbent directors of the Corporation were nominated for re-election in the regular meeting of the Board of Directors on 11 May 2021:

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>	<b>Date First Elected</b>
<b>Ramon S. Ang</b>	Chairman	67	Filipino	10/5/2007
<b>John Paul L. Ang</b>	Member	41	Filipino	11/30/2010
<b>Manny C. Teng</b>	Member	48	Filipino	6/21/1995

<b>Monica L. Ang</b>	Member	31	Filipino	6/3/2013
<b>Mario K. Surio</b>	Member	74	Filipino	1/14/2011
<b>Luis A. Vera Cruz, Jr.</b>	Member	70	Filipino	2/23/2017
<b>Manuel P. Daway</b>	Member	73	Filipino	2/13/2017
<b>Melinda Gonzales-Manto</b>	Independent	69	Filipino	12/22/2016
<b>Ricardo C. Marquez</b>	Independent	60	Filipino	2/13/2017
<b>Martin S. Villarama, Jr.</b>	Independent	75	Filipino	2/13/2017
<b>Jose P. Perez</b>	Independent	74	Filipino	2/13/2017

The business experience of each of the directors of the Corporation for the last five years is set out below.

**Ramon S. Ang**, 67, *Filipino*, is the Chairman of the Board of Directors of the Corporation since his first election on October 5, 2007. He is also the Chairman of the Board of San Miguel Brewery Inc., South Western Cement Corporation, San Miguel Brewery Inc., San Miguel Foods, Inc., San Miguel Yamamura Packaging Corporation, Clariden Holdings, Inc., Anchor Insurance Brokerage Corporation and Philippine Diamond Hotel & Resort, Inc. He is Chairman of the Board and Chief Executive Officer of SMC Asia Car Distributors Corp., and concurrently the President of, and Chief Operating Officer of SMC Global Power Holdings Corp. and Far East Holdings, Inc.; Chairman of the Board and President of San Miguel Holdings Corp., San Miguel Equity Investments Inc., San Miguel Properties, Inc., SEA Refinery Corporation, San Miguel Aerocity Inc., KB Space Holdings, Inc. He holds, among others, the following positions in other publicly listed companies: Vice Chairman, President and Chief Operating Officer of San Miguel Corporation; President and Chief Executive Officer of Top Frontier Investment Holdings Inc. and Petron Corporation; President of Ginebra San Miguel, Inc.; Chairman of the Board of San Miguel Brewery Inc. and San Miguel Brewery Hong Kong Limited (listed on the Hong Kong Stock Exchange) and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia); and Vice Chairman of the Board, President and Chief Executive Officer of San Miguel Food and Beverage, Inc.

He is the President of San Miguel Northern Cement, Inc. and President and Chief Executive Officer of Northern Cement Corporation. He is also the sole director and shareholder of Master Year Limited and the Chairman of the Board of Privado Holdings, Corp. He formerly held the following positions: Chairman of the Board of Liberty Telecoms Holdings, Inc. and Cyber Bay Corporation, President and Chief Operating Officer of PAL Holdings, Inc. and Philippine Airlines, Inc.; Director of Air Philippines Corporation; and Vice Chairman of the Board and Director of Manila Electric Company. Mr. Ang has held directorships in various domestic and international subsidiaries of SMC in the last five years. He has a Bachelor of Science degree in Mechanical Engineering from Far Eastern University.

**John Paul L. Ang**, 41, *Filipino*, is the President and Chief Executive Officer of the Corporation. He was first elected as director of the Company on November 30, 2010. He is the Chairman of the Executive Committee, and is also currently a member of the Audit Committee. He is also the President and Chief Executive Officer of South Western Cement Corporation, and is a director of San Miguel Corporation, Petron Corporation, KB Space Holdings, Inc. and Buildnet Construction, Inc. He previously served as the Chief Operating Officer and General Manager from 2008 to 2016 and Managing Director from 2003 to 2007 of Sarawak Clinker. He also served as the Purchasing Officer of Basic Cement from 2002 to 2003. He has a Bachelor of Arts Degree in Interdisciplinary Studies, Minor in Economics and Finance from the Ateneo de Manila University.

**Manny C. Teng**, 48, *Filipino*, is the General Manager and the Chief Operating Officer of the Corporation. He was first elected as a director of the Company on June 21, 1995. He is also currently a member of the Executive Committee. Mr. Teng has served as President of the Corporation for seven years from 2009 to 2016. For the past 10 years, Mr. Teng held various positions in the following companies: Technical Services Manager, Beverage Group of Ginebra San Miguel, Inc.; Technical Service Manager, Beverage group of San Miguel Beverages; Product Development Manager, Non-Alcoholic Beverages International of San Miguel Beverages; Project Group of Centech Consultancy; Purchasing Head of Cement

Management Corporation; and Purchasing Officer of Standard Construction and Rebuilding Corporation. He has a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas.

**Monica L. Ang**, 31, *Filipino*, is the Chief Finance Officer and Treasurer of the Corporation. She is concurrently the Executive Vice-President for Business Support Group since 2012 and the Risk Oversight Officer of the Corporation. She was first elected as director of the Corporation on June 3, 2013. Ms. Ang is currently a member of the Related-Party Transaction, Board Risk Oversight, and Executive Committees of the Corporation. She is also the Chairperson of Buildnet Construction, Inc. and a director, Chief Finance Officer and Treasurer of South Western Cement Corporation. She is also a director of the following companies: KB Space Holdings, Inc., A5 Wagyu, Inc., Q-Tech Alliance Holdings, Inc., and Premier Capital Venture Corporation. She has a Bachelor of Science degree in Management, Minor in Enterprise Development from the Ateneo de Manila University.

**Mario K. Surio**, 74, *Filipino*, has been a director of the Corporation since his first election on January 14, 2011. He is currently the Adviser of the Related-Party Transaction and Board Risk Oversight Committees of the Corporation. He currently holds, among others, the following positions in other companies: Technical Consultant for the Office of the President and Chief Operating Officer of San Miguel Corporation; Vice-Chairman and Director of Private Infrastructure Development Corporation -Tarlac-Pangasinan-La Union Expressway (PDIC/TPLEX); Director of South Luzon Expressway (SLTC/SLEX), Ginebra San Miguel, Inc., and San Miguel Yamamura Packaging Corp. In the past 10 years, Mr. Surio served as the President of Philippine Technologies, Inc. Cement Management Corporation and CEMA Consultancy Services, Inc. He also became the Assistant Quality Control Head, Quality Control Head, Production Manager and Plant Manager of Northern Cement Corporation and a Laboratory Technician and Physical Tester for Republic Cement Corporation. Mr. Surio is a licensed Chemical Engineer with a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas-College of Engineering.

**Luis A. Vera Cruz, Jr.**, 70, *Filipino*, was first elected as director of the Corporation on February 23, 2017. He is currently a member of the Related-Party Transaction Committee of the Corporation. Mr. Cruz is currently Of Counsel at Angara Abello Concepcion Regala & Cruz, a Legal Consultant of San Miguel Corporation, Corporate Secretary of Chemical Industries of the Philippines, Inc., and a Director of Philippine Resources Savings Banking Corporation and Cyber Bay Corporation. He previously served as Co- Managing Partner at Angara Abello Concepcion Regala & Cruz and Director of ACCRA Holdings, Inc. Mr. Vera Cruz holds a Master of Laws from Cornell University, a Bachelor of Laws Degree from the University of the Philippines, College of Law, and a BS Business Administration Degree from the University of the Philippines, College of Business Administration.

**Manuel P. Daway**, 73, *Filipino*, was first elected as a director of the Corporation on February 13, 2017, effective on March 31, 2017. Concurrent as Vice-President for Operations, he is also responsible for expansion projects of the Company. In January 2018 was assigned as Adviser at the executive office. In the past 10 years, Mr. Daway held the following positions in various corporations, namely: Project Director of CEMA Consultancy, an engineering and construction corporation; Vice-President for External Relations of Lafarge Cement Services Philippines Inc.; and Vice President for Operations of Lafarge/Republic Cement Corporation. Mr. Daway is a licensed Professional Electrical Engineer and holds a Bachelor of Science degree in Electrical Engineering from the Mapua Institute of Technology.

**Melinda Gonzales-Manto**, 68, *Filipino*, was first elected as an independent director of Eagle on December 22, 2016. She is the lead independent director, the chairperson of the Audit Committee, and a member of the Corporate Governance and the Related-Party Transaction Committees. She currently holds the following positions in other companies: Independent Director of Petrogen Insurance Corporation, Director and Vice-President of Linferd & Company, Inc. (a global accounting solutions company), Director and Vice President of ACB Corabern Holdings Corporation, and Independent Director and Chairperson of the Audit Committee of the of Bank of Commerce, and Resident Agent of several multinational companies doing business in the Philippines. She was formerly a partner of SGV & Co., Assurance and Advisory Business Services Division (1974-2009), and previously served as Board Member of the Philippine Retailers Association (2000-2009), and as an independent member of the board of directors of the GSIS Family Bank (2011-2016). She is a certified public accountant and holds a Bachelor of Science degree from the Philippine School of Business Administration. She completed the Management Development Program at the Asian Institute of Management.

**Ricardo C. Marquez**, 59, *Filipino*, was first elected as an independent director of the Corporation on February 13, 2017. He is the chairman of the Board Risk Oversight Committee and a member of the Audit Committee. He is currently a director of the Public Safety Mutual Benefit Fund, Inc. and San Miguel Pure Foods Company, Inc. He previously held various positions in the Philippine National Police, eventually being promoted to Chief of the Philippine National Police. He also served as the Chairman of Public Safety Mutual Benefit Fund Inc. from July 2015 until June 2016. He has undergone various trainings and programs from the Institute of Corporate Directors, Harvard Kennedy School, and the Federal Bureau of Investigation National Academy, among others. He holds a master's degree in Management from the Philippine Christian University and a Bachelor of Science Degree from the Philippine Military Academy.

**Martin S. Villarama, Jr.**, 74, *Filipino*, was first elected as an independent director of the Corporation on February 13, 2017. He is also the chairman of the Related-Party Transaction Committee and a member of the Audit and the Corporate Governance Committees. He is the Court-appointed liquidator of Uniwide Group of Companies and currently a member of the Board of Advisers of San Miguel Brewery Hongkong Ltd., and a member of the Association of Retired Justices of the Supreme Court of the Philippines and BIR Tennis Club. He was the 166<sup>th</sup> member of the Supreme Court and served as a Supreme Court Justice from 2009 to 2016. He started his career in the Judiciary in 1986, when he was appointed as Regional Trial Court Judge of Pasig City. He was also a lecturer at the Philippine Judicial Academy from 2007 to 2009. He obtained his Bachelor of Laws degree from the Manuel L. Quezon University (MLQU) after completing a Bachelor of Science degree in Business Administration from De La Salle University.

**Jose P. Perez**, 74, *Filipino*, was first elected as an independent director of the Corporation in February 13, 2017. He is also the chairman of the Corporate Governance Committee and a member of the Board Risk Oversight Committee. He is currently a member of the Board of Advisers of San Miguel Brewery Hongkong Ltd., and an Independent Director of Bloomberry Resorts Corporation, San Miguel Yamamura Packaging Corporation, and San Miguel Infrastructure Corporation – SLEX. He is also the current Dean of the College of Law of Manuel L. Quezon University. He served as a Justice of the Supreme Court from 2009 to 2016. He started his career in the Supreme Court in 1971 as a legal assistant. He rose from the ranks and became Assistant Court Administrator, Deputy Court Administrator, and Court Administrator. He holds a Bachelor of Laws Degree and Political Science Degree both from the University of the Philippines.

#### Executive Officers

Name	Position	Age	Citizenship	Date First Elected
<b>John Paul L. Ang</b>	President and Chief Executive Officer	41	Filipino	9/8/2016
<b>Manny C. Teng</b>	General Manager and Chief Operating Officer	48	Filipino	9/8/2016
<b>Monica L. Ang</b>	Chief Finance Officer and Treasurer Executive Vice-President for Business Support Group	31	Filipino	9/8/2016 6/3/2013 1/2/2012
<b>Manuel P. Daway</b>	Vice-President for Operations	74	Filipino	1/3/2011
<b>Maria Farah Z. G. Nicolas-Suchianco</b>	Corporate Secretary	52	Filipino	10/22/2010
<b>Marlon P. Javarro</b>	Assistant Corporate Secretary	42	Filipino	2/13/2017
<b>Fabiola B. Villa</b>	SVP for Legal Services/ Data Protection Officer/Compliance Officer	55	Filipino	5/21/2018

<b>Mercedes V. Jorquia</b>	Chief Audit Executive	55	Filipino	6/18/2019
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**Maria Farah Z. G. Nicolas-Suchianco**, 52, *Filipino*, has been the Corporate Secretary of the Corporation since 2010 up to the present. She is a Founding Partner of Gerodias Suchianco Estrella Law Firm and its current Managing Partner. She is also the Vice-Chairman and Treasurer of GSE Managed Solutions, Inc. She is the Chairman and President of Broadreach Media Holdings Holdings, Inc., Evander Holdings Corporation, La Gran Tierra Holdings Inc., and Sunspear Holdings, Inc. She is the Treasurer of Countrybreeze Corporation, Escaler Realty Corporation, Pedalmax Holdings, Inc., and Independent Priority Trade, Inc. She currently serves as a Director and Corporate Secretary of Eastbay Resorts, Inc., Radio Philippines Network, Inc. and Thunderbird Pilipinas Hotels and Resorts, Inc., among others. She is the Corporate Secretary of numerous corporations, including Rags2riches, Inc., KB Space Holdings, Inc. and Wynsum Realty & Development, Inc. She was previously an independent director of the Capital Markets Integrity Corporation, the Chairman of its Compensation Committee, and a member of its Audit Committee. She was also previously a director of Bank of Commerce, Citra Metro Manila Tollways Corporation, and Philippine Ink Corporation. She was a Senior Partner at De Borja Medialdea Bello Guevarra & Gerodias Law Firm. She holds a Juris Doctor Degree from the Ateneo de Manila University and a Bachelor of Science Degree in Management, Major in Legal Management, from the same university.

**Marlon P. Javarro**, 42, *Filipino*, has been the Assistant Corporate Secretary of the Corporation since February 13, 2017. He is currently the Assistant Vice President for Finance and the Related Party Transaction Officer of the Corporation. He also served as Finance Manager of the Company from 2008 to 2018. He is also a director of South Western Cement Corporation since 2016. Prior to joining Eagle, he was a Finance Manager at Sarawak Clinker Sdn Berhad in Malaysia from 2005 to 2007. He is a Certified Public Accountant and holds a Bachelor of Science Degree in Accountancy from Colegio de San Agustin.

**Fabiola B. Villa**, 55, *Filipino*, Atty. Villa has been with the Company since 2017. She is the Compliance Officer, Data Privacy Officer, and Senior Vice President for Legal Services and Compliance. Prior to joining the Company, Atty. Villa was with United Overseas Bank Manila for 9 years, as Vice-President and Head of the Legal Department and Secretariat, Corporate Secretary, and Committee Secretary of the Audit, Compliance Management, Risk Management and Good Governance Committees. She was previously an Assistant Vice-President and Group Head of Loans Support Units of Asiatrust Bank. She was an Associate at Tan Concepcion and Que Law Offices, Picazo Buyco Tan Fider and Santos Law Offices, and Go Cojuangco Mendoza Ligon and Castro Law Offices. She obtained her Bachelor of Arts degree in Philosophy and Political Science, and Bachelor of Laws, both from the University of the Philippines. She completed the academic requirements leading to a Master's Degree in Public Administration at Tarlac State University.

**Mercedes V. Jorquia**, 55, *Filipino*, has been the Senior Audit Manager of the Corporation since February 4, 2019. She was appointed as Chief Audit Executive of the Company on June 18, 2019. She handled the same capacity as Senior Manager and Head of Internal Audit Department from Retail Company in 2018, Building Materials Manufacturing from 2016 to 2018, Real Estate Development from 2011 to 2016 prior to joining Eagle. She is a well traveled Auditor having served both Domestic and Foreign Airline Companies as Audit Officer and Senior Auditor positions from 1986 to 2011 before entering the Manufacturing, Retail and Real Estate Development sectors. She is a Certified Public Accountant and holds a Bachelor of Science Degree in Accountancy, Cum Laude, from the Polytechnic University of the Philippines.

#### **Nominees for Election as Members of the Board of Directors**

Pursuant to the Corporation's By-laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote. Each director holds office until the next annual election and his successor is duly elected, unless he resigns, dies or is removed prior to such election.

The nomination for election to the Board of Directors was held on the regular meeting of the Board of Directors on 11 May 2021. The nominees for election to the Board of Directors on June 24, 2021 are as follows:

1. Ramon S. Ang
2. John Paul L. Ang
3. Manny C. Teng
4. Monica L. Ang
5. Mario K. Surio
6. Manuel P. Daway
7. Luis A. Vera Cruz, Jr.
8. Melinda Gonzales-Manto – Independent Director
9. Ricardo C. Marquez – Independent Director
10. Martin S. Villarama, Jr. – Independent Director
11. Jose P. Perez – Independent Director

### **Independent Directors**

The incumbent independent directors of the Corporation are as follows:

1. Melinda Gonzales-Manto
2. Ricardo C. Marquez
3. Martin S. Villarama, Jr.
4. Jose P. Perez

The incumbent independent directors have certified that they possess all the qualifications and none of the disqualifications provided for in the SRC. The Certifications of the incumbent independent directors and the Corporate Secretary are attached hereto as **Annexes “A-1”, “A-2”, “A-3”, “A-4”, and “A-5”**.

In approving the nominations for independent directors, the Corporate Governance Committee, with Jose P. Perez as the Chairman, shall take into consideration the guidelines and procedures on the nomination of independent directors prescribed in SRC Rule 38 and the Manual for Corporate Governance of the Corporation.

Rule 38.8 of the Implementing Rules and Regulations of the SRC and the Manual on Corporate Governance of the Corporation provide that the nominations of independent directors shall be conducted prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholder together with the acceptance and conformity by the would-be nominees.

The Corporate Secretary shall receive the recommendations for independent directors, which shall be properly signed by the nominating stockholder and shall contain the acceptance and conformity of the nominees. The nominations shall be forwarded to the Corporate Governance Committee, which shall pre-screen the qualifications of the nominees and approved the final list of nominees eligible for election. No other nominations shall be entertained after the final list of candidates is prepared.

The final list of nominees for election as independent directors of the Board of Directors on June 24, 2021, as approved by the Corporate Governance Committee, shall be contained in the Definitive Information Statement which shall be made available to stockholders no later than May 17, 2021.

All the nominees for election to the Board of Directors shall satisfy the mandatory requirements specified under the law, the Corporation's by-laws, and its Manual for Corporate Governance.

### **Significant Employees**

There are no persons who are not executive officers of the Corporation who are expected by the Corporation to make a significant contribution to the business.

### **Family Relationships**

John Paul L. Ang and Monica L. Ang are children of Ramon S. Ang. Manny C. Teng is a nephew of Ramon S. Ang and cousin of John Paul L. Ang and Monica L. Ang.



## **Certain Relationships and Related Transactions**

There were no transactions with directors, officers or any principal stockholders (owning at least ten per cent [10%] of the total outstanding shares of the Corporation) which are not in the Corporation's ordinary course of business.

The Corporation observes an arm's length policy in its dealings with related parties. Prices are determined by considering all relevant facts and circumstances available, including but not limited to the following:

1. The terms of the transaction, which should be fair and to the best interest of the Corporation and no less favorable than those generally available to non-related parties under the same or similar circumstances;
2. The aggregate value of the related party transaction; and
3. Availability of other sources of comparable products or services.

All of the Corporation's transactions are at arm's length. For further information on transactions with related parties as well as the nature of each, please refer to Item 12 on pages 36-38 of the Corporation's Annual Report (SEC Form 17-A) or the results of the financial position of the Corporation as of December 31, 2020, which is attached herein as **Annex "B"**, and Note 19 of the 2020 Audited Consolidated Financial Statements of the Corporation as of December 31, 2020 (2019 AFS), which is appended to **Annex "B"**.

## **Involvement in Certain Legal Proceedings of Directors and Executive Officers**

To the best of the Corporation's knowledge and belief and after due inquiry, and except as otherwise disclosed, none of the Corporation's directors, nominees for election as director or executive officer in the past five years up to the date of this report:

1. have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time;
2. have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;
3. have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or
4. been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

## **Resignation/Disagreement**

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

## **Compensation of Directors**

Article III, Section 10 of the by-laws of the Corporation provides that by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meetings of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten per cent (10%) of the net income before income tax of the Corporation during the preceding year. Such compensation shall

be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

The aggregate compensation paid or incurred during the last two fiscal years, as well as those estimated to be paid in the ensuing fiscal year, to the Corporation's CEO and senior executive officers are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
CEO and the four (4) most highly compensated executive	2021*	₱31 Million	₱11 Million	₱8 Million	₱50 Million
	2020	₱29.5 Million	₱5.7 Million	₱1.6 Million	₱36.8 Million
	2019	₱23.0 Million	₱7.8 Million	₱2.0 Million	₱32.8 Million
	2018	₱22.8 Million	₱5.2 Million	₱1.5 Million	₱29.5 Million
All other officers and Directors as a group unnamed	2021*	₱12.5 Million	₱5 Million	₱5 Million	₱22.5 Million
	2020	₱26.1 Million	₱4.6 Million	₱2.8 Million	₱33.5 Million
	2019	₱29.8 Million	₱12.9 Million	₱2.6 Million	₱45.3 Million
	2018	₱18.7 Million	₱4.7 Million	₱0.5 Million	₱23.9 Million
TOTAL	2021*	₱43.5 Million	₱16 Million	₱13 Million	₱72.5 Million
	2020	₱55.6 Million	₱10.3 Million	₱4.4 Million	₱70.3 Million
	2019	₱52.8 Million	₱20.7 Million	₱4.6 Million	₱78.1 Million
	2018	₱41.5 Million	₱9.9 Million	₱2.0 Million	₱53.4 Million

\*Estimated.

Each director received a per diem of Thirty Thousand Pesos (₱30,000.00) per attendance at Board meetings of the Corporation. For the attendance at every Board Committee meeting, the Committee Chairperson received Fifteen Thousand Pesos (₱15,000.00), while the Committee members received Ten Thousand Pesos (₱10,000.00) each.

There are no other arrangements pursuant to which any of the directors was compensated or is to be compensated, directly or indirectly, by the Corporation for services rendered during the last fiscal year, and the ensuing fiscal year.

There are no employment contracts between the Corporation and its executive officers. There are neither compensatory plans nor arrangements with respect to an executive officer that results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Corporation, or from a change-in-control of the Corporation, or a change in an executive officer's responsibilities following a change-in-control of the Corporation.

There are no outstanding warrants or options held by the Corporation's President, named executive officers and all directors and officers as a group.

### Independent Public Accountants

The Corporation's independent public accountant is the accounting firm of Reyes Tacandong and Co. (RTCo.). The same accounting firm will be nominated for reappointment for the current fiscal year at the annual meeting of stockholders. The representatives of the principal accountant have always been

present at prior years' meetings and are expected to be present at the current year's annual meeting of stockholders. They may also make a statement and respond to appropriate questions with respect to matters for which their services were engaged.

There have been no disagreements on any accounting financial disclosures. RTCo. has been the Corporation's external auditors since 2015. The current handling partner of RTCo. that has been engaged by the Corporation as of the 2019 fiscal year is Joseph C. Bilangbilin. For 2020, RTCo. will change the signing partner assigned to the Corporation, in accordance with SRC Rule 68 Part I (3)(B)(iv)(ix), as amended. The re-engagement of any signing partner or individual auditor is further subject to the two-year cooling off period required under the aforementioned provision of SRC Rule 68.

The members of the Audit Committee of the Corporation are as follows: (1) Melinda Gonzales-Manto (Chairperson), (2) Martin S. Villarama, Jr., (3) Ricardo C. Marquez; and (4) John Paul L. Ang.

## **ISSUANCE AND EXCHANGE OF SECURITIES**

Please see discussion on redemption of preferred shares on pages 38-39.

## **ACTION WITH RESPECT TO REPORTS**

The approval of the following will be considered and acted upon at the meeting:

1. Management Report of the Corporation for the year ended December 31, 2020;
2. Minutes of the 2020 Annual Stockholders' Meeting with the following items:
  - a. Call to Order,
  - b. Proof of Notice and Determination of Quorum
  - c. Approval and Ratification of the Minutes of the Annual Stockholder's Meeting held on July 15, 2020;
  - d. Presentation of the Annual Report
  - e. Ratification of the Acts of the Board of Directors and Management
  - f. Appointment of External Auditors
  - g. Election of Members of the Board of Directors
  - h. Amendment of Articles of Incorporation to Reflect Change in Principal Office Address
  - i. Adjournment
3. Ratification of all the acts of the Board of Directors and Officers since the 2020 Annual Stockholders' Meeting.
4. Delegation of Authority to the Board to Amend the by-laws

The Minutes of the 2020 Annual Stockholders' Meeting is attached in this Information Statement as **Annex "D"**, and will also be made available for download through the Company's website (<https://eaglecement.com.ph/corporate-disclosure/minutes-of-all-general-or-special-stockholders-meetings/1>). Minutes of the 2020 Annual Stockholders' Meeting and resolutions of the Board of Directors since the date of the 2020 Annual Stockholders' Meeting will also be available for examination during office hours at the Office of the Corporate Secretary.

## **VOTING PROCEDURES**

For the election of directors, the eleven (11) nominees with the greatest number of votes will be elected as directors. Shareholders will only cast votes through ballots or proxies submitted on or before June 14, 2021 at 5 PM, in accordance with the Procedure for Attending the Meeting Through Remote Communication set forth in this Information Statement, and approved by the majority of the shareholders present through remote communication or represented at the meeting as the method of voting for any or all of the proposals or matters submitted to a vote at the meeting.

In all proposals or matters for approval except for election of directors, each share of stock entitles its registered owner (who is entitled to vote on such particular matter) to one vote. In case of election of directors, cumulative voting as set out in page 5 (*Election of Directors*) of this Information Statement shall be adopted. Counting of the votes will be done by the Corporate Secretary or Assistant Corporate

Secretaries with the assistance of the independent auditors and the stock transfer agent of the Corporation.

## **FINANCIAL AND OTHER INFORMATION**

### **Business Development**

For information on Business Development, please refer to Item 1.A. of **Annex “B”**.

### **Brief Description of the General Nature and Business of the Corporation**

Eagle Cement Corporation (“ECC”, “EAGLE” or the “Company”) is a Corporation primarily engaged in a fully-integrated business of manufacturing, marketing, sale and distribution of cement. ECC has the newest, state-of-the-art, and single largest cement manufacturing plant in the Philippines. ECC is the fourth largest player in the Philippine cement industry in terms of cement sales volume, with the fastest growing market share amongst all competitors in the industry since it started its commercial operations in 2010.

The competitive strength of ECC is founded on its end-to-end production strategy, which seamlessly integrates critical raw material sourcing with modern manufacturing technology resulting in one of the most efficient cement manufacturing operations in the country. ECC has the single largest integrated plant production capacity in terms of cement output in the Philippines through its primary cement production facility located in Barangay Akle, San Ildefonso, Bulacan (the “Bulacan Cement Plant”). The Bulacan Cement Plant consists of three (3) integrated production lines with a combined annual cement production capacity of approximately Seven Million One Hundred Thousand (7,100,000) Metric Tonnes (“MT”) or One Hundred Eighty Million (180,000,000) bags per annum. This is inclusive of the Twelve Million (12,000,000) bags of cement per annum produced by its grinding and packaging facility in Limay, Bataan. It is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of ECC.

The Cebu Cement Plant will be a fully integrated plant built to manufacture cement using the raw materials to be extracted under the MPSAs of SWCC in the province of Cebu. The plant will use approximately Two Million Five Hundred Thousand (2,500,000) MT of limestone per annum which will produce an estimated One Million Five Hundred Thousand (1,500,000) MT to Two Million (2,000,000) MT of cement. Majority of the cement produced will be dispatched from the plant by sea to a network of bulk cement distribution terminals across the Visayas and Mindanao.

ECC offers Blended (Type 1P) and OPC (Type 1) cement to both distributors and top Philippine real estate developers under the Eagle Cement brand that has become synonymous with strength, durability, reliability, and world-class quality. As a testament to the quality of the products of the Company, Eagle Cement Strongcem is being used in concrete design of up to a high of twelve thousand pounds per square inch (12,000 PSI).

The Company supports the distribution of its high quality products by means of its strong mass media marketing efforts and grass-roots below-the-line activation partnership-building programs with dealers, distributors, and retailers. Through its holistic brand building activities, ECC continues to enhance its value proposition which develops strong client relationships. Sound credit management framework employed by ECC ensures a substantially liquid financial position that provides options in short-term financial planning and in long term capital development strategy.

About sixty-three percent (63%) of the country’s total cement demand come from Luzon region. ECC currently distributes its products in the following areas of the Luzon region: National Capital Region, Region I (Ilocos Norte, Ilocos Sur, La Union, Pangasinan), Region II (Batanes, Cagayan, Isabela, Nueva Vizcaya, and Quirino), Region III (Nueva Ecija, Bulacan, Pampanga, Tarlac, Bataan, Zambales), and Region IVA (Cavite, Laguna, Batangas, Rizal, and Quezon). As of 2020, NCR still serves as the center of construction and infrastructure activities in the country. ECC is considered as one of the leading players in areas with the highest economic activity in the Philippines with an estimated market share of 17% in NCR, Region III, and Region IVA, based on internal company data.

Currently, ECC does not sell its products in other countries. With the foreseen increase in both private and public construction activities, supported by the commitment of the national government towards infrastructure development, there remains a strong positive outlook on the Philippine economy which translates to sustained and impressive growth prospects for the cement industry in the country. ECC is uniquely well-positioned to capitalize on these market conditions to maintain its robust financial performance through modern production technology, strategic raw material sources, strong brand equity and established customer and dealer relationships. ECC will expand its production capacity and market coverage in the Philippines with the near completion of its Finish Mill 5 and other supporting facilities by the second quarter of 2021.

ECC has a diverse customer base and is not dependent on any single customer. No single customer accounts for 20% or more of the total revenues of ECC. For further information on ECC's products, services, and other relevant business conditions, please refer to pages 7, 8, and 9 of **Annex "B"**.

As of March 31, 2021, ECC employs 513 individuals for its existing lines and business operations in Luzon. None of the employees of ECC belong to a union since its incorporation in 1995. ECC anticipates to have approximately 562 employees, or an additional 49 employees, by the end of 2021. For further information on ECC's employees, please refer to Item 1.B.f. on pages 9-10 of **Annex "B"**.

There are currently no off-balance sheet transactions, obligations or arrangements with unconsolidated entities.

### Real Properties

The Corporation currently rents the following properties, all of which have options to renew:

Property Type	Contract Expiration	Gross Amount (in PhP)
Warehouse 1	31/07/2021	113,500.00
Warehouse 2	03/04/2023	466,112.00
Warehouse 3	14/09/2021	128,184.00
Warehouse 4	31/12/2022	347,917.94
Office Building	31/12/2026	73,296.16
Office Building	14/10/2026	638,408.10

The Corporation currently has no plans of acquiring other real properties within the next twelve (12) months.

### Financial Statements

The SEC Form 17-A or the results of the financial position of the Corporation as of December 31, 2020 and the Audited Consolidated Financial Statements of the Corporation as of December 31, 2020, including the Corporation's Statement of Management's Responsibility, are attached hereto as **Annex "B"**.

### Management's Discussion and Analysis

The following discussion and analysis relate to the consolidated financial position and results of operations of the Group and should be read in conjunction with the accompanying audited consolidated financial statements and related notes. The audited consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards ("PFRS"). PFRS includes statements named PFRS and Philippine Accounting Standards, including Interpretations issued by the PFRS Council.

The financial information appearing in this report and in the accompanying audited consolidated financial statements is presented in Philippine pesos, the Group's functional and presentation currency, as defined under PFRS. All values are rounded to the nearest million pesos, except when otherwise indicated.

### Key Components of Results of Operations

## ***Revenues***

The Corporation generates revenue from the sale of cement (via cement bags or bulk cement). The Corporation sells majority of its products to dealer clients (via cement bags) but demand for bulk cement from institutional clients also account for a significant portion of total sales.

## ***Cost of Goods Sold***

Cost of goods sold represents the accumulated total of all costs used to produce cement which has been sold. It comprises variable and fixed and semi-variable expenses such as, electricity consumption, fuel consumption, raw materials, packaging materials, repairs and maintenance expenses, personnel expenses, depreciation and depletion of assets utilized in production of cement and clinker, expenses related to moving, storing, feeding of raw materials in the plant, and all other expenses directly identifiable to cement production.

Expenses related to personnel, equipment and other services involved in the sales, distribution, and warehousing activities of cement at points of sales does not form part of cost of sales. These are included in operating expenses. Freight expenses of finished products between plants and points of sale and freight expenses from points of sales to the facilities of the customers are included as part of distribution expenses.

## ***Operating Expenses***

Operating expenses consist of administrative and selling and distribution expenses. Administrative expenses include the costs of the employees (salaries and benefits), taxes and licenses, security services and depreciation of non-production related assets. Selling and distribution expenses comprise of, but not limited to, freight cost, warehousing fees, advertising and promotion and handling.

## ***Finance Costs***

Finance costs mainly consist of interest expense incurred in relation to the Term Loan and Facility and Security Agreement (TLFSA) entered into with various banks to finance the construction of the third production line. On 07 April 2021, the Board of Directors approved the full or partial prepayment of the subject loan on 29 May 2021 or on any other interest payment date to be determined by management to reduce financing costs.

## ***Interest Income***

Interest income basically comprise interest income earned from short-term placements cash deposits and finance lease agreement with its haulers.

## ***Other Income – Net***

Other income comprises of foreign exchange gain, fair value adjustment on investment properties, gain on sale of property and equipment, gain or loss on sale of investments and dividend income.

## ***Income Taxes***

Income taxes include current and deferred income tax. Current income tax expense pertains to regular corporate income tax of the Parent Company. The statutory income tax rate of the Parent Company is 30% and the income tax at effective tax rate was 23.39%, 17.01% and 23.77% in CY 2020; CY 2019, and CY 2018, respectively, after taking into consideration the increase (decrease) in income tax resulting from: income exempt from ITH (income tax holiday) covered activities, non-deductible interest expense, interest income subjected to final tax, and dividend income exempt from income tax. On July 31, 2017, the Bureau of Investments (BOI) approved the application of the Parent Company as an expanding producer of cement in Bulacan on a non-pioneer status. In May 2018, the Group started commercial operations of Line 3. On October 2, 2020, BOI granted the deferment of ECC's ITH entitlement for the taxable year 2020 for the expansion project covered by BOI CR 2017-278 on account of the adverse effects of the COVID-19 (Corona virus disease) pandemic resulting in the firm not being able to fully enjoy the ITH incentives granted to it. The ITH entitlement shall expire on April 30, 2022.

Due to the passage of Republic Act No. 11534, otherwise known as the “Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Act”, and signed by the President of the Philippines on March 26, 2021, the Company is now subject to a reduced income tax rate of 25%, effective July 01, 2020.

## **RESULTS OF OPERATIONS (2020 VS. 2019)**

Eagle Cement Corporation registered a net profit of ₱3.39 billion, 44% lower than the ₱6.01 billion it made in 2019 after a strong start in 2020 was disrupted by the implementation of lockdown measures amid the COVID-19 pandemic that began in mid-March of the year.

The Company reached net sales of ₱13.91 billion, 30% lower than the ₱19.82 billion it recorded last year as COVID-19 related restrictions led to a sharp contraction in cement demand. Of the total net sales, 83% were derived largely from Type 1P or bagged cement while the remaining 17% represents Type 1 or bulk cement. Following the easing of restrictions in the second half, the Company grew its net sales by 35% during the period versus the first semester of the year.

Cost of goods sold consequently dropped by 26% to ₱8.21 billion, reflecting the decline in sales volume, coupled with the nonconsumption of imported clinker and lower prices of coal.

Gross profit registered at ₱5.70 billion, a 34% decrease from the ₱8.67 billion in the same period last year, with margin registering at 41%

Operating expenses decreased by 15% to ₱1.59 billion from ₱1.87 billion last year led lower by the 33% drop in freight costs resulting from the lower sales volume.

Finance costs dropped by 13% to ₱430.70 million owing to the partial repayment of loan related to the Term Loan Facility and Security Agreement (TLFSA).

Interest income dropped by 56% to ₱333.75 million mainly due to the decrease in the interest rate in the financial market with the interest rate cut(s) imposed by the Bangko Sentral ng Pilipinas.

Other income surged by to 130% ₱412.79 million as a result of fair value adjustments on investment properties and of dividend income from the investment in redeemable perpetual security.

Income tax expense decreased by 16% to ₱1.04 billion attributable to the lower taxable income resulting from the decrease in net sales during the period.

These movements resulted in an earnings before interest, tax, depreciation and amortization (EBITDA) of ₱5.57 billion, maintaining an EBITDA margin at 40%.

Meanwhile, net income margin registered at 24%.

For the fourth quarter alone, EAGLE reported net sales of ₱3.94 billion, 13% lower relative to the same quarter in 2019. Gross profit similarly declined by 19% to ₱1.58 billion. Meanwhile, EBITDA went down by 25% to ₱1.36 billion.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2020, 2019 and 2018, presented in absolute amounts as a percentage of net sales.

	For the Year Ended December 31				
	2020	2019	2018	% of Change	
	(in Millions of Philippine Pesos, except percentages)			2020 vs 2019	2019 vs 2018
Net Sales	13,906	19,824	16,522	-30%	20%
Cost of Goods Sold	8,209	11,153	9,311	-26%	20%
Gross Profit	5,697	8,671	7,211	-34%	20%

Operating Expenses	1,586	1,872	1,568	-15%	19%
Income from Operations	4,111	6,799	5,643	-40%	20%
Finance costs	431	496	366	-13%	36%
Interest Income	334	764	548	-56%	39%
Other income – net	413	180	470	129%	-62%
Income Before Income Tax	4,427	7,248	6,294	-39%	15%
Income Tax Expense	1,036	1,233	1,496	-16%	-18%
Net Income	3,391	6,015	4,798	-44%	25%

*Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*

	For the year ended	
	December 31, 2020	December 31, 2019
Net income	₱3,391,392,558	₱6,014,901,093
Add:		
Income tax expense	1,035,711,238	1,232,614,482
Depreciation and amortization	1,047,083,967	952,698,422
Finance costs	430,696,047	495,685,474
Less:		
Interest income	333,746,012	763,982,413
EBITDA	₱5,571,137,798	₱7,931,917,058

**FINANCIAL CONDITION**

The financial position of the Company for the year ended December 31, 2020 remains solid and well-capitalized, with total assets growing by 1% to ₱49.66 billion.

Current assets decreased by 8% to ₱18.91 billion as a result of the decrease in revenues.

Noncurrent assets on the other hand increased by 8% to ₱30.75 billion resulting from the revaluation gains on land and investment properties.

Current liabilities dropped by 3% to ₱4.56 billion owing to subsequent payments to various suppliers and the decrease in income tax payable.

Noncurrent liabilities also declined by 9% to ₱6.38 billion as a result of repayments made to the TLFSa.

Consequently, total liabilities dropped by 7% to ₱10.94 billion while stockholder's equity rose by 4% to ₱38.71 billion.

EAGLE remains compliant with its loan covenants, with debt to equity ratio registering at 0.28x while financial debt to equity ratio stood at 0.16x. The current gearing gives the Company more flexibility to support its investment plans. Meanwhile, current ratio stood at 4.14x while return on equity ended at 9%.

**Summary of Consolidated Statements of Financial Position**

December 31			
2020	2019	Increase/(Decrease)	Percentage of Change



(in Millions of Philippine Pesos, except percentages)				
Current Assets	18,914	20,659	-1,745	-8%
Noncurrent Assets	30,745	28,396	2,349	8%
<b>Total Assets</b>	<b>49,659</b>	<b>49,055</b>	<b>604</b>	<b>1%</b>
Current Liabilities	4,563	4,699	-136	-3%
Noncurrent Liabilities	6,381	7,026	645	-9%
<b>Total Liabilities</b>	<b>10,945</b>	<b>11,724</b>	<b>-780</b>	<b>-7%</b>
<b>Equity</b>	<b>38,714</b>	<b>37,331</b>	<b>1,383</b>	<b>4%</b>
<b>Total Liabilities and Equity</b>	<b>49,659</b>	<b>49,055</b>	<b>604</b>	<b>1%</b>

### Company Performance and Profitability and Liquidity

#### Key Performance Indicators

##### *Relevant Financial Ratios*

The table below shows the comparative key performance indicator of the Company:

Financial KPI	Formula	2020	2019	2018
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>4.14</b>	4.40	4.17
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	<b>0.41</b>	0.59	0.44
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<b>0.28</b>	0.31	0.39
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.28</b>	1.31	1.39
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	<b>0.08</b>	0.14	0.12
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	<b>0.09</b>	0.17	0.15

#### **Capital Expenditure**

EAGLE's total capital expenditure in 2020 amounted to ₱1.60 billion. Of that amount, 16% was disbursed for plant machinery and equipment, 77% was spent on the construction of Finish Mill 5, Packhouse 3 and Cement Silo 5, while the remaining 7% was accounted for building and improvement, transportation equipment, and furniture, fixtures and office equipment.

#### **MATERIAL CHANGES IN THE FINANCIAL STATEMENTS**

#### **CONSOLIDATED STATEMENTS OF INCOME (YEAR-END 2020 VS. YEAR-END 2019)**

**Net Sales – 30% decrease**

Attributable to the halting of operations during the first half of the year due to Covid-19 restrictions

**Cost of Goods Sold – 26% decrease**Cost of inventories – 32% decrease

Largely due to the decrease in sales volume and non consumption of imported clinker

Utilities – 35% decrease

Decrease in power usage as a result of Covid-19-related restrictions starting in mid-March.

Repairs and Maintenance – 24% decrease

Due to the postponement of preventive maintenance activities for three production lines

**Operating Expenses – 15% decrease**Freight, trucking, and handling – 33% decrease

Due to the decrease in sales volume

Warehousing fees – 22% decrease

Driven by the drop in sales volume

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (END 2020 vs. END 2019)****Current Assets – 8% decrease**Financial Assets at FVPL – 555% increase

Pertains to the ₱4.0 billion investment in redeemable perpetual security.

Trade and other receivables – 13% decrease

Due to the decrease in trade receivable as result of decline in sales and decrease of interest receivable.

Other current assets – 14% decrease

Attributable to the decrease in advances to suppliers caused by application of downpayments for trade-related purchases completely delivered in 2020

**Noncurrent Assets – 8% increase**Investment Properties – 26% increase

Resulted from the ₱262 million gain on change in fair value of investment property of KSHI

Property, Plant & Equipment – 8% increase

Mainly from the land revaluation increment and of company's ongoing construction of Finish Mill 5, Cement Silo 5 and Packhouse 3.

**Current Liabilities – 3% decrease**Trade and other payables – 3% decrease

Subsequent payments to trade suppliers.

Income tax payable – 19% decrease

Attributable to the decline in revenue and profit before tax.

**Noncurrent Liabilities – 9% decrease**Loans payable – net of current portion – 17% decrease

Related to the ₱1.07 billion repayment of TLFSA.

## Equity – 4% increase

### Total retained earnings – 16% increase

The ₱3.39 billion net income generated in 2020 was offset by the dividend payment amounting to ₱46.50 million for preferred shareholders.

## Liquidity and Capital Resources

### Cash Flows

The primary sources and uses of cash of the Company for calendar years 2020, 2019 and 2018 were as follows:

	For the years ended December 31		
	2020	2019	2018
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	4,910	7,137	4,691
Cash flows used in investing activities	-5,764	-3,419	-2,872
Cash flows provided by (used in) financing activities	-4,602	-2,953	-2,398
Net effect of exchange rate changes on cash and cash equivalents	-16	-3	17
Net increase (decrease) in cash and cash equivalents	5,472	761	(562)
Cash and cash equivalents at beginning of year	16,938	16,177	16,739
Cash and cash equivalents at end of year	11,466	16,938	16,177

### Net Cash Flows Provided by Operating Activities

Net cash flows provided by operating activities was ₱4.91 billion. This was primarily the result of net income before taxes of ₱4.43 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱1.05 billion, finance costs of ₱430.70 million, gain on fair value changes in investment properties of ₱262.00 million, income taxes paid of ₱1.08 billion and interest received of ₱383.10 million.

### Net Cash Flow Used in Investing Activities

The net cash flows used in investing activities amounting to ₱5.76 billion was mainly from the ₱4.00 billion investment in redeemable perpetual security, ₱1.49 billion capital expenditures, the ₱217.00 million additional advances for future investment and the ₱132.06 million additions to intangible assets.

### Net Cash Used in Financing Activities

The net cash flows used in financing activities amounting to ₱4.60 billion comprised of ₱3.09 billion payments for the redeemed preferred stocks and the accumulated dividends, and ₱1,488.9 million principal and interest payments related to TLFSAs.

## RESULTS OF OPERATIONS (2019 VS. 2018)

Eagle Cement Corporation (EAGLE or “the Company”) ended another remarkable year with double-digit growth across the board, reaching a net income of ₱6.01 billion, a 25% improvement from the ₱4.80 billion it made in 2018.

Robust demand from the private sector boosted the double-digit growth in sales volume, fueling the 20% increase in net sales to ₱19.82 billion in 2019 from ₱16.52 billion it posted in the preceding year. Of the total net sales, 79% were derived largely from Type 1P or bagged cement while the remaining 21% represents Type 1 or bulk cement.

The 20% increase in cost of goods sold was largely due to the increase in limestone and gypsum consumption, rise electricity and power usage and increase in utilization of imported clinker in 2019 to support operational requirements.

Consequently, gross profit rose by 20% to ₱8.67 billion compared to the previous year, with margin sustained at 44%.

Operating expenses went up by 19% to ₱1.87 billion from ₱1.57 billion a year earlier, as a result of the upsurge in selling and distribution costs, coupled by the increase in manpower expenses.

Finance costs advanced by 36% to ₱495.69 million, as a result of the cessation of the capitalization of borrowing costs related to the TLFS in December 2018, following the completion of the third integrated production line (Line 3).

Other income dropped by 62% to ₱179.77 million, mainly coming from the decline of revaluation gain or increase in market values of KB Space properties, cushioned by the increase in unrealized gain on trading securities due to fair value adjustments.

Income tax expense declined by 18% to ₱1.23 billion due to the full year effect of the income tax holiday enjoyed by the Company for its Line 3.

These movements resulted in an earnings before interest, tax, depreciation and amortization (EBITDA) of ₱7.93 billion, rising by 16% from ₱6.82 billion in the prior year. This resulted into an EBITDA margin of 40%.

Meanwhile, net income margin improved to 30%.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2019, 2018 and 2017, presented in absolute amounts as a percentage of net sales.

	For the Year Ended December 31				
	2019	2018	2017	% of Change	
	(in Millions of Philippine Pesos, except percentages)			2019 vs 2018	2018 vs 2017
Net Sales	19,824	16,522	14,872	20%	11%
Cost of Goods Sold	11,153	9,311	7,945	20%	17%
Gross Profit	8,671	7,211	6,927	20%	4%
Operating Expenses	1,872	1,568	1,403	19%	12%
Income from Operations	6,799	5,643	5,525	20%	2%
Finance costs	496	366	390	36%	(6%)
Interest Income	764	548	223	39%	146%
Other income - net	180	470	153	(62%)	207%
Income Before Income Tax	7,247	6,295	5,511	15%	14%
Income Tax Expense	1,233	1,496	1,248	(18%)	20%
Net Income	6,015	4,798	4,263	25%	13%

*Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*

	For the year ended	
	December 31, 2019	December 31, 2018
Net income	₱6,014,901,093	₱4,798,343,056
Add:		
Income tax expense	1,232,614,482	1,495,849,341
Depreciation and amortization	952,698,422	710,148,534
Finance costs	495,685,474	365,786,275
Less:		
Interest income	763,982,413	547,543,036
EBITDA	₱7,931,917,058	₱6,822,584,170

### **FINANCIAL CONDITION**

The financial position of the Company for the year ended December 31, 2019 remains solid and well-capitalized, with total assets growing by 8% to ₱49.06 billion.

Cash and cash equivalents went up by 5% to ₱16.94 billion, primarily as a result of additional cash generated from operations and partly from the sale of PPE and other investments. Current assets at the end of the year totaled to ₱20.66 billion, 6% better than end of 2018. Noncurrent assets grew by 9% to ₱28.40 billion.

Current liabilities inched up by 1% to ₱4.70 billion while noncurrent liabilities declined by 12% to ₱7.03 billion.

Interest-bearing loans totaled to ₱7.35 billion, a 12% drop from ₱8.32 billion at the end of 2018, mainly as a result of the ₱979 million repayment of loan.

Total liabilities dropped by 7% to ₱11.73 billion while stockholder's equity rose by 14% to ₱37.33 billion.

EAGLE remains compliant with its loan covenants, with debt to equity ratio registering at 0.31x while financial debt to equity ratios stood at 0.20x. The current gearing gives the Company more flexibility to support its investment plans. Meanwhile, current ratio stood at 4.40x while return on equity ended at 17%.

### **Summary of Consolidated Statements of Financial Position**

	December 31			Percentage of Change
	2019	2018	Increase/(Decrease)	
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	20,659	19,444	1,215	6%
Noncurrent Assets	28,396	26,020	2,376	9%
<b>Total Assets</b>	<b>49,055</b>	<b>45,464</b>	<b>3,591</b>	<b>8%</b>
Current Liabilities	4,699	4,658	41	1%
Noncurrent Liabilities	7,026	7,985	(959)	(12%)
<b>Total Liabilities</b>	<b>11,724</b>	<b>12,643</b>	<b>(919)</b>	<b>(7%)</b>
<b>Equity</b>	<b>37,331</b>	<b>32,821</b>	<b>4,511</b>	<b>14%</b>
<b>Total Liabilities and Equity</b>	<b>49,055</b>	<b>45,464</b>	<b>3,590</b>	<b>8%</b>

## Company Performance and Profitability and Liquidity

### **Key Performance Indicators**

#### *Relevant Financial Ratios*

The table below shows the comparative key performance indicator of the Company:

Financial KPI	Formula	2019	2018	2017
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>4.40</b>	4.17	4.94
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	<b>0.59</b>	0.44	0.37
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<b>0.31</b>	0.39	0.44
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.31</b>	1.39	1.44
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	<b>0.14</b>	0.12	0.13
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	<b>0.17</b>	0.15	0.18

### ***Capital Expenditure***

EAGLE' total capital expenditure in 2019 amounted to ₱2.38 billion. Of that amount, 49% was disbursed for plant machinery and equipment, 43% was spent on the construction of Finish Mill 5, Packhouse 3 and Cement Silo 5, 3% was spent on building and improvements, while the remaining 6% was accounted for land acquisitions, transportation equipment, and furniture, fixtures and office equipment.

### ***MATERIAL CHANGES IN THE FINANCIAL STATEMENTS***

#### ***CONSOLIDATED STATEMENTS OF INCOME (YEAR-END 2019 VS. YEAR-END 2018)***

##### **Net Sales – 20% increase**

Owing to double-digit sales volume growth despite the challenging market condition

##### **Cost of Goods Sold – 20% increase**

##### Cost of inventories – 25% increase

Mainly coming from the increase in limestone and gypsum consumption and and increase in utilization of imported clinker in 2019 due to operational requirements

##### Utilities – 15% increase

Due to the increase power usage as a result on increase in production, slightly tempered by lower price of electricity

Repairs and Maintenance – 40% increase

Primarily due to maintenance activities for three lines

**Operating Expenses – 19% increase**

Freight, trucking, and handling – 21% increase

Increase was due to the rise in sales volume and 4% increase in average freight cost.

Personnel costs – 33% increase

Pertains to the increase in number of employees in 2019, as well as the rise in salary due to adjustment and increase during the year

Warehousing fees – 60% increase

Mainly driven by sales volume growth

Other expenses – 23% increase

Primarily due to the expenses related to Corporate Social Responsibility activities

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (END 2019 vs. END 2018)**

**Current Assets – 6% increase**

Financial Assets at FVPL – 295% increase

Pertains to the ₱500 million investment in retail bonds and ₱61.8 million unrealized gain on fair value adjustments

Trade and other receivables – 16% increase

Due to the increase in trade receivable as result of growth in sales and increase in interest receivable from placements

Other current assets – 10% decrease

Attributable to the decrease in advances to suppliers caused by application of downpayments for trade-related purchases completely delivered in 2019

**Noncurrent Assets – 9% increase**

Investment Properties – 9% increase

Resulted from the ₱111.22 million gain on change in fair value of investment property of KBSHI

Other noncurrent assets – 40% increase

Driven by the increase in deposit for future investments, deposit for raw materials and increase in required security deposit for the supply of electricity.

**Current Liabilities – 1% increase**

Current portion of loans payable – 9% increase

Pertains to increase in percentage of principal repayment for 2020 as compared to the percentage of principal repayment last 2019

**Noncurrent Liabilities – 12% decrease**

Loans payable – net of current portion – 14% decrease

Related to the ₱979 million repayment of loan and ₱90.39 million increase in portion reported under current liabilities

## Equity – 14% increase

### Total retained earnings – 27% increase

As a result of the ₱6.01 billion net income generated in 2019 offset by the dividend payment amounting to ₱1.48 billion for both common and preferred shareholders.

## Liquidity and Capital Resources

### Cash Flows

The primary sources and uses of cash of the Company for calendar years 2019, 2018 and 2017 were as follows:

	For the years ended December 31		
	2019	2018	2017
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	7,137	4,691	5,458
Cash flows used in investing activities	(3,419)	(2,872)	(4,749)
Cash flows provided by (used in) financing activities	(2,953)	(2,398)	9,407
Net effect of exchange rate changes on cash and cash equivalents	(3)	17	1
Net increase (decrease) in cash and cash equivalents	761	(562)	10,117
Cash and cash equivalents at beginning of year	16,177	16,739	6,621
Cash and cash equivalents at end of year	16,938	16,177	16,739

### Net Cash Flows Provided by Operating Activities

Net cash flows provided by operating activities was ₱7.14 billion. This was primarily the result of net income before taxes of ₱7.25 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱952.70 million, finance cost of ₱495.69 million, gain on fair value changes in investment properties of ₱111.22 million, income taxes paid of ₱1.28 billion, interest received of ₱744.38 million and net increase in working capital of ₱107.13 million.

### Net Cash Flow Used in Investing Activities

The net cash flows used in investing activities of ₱3.42 billion was mainly due to the purchase and acquisition of property, plant and equipment amounting to ₱2.27 billion, ₱500.00 million investment in retail treasury bonds and deposits for asset purchase and future investment of ₱723.73 Million.

### Net Cash Flows Provided by / Used in Financing Activities

The net cash flows used in financing activities of ₱2.95 billion comprised of dividends payments to both common and preferred stockholders amounting to ₱1.48 billion and payments of loans and interest of ₱1.46 billion.

## Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the Corporation's external auditors on accounting and financial disclosure.

### Audit and Audit Related Fees

The Company paid the external auditors the following fees for the last three years for professional services rendered:

	2020	2019	2018
Audit and other audit related fees	₱3,700,000	₱3,500,000	₱3,395,000
Tax fees	120,000	-	-
Others	1,500,000		



The Audit Committee reviews the audit scope and coverage, strategy and results for the approval of the Board. It ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations. Likewise, the Audit Committee evaluates and determines any non-audit work performed by external auditors, including the fees therefor, and ensures that such work will not conflict with the duties of the external auditors or threaten their independence.

### **Governmental Approval of Principal Products or Services**

The Corporation holds various permits and licenses for its business operations, which include but are not limited to, the following:

1. Business Permits
2. Trademark License
3. Import License
4. Product license for type-1 portland cement
5. Product license for type-1P blended cement

On July 31, 2017, the Bureau of Investments (BOI) approved the application of the Corporation as an expanding producer of cement in Bulacan on a non-pioneer status. This is in relation to the establishment of Line 3. As a result, the Corporation enjoys fiscal and non-fiscal incentives, such as income tax holiday, exemption on importation duties and tax credits.

### **2018 vs 2017 MD&A**

#### **RESULTS OF OPERATIONS (2018 VS. 2017)**

EAGLE continued its earnings growth trajectory in 2018, posting a net income of ₱4.80 billion, a 13% jump from the ₱4.26 billion in the previous year.

EAGLE generated net sales of ₱16.52 billion in 2018, 11% better than the ₱14.87 billion it recorded in 2017, buoyed by the double-digit growth in sales volume. Of the Company's net sales, 80% were derived largely from Type 1P or bagged cement while the remaining 20% is accounted for Type 1 or bulk cement, as the strong domestic demand is still driven by private consumption.

The 17% rise in cost of goods sold came mostly from the increase in quantity consumption of coal, coupled by the spike in prices of both imported and local coal. This was also driven by the use of imported clinker during the year to support operational requirements. However, this was partly cushioned by lower electricity cost.

This led gross profit to rise by only 4% to ₱7.21 billion relative to the previous year, with margin contracting to 44%.

Operating expenses went up by 12% to ₱1.57 billion from ₱1.40 billion a year earlier, owing mainly to the upsurge in selling and distribution costs, as well as the increase in manpower expenses.

Finance costs declined by 6% to ₱365.79 million, following the partial repayment of loan in 2018 amounting to ₱534.0 million.

Other income significantly grew by 207% to ₱469.61 million, mainly attributable to the revaluation gain of KB Space's properties.

Income tax expense rose by 20% to ₱1.50 billion due to the growth in net income for the year.

These movements resulted in an Earnings before interest, tax, depreciation and amortization (EBITDA) of ₱6.82 billion, growing by 9% from ₱6.26 billion in the previous year. This translated into an EBITDA margin of 41%.

Meanwhile, net income margin was held steady at 29%.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2018, 2017 and 2016, presented in absolute amounts as a percentage of net sales.

	For the Year Ended December 31				
	2018	2017	2016	% of Change	
	(in Millions of Philippine Pesos, except percentages)			2018 vs 2017	2017 vs 2016
Net Sales	16,522	14,872	13,276	11%	12%
Cost of Goods Sold	9,311	7,945	6,339	17%	25%
Gross Profit	7,211	6,927	6,937	4%	0%
Operating Expenses	1,568	1,403	1,294	12%	8%
Income from Operations	5,643	5,525	5,643	2%	(2%)
Finance costs	366	390	375	(6%)	4%
Interest Income	548	223	89	146%	151%
Other income - net	470	153	54	207%	183%
Income Before Income Tax	6,295	5,511	5,411	14%	2%
Income Tax Expense	1,496	1,248	1,298	20%	(4%)
Net Income	4,798	4,263	4,113	13%	4%

*Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*

	For the year ended	
	December 31, 2018	December 31, 2017
Net income	₱4,798,343,056	₱4,263,433,888
Add:		
Income tax expense	1,495,849,341	1,248,005,597
Depreciation and amortization	710,148,534	585,907,433
Finance costs	365,786,275	389,737,492
Less:		
Interest income	547,543,036	222,815,663
EBITDA	₱6,822,584,170	₱6,264,268,747

## FINANCIAL CONDITION

The financial position of the Company for the year ended 31 December 2018 remains optimal and well-capitalized, with total assets growing by 7% to ₱45.46 billion.

Cash and cash equivalents declined by 3% to ₱16.18 billion, as a result of dividends paid to shareholders amounting to ₱1.34 billion. Current assets at the end of the year totaled to ₱19.44, 3% lower than end of 2017. Noncurrent assets rose by 17% to ₱26.02 billion.

Current liabilities grew by 15% to ₱4.66 billion while noncurrent liabilities declined by 11% to ₱7.98 billion.

Interest-bearing loans totaled to ₱8.32 billion, a 6% drop from ₱8.84 billion at the end of 2017, owing to the partial repayment of ₱534.00 million loans in 2018.

Total liabilities went down by 3% to ₱12.64 billion while stockholder's equity rose by 12% to ₱32.82 billion.

EAGLE remains compliant with its loan covenants, with debt to equity ratio registering at 0.39x while financial debt to equity ratios stood at 0.25x. The current gearing gives the Company more flexibility to support its investment plans. Meanwhile, current ratio stood at 4.17x while return on equity is at 15%.

### Summary of Consolidated Statements of Financial Position

	December 31			Percentage of Change
	2018	2017	Increase/(Decrease)	
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	19,443	20,036	(593)	(3%)
Noncurrent Assets	26,020	22,327	3,693	17%
<b>Total Assets</b>	<b>45,463</b>	<b>42,363</b>	<b>3,100</b>	<b>7%</b>
Current Liabilities	4,658	4,056	602	15%
Noncurrent Liabilities	7,985	8,931	(946)	(11%)
<b>Total Liabilities</b>	<b>12,643</b>	<b>12,987</b>	<b>(344)</b>	<b>(3%)</b>
<b>Equity</b>	<b>32,820</b>	<b>29,375</b>	<b>3,445</b>	<b>12%</b>
<b>Total Liabilities and Equity</b>	<b>45,463</b>	<b>42,363</b>	<b>3,100</b>	<b>7%</b>

## Company Performance and Profitability and Liquidity

### **Key Performance Indicators**

#### *Relevant Financial Ratios*

The table below shows the comparative key performance indicator of the Company:

Financial KPI	Formula	2018	2017	2016
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	4.17	4.94	3.34
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	0.44	0.37	0.51
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.39	0.44	0.51
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.39	1.44	1.51
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.12	0.13	0.18
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	0.15	0.18	0.25

### **Capital Expenditure**

EAGLE ended 2018 with a total capital expenditure of ₱2.58 billion. Of that amount, 66% was spent for the construction of the third production line in Bulacan, 9% was disbursed on building and improvements, 5% was accounted for plant machinery and equipment, 6% was spent on acquisition of investment properties, 6% was disbursed on land acquisitions and the balance of 8% was spent on capital projects in progress, transportation equipment, and furniture, fixture and office equipment.

## **MATERIAL CHANGES IN THE FINANCIAL STATEMENTS**

### *CONSOLIDATED STATEMENTS OF INCOME (YEAR-END 2018 VS. YEAR-END 2017)*

#### **Net Sales – 11% increase**

Mainly attributable to the increase in sales volume amid the competitive market environment.

#### **Cost of Goods Sold – 17% increase**

##### Cost of inventories – 28% increase

Increase was mostly due to the increase in quantity consumption of coal due to higher heat rate, coupled with price upsurge of both local and imported coal. The use of imported clinker in 2018 to support operational requirements also contributed to the increase.

##### Personnel Costs – 39% increase

Increase was driven by the additional headcount due to the start of commercial operations of Line 3 and the increased rates of employees.

##### Rental – 35% increase

Increase was primarily due to the rental of equipment and machineries related to raw materials.

Fuel and Oil – 214% increase

Increase was mainly attributable to the upsurge in excise tax resulting from the expanded tax rate pursuant to TRAIN law.

**Operating Expenses – 12% increase**

Freight, trucking, and handling – 18% increase

Increase was due to the growth in sales volume and 8% growth in freight rate resulting from the surge in fuel prices.

Personnel costs – 20% increase

increase was attributable to the increase in employees from an average of 366 in 2017 to an average of 426 in 2018, as well as the average increase of 10% in salary due to CBPs and annual increase for the year.

Taxes and licenses – 13% decrease

Decrease pertains to the ₱4.6 million tax credit from Mandaluyong due to overpayments in prior years.

Warehousing fees – 32% increase

Increase was mainly driven by sales volume growth and the start of commercial operations of the new warehouse in Pangasinan.

Other expenses – 61% decrease

Decrease was primarily due to expenses amounting to ₱61.8 billion incurred during the initial public offering (IPO) in 2017.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (END 2018 vs. END 2017)**

**Current Assets – 3% decrease**

Financial Assets at FVPL – 16% decrease

Decline pertains to the sale of 3,102.0 million equity securities at ₱14.5 million, and unrealized losses amounting to ₱18.9 million recognized due to the decline in market values of shares held for trading.

Trade and other receivables – 25% decrease

Trade receivables decreased during the year, despite the increase in sales due to effective collection management, resulting to lesser AR days.

Other current assets – 33% increase

Increase is mainly attributable to the ₱151 million increase in DSRA account maintained for the repayment of portion of the loan due/payable and interest in Q1 2019, and the increase in downpayment for trade-related purchases in 2018 amounting to ₱103 million.

**Noncurrent Assets – 17% increase**

Investment Properties – 102% increase

Increase was on account of the ₱165 million acquisition of property, and the ₱435.81 million revaluation gain in the market value of KB Space's properties.

Other noncurrent assets – 194% increase

Increase was attributable to the ₱650 million long-term placements with various banks and the ₱1 billion deposit for future limestone deliveries.

**Current Liabilities – 15% increase**

Income tax payable – 21% increase

Increase was due to the 13% growth in net income

Current portion of loans payable – 85% increase

Increase pertains to the ₱968.3 million reclassification from non-current loans payable and was offset

by the ₱534 million partial repayment of loan in 2018.

### **Noncurrent Liabilities – 11% decrease**

Loans payable – net of current portion – 12% decrease  
decrease was due to reclassification to current loans payable.

Net Retirement benefit liability – 95% increase  
Increase was due to the actuarial valuation as a result of the increase in the number of employees.

### **Equity – 12% increase**

Total retained earnings – 26% increase  
Increase was due to the ₱4.80 billion net income which was partially offset by the dividend payment of ₱1.34 billion to common and preferred shareholders

## **Liquidity and Capital Resources**

### **Cash Flows**

The primary sources and uses of cash of the Company for calendar years 2018, 2017 and 2016 were as follows:

	<b>For the years ended December 31</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>(in Millions of Philippine Pesos, except percentages)</b>		
Cash flows provided by operating activities	4,691.5	5,458.0	6,207.9
Cash flows used in investing activities	(2,871.6)	(4,748.7)	(3,121.5)
Cash flows provided by (used in) financing activities	(2,398.3)	9,407.1	(924.5)
Net effect of exchange rate changes on cash and cash equivalents	16.7	1.5	(13.9)
Net increase (decrease) in cash and cash equivalents	(561.7)	10,116.3	2,161.9
Cash and cash equivalents at beginning of year	16,738.7	6,620.9	4,472.9
Cash and cash equivalents at end of year	16,177.0	16,738.7	6,620.9

### **Net Cash Flows Provided by Operating Activities**

Net cash flows provided by operating activities was ₱4.69 billion. This was primarily the result of net income before taxes of ₱6.29 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱710.15 million, finance cost of ₱365.79 million, gain on fair value changes in investment properties of ₱435.81 million, income taxes paid of ₱1.45 billion, interest received of ₱537.20 million and net increase in working capital of ₱798 million.

### **Net Cash Flow Used in Investing Activities**

The net cash flows used in investing activities of ₱2.87 billion was mainly due to the purchase and acquisition of property, plant and equipment amounting to ₱2.10 billion and long-term placement of ₱650.00 million.

### **Net Cash Flows Provided by / Used in Financing Activities**

The net cash flows used in financing activities of ₱2.40 billion comprised of dividends payments to both common and preferred stockholders amounting to ₱1.34 billion and payments of loans and interest of ₱1.06 billion.

## **LEGAL PROCEEDINGS**

As set forth below, the Corporation is involved in an ongoing legal case.

### **Civil Case for Fraud**

ECC is the plaintiff in this case, instituted on June 11, 2011. It sought to enjoin defendants Exclusive Precinct Int. (M) Sdn Bhd (Exclusive), PT Hasta Yasa Semsta (PT Hasta), an Indonesian entity, QY Asia

Marketing & Services Sdn Bhd (QY Asia), a Malaysian entity, and Malayan Bank Berhad (Maybank) from claiming under the Letter of Credit No. 2010/0260 in the amount of Nine Hundred Four Thousand US Dollars (US\$904,000.00) and defendant Bank of Commerce (BOC) from releasing payment under the same Letter of Credit.

On July 12, 2011, a writ of preliminary injunction was issued by Hon. Presiding Judge Ofelia C Calo of the Regional Trial Court of Mandaluyong, Branch 211, enjoining defendants from claiming payment from defendant Bank of Commerce.

As of December 31, 2020, the trial of the case is continuously being held. The next schedule of hearing for the presentation of plaintiff's evidence is on 10 June 2021.

### **Effect of Existing or Probable Governmental Regulations on the Business**

The businesses and operations of the Corporation are subject to a number of health, safety, security and environment laws, rules and regulations governing the cement industry in the Philippines. These laws and regulations impose requirements relating to raw materials sourcing, cement manufacturing, and other aspects of the business of the Corporation. As cement manufacturer, the Corporation is subject to quality and safety standards established under the Consumer Act of the Philippines, a law which is primarily enforced by the Department of Health ("DOH"), the Department of Agriculture ("DA"), and the Department of Trade and Industry ("DTI"). Furthermore, the Corporation is subject to extensive regulation by the Department of Environment and Natural Resources ("DENR"), Department of Energy ("DOE"), and local government units ("LGU").

### **Environmental Laws**

Under the Philippine Environmental Impact Statement System ("P.D. 1586"), raw material sourcing and cement manufacturing are considered environmentally critical activities for which an Environmental Impact Study ("EIS") and an Environmental Compliance Certificate ("ECC") are mandatory. A Certificate of Compliance ("COC") from the Energy Regulatory Commission ("ERC") to operate facilities used in the generation of electricity (including self-generation facilities) is required considering that the generation of electricity is done in the course of cement manufacturing. In addition, Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990 ("R.A. No. 6969"), Philippine Clean Water Act of 2004 ("R.A. No. 9275"), and Philippine Clean Air Act of 1999 ("R.A. No. 8749") are likewise applicable to the operations of the Corporation.

Environmental laws and regulations in the Philippines have become increasingly stringent and it is possible that these laws and regulations will become significantly more stringent in the future. The adoption of new laws and regulations, new interpretations of existing laws, increased governmental enforcement of environmental laws or other developments in the future may require additional capital expenditures or the incurrence of additional operating expenses in order to comply with such laws and to maintain current operations as well as any costs related to fines and penalties.

### **Taxation Laws**

Pursuant Republic Act No. 8424, or the Tax Reform Act of 1997, as amended (the "Tax Code"), an entity doing business in the Philippines must register with the appropriate revenue district office of the Bureau of Internal Revenue ("BIR") having jurisdiction over the principal place of business of the Philippine entity on or before the commencement of business. A person maintaining a head office, branch or facility shall register with the revenue district office having jurisdiction over the head office, branch or facility. The registration should contain the name or style of the corporation, place of business and such other information as may be required in the form prescribed by the BIR.

Every person or entity required to register with the BIR shall register each type of internal revenue tax applicable to it and for which it shall be obligated to file a return and pay the taxes, as appropriate. The entity doing business in the Philippines is required to report, file appropriate tax returns and pay the proper amount of tax (in accordance with the Tax Code and its implementing rules, regulations and circulars) for all of its taxable transactions in the course of its operations in the Philippines.

On 19 December 2017, President Rodrigo R. Duterte signed into law the Republic Act no. 10963, otherwise known as Tax Reform for Acceleration and Inclusion (TRAIN). It took effect on 01 January

2018. The TRAIN is the first package of the administration's Comprehensive Tax Reform Program (CTRP) which creates impact on the take-home pay of individuals, prices of certain goods and services and spending consumer patterns.

Due to the passage of Republic Act No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Act", and signed by President Duterte on March 26, 2021, the Company is now subject to a reduced income tax rate of 25%, effective July 01, 2020. CREATE is the second package of the CTRP, and is expected to have a greater impact on the business of the Corporation as it covers provisions affecting corporate income tax rates and modernizes fiscal incentives to investors.

### **Health and Safety**

The Occupational Health and Safety Standards promulgated by the Department of Labor and Employment provides for the standards applicable to all places of employment to protect employees against the dangers of injury, sickness or death through safe and healthful working conditions. These standards provide for the training of personnel and employees in occupational health and safety, establishment of a health and safety committee, requirement of notification and record-keeping of accidents and/or occupational illnesses, required health and safety standards in the premises of the establishment, occupational health and environmental control, requirement of personal protective equipment and devices, rules for handling hazardous materials, gas and electric welding and cutting operations, hazardous work processes, explosives and general handling of materials and storage, electricity safety, construction safety, fire protection and control and occupational health services.

### **Labor Related Laws**

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 ("R.A. No. 8282"), the National Health Insurance Act of 1995 ("R.A. No. 7875"), as amended, and the Home Development Fund Law of 2009 ("R.A. No. 9679").

### **Local Laws**

A Mayor's Permit (local business permit) from the local government unit having jurisdiction over the area where an entity is operating is required to be secured before doing business in the respective city or municipality. A Mayor's Permit is issued only after compliance with certain local government requirements, including, but not limited to, obtaining the Sanitary Permit, Certificate of Electrical Inspection, Fire Safety Inspection, Locational Clearance, Barangay Business Clearance and payment of the required fees. These ancillary permits are valid for one year and must be renewed before the Mayor's Permit is issued. Failure to obtain a mayor's permit may expose an entity to fines and penalties, and even suspension or closure of its business.

### **Research and Development Activities**

Research and development activities of the Corporation form part of the function of its Quality and Process Departments. Quality and Process Departments spent a total of ₱4.06 million, ₱66.02 million, and ₱88.57 million in 2020, 2019 and 2018, representing 0.03%, 0.3%, and 0.5% of total net sales, respectively.

### **Major Risks Involved**

#### **COVID-19 Pandemic**

The Company has a Business Continuity Plan (BCP) to address the COVID-19 pandemic. There are guidelines and measures in place to contain the problem and to ensure that business operations continue both at the plant and at the head office. The Company adopts the World Health Organization (WHO) Advisory pertaining to workplace readiness, the DOLE-DTI Guidelines on Workplace Prevention and Control of COVID-19, and the other relevant government regulations and guidelines pertaining to the pandemic.



As of December 31, 2020, the Company continues to successfully implement various operational measures to combat COVID-19, such as reduced on-site work or alternative work arrangements, installation of temperature checking and personal hygiene devices, strict regulations on the wearing of facemasks, face shields, and other applicable personal protective equipment, as well as mass-testing of all employees.

Risks to the operations of the Company are being currently effectively managed through the above-indicated measures, complementing personal safety measures mandated that all employees undertake.

### **Risk Management Framework and Process**

The Company follows an enterprise-wide risk management framework for identifying, mapping and addressing the risk factors that affect or may affect its businesses.

The Company's risk management process is a bottom-up approach, with each department mandated to conduct regular assessment of its risk profile and formulate action plans for managing identified risks.

The Risk Management Group is mandated with the overall coordination and development of the enterprise-wide risk management process. Treasury Section oversees foreign exchange hedging transactions. The Office of the Corporate Controller of the Finance Department provides backroom support for all financial transactions. The Internal Audit Department is tasked with the implementation of a risk-based auditing. A separate committee is tasked to ensure business continuity and proper handling of disaster.

### **Major Risks**

The Corporation classifies a risk as a major risk if it assesses the risk event to both have a relatively high probability of occurring and a substantial adverse impact on the Corporation if the risk would occur. The major risks that the Corporation managed in 2020 were substantially the same as those in the previous year since there were no fundamental changes in the nature of the Corporation's operations. These risks were the following:

The Group's exposure to foreign exchange risks arises from US dollar-denominated purchases, principally of coal and other raw materials, spare parts, machineries and equipment.

The risk of substantial disruptions in the Corporation's operations caused by accidents, process or machinery failure, human error or adverse events outside of human control. This risk could also include delays in the implementation of capital expansion activities. These disruptions may result in injury or loss of life, as well as financial losses should these disruptions lead to product run-outs, facility shutdown, equipment repair or replacement, insurance cost escalation and/or unplanned inventory build-up.

Regulatory risk, arising from changes in national and local government policies and regulations that may result in substantial financial and other costs for the Corporation, either directly or indirectly.

Except as covered by the above-mentioned specific risks, the Corporation has determined that none of the risk factors faced by any of its subsidiaries would be a major risk. These risk factors either have a low probability of occurring or have an insignificant potential impact. Thus, while subsidiary-specific risks were considered in the risk management process, these are considered relatively minor.

### **Management of Major Risks**

#### **Foreign exchange risk**

The Corporation hedges its dollar-denominated liabilities using forwards and other derivative instruments. It avoids the creation of risk from derivative speculation by limiting the use of derivative instruments up to 50% of the value of the underlying dollar-denominated liabilities net of dollar-denominated assets.

Dollar-denominated assets and liabilities and the resulting potential foreign exchange losses are recorded on a daily basis through an enterprise resource planning software that monitors financial

transactions. This allows real-time awareness and response to contain losses posed by foreign exchange exposure.

### **Risk of operational disruptions**

The risk of operational disruptions is most relevant to the refining unit since disruptions in these units can have severe and rippling effects.

The Operations Department have been implementing programs designed to directly promote the avoidance of operational disruptions through effective maintenance practices and the inculcation of a culture of safety and continuous process improvement.

The Corporation has a corporate-wide health, safety and environment program that likewise addresses the risk of operational disruptions.

### **Regulatory risk**

The Corporation maintains strong lines of communication with its various counterparties in government and in the public arena, in both local and national levels. The Corporation uses these lines of communication to identify potential risk factors and respond to these in a proactive manner.

The Corporation remains compliant with the various environmental standards set by the government.

### **Market Price of and Dividends on the Corporation's Common Equity and Related Stockholder Matters**

The Corporation's common shares are listed and traded on the Philippine Stock Exchange. The percentage of public ownership of the Corporation as of March 31, 2021 is 11.50%.

<b>Stock Prices</b>	<b>High</b>	<b>Low</b>
Listing Date 29 May 2017	₱16.12	₱15.20
2 <sup>nd</sup> Quarter of 2017	₱16.60	₱15.40
3 <sup>rd</sup> Quarter of 2017	₱16.00	₱14.76
4 <sup>th</sup> Quarter of 2017	₱15.18	₱14.10
1 <sup>st</sup> Quarter of 2018	₱15.72	₱13.90
2 <sup>nd</sup> Quarter of 2018	₱16.30	₱14.20
3 <sup>rd</sup> Quarter of 2018	₱16.24	₱15.12
4 <sup>th</sup> Quarter of 2018	₱15.66	₱14.62
1 <sup>st</sup> Quarter of 2019	₱16.38	₱15.00
2 <sup>nd</sup> Quarter of 2019	₱16.22	₱15.60
3 <sup>rd</sup> Quarter of 2019	₱15.84	₱14.00
4 <sup>th</sup> Quarter of 2019	₱15.60	₱14.06
1 <sup>st</sup> Quarter of 2020	₱14.78	₱5.90
2 <sup>nd</sup> Quarter of 2020	₱10.88	₱7.35
3 <sup>rd</sup> Quarter of 2020	₱14.60	₱9.79
4 <sup>th</sup> Quarter of 2020	₱16.10	₱14.40
1 <sup>st</sup> Quarter of 2021	₱14.50	₱10.44

The approximate number of shareholders as of March 31, 2021 is 43 with 134 PDTC participants.

### **Top Twenty (20) Stockholders (Common)\***

	<b>Name of Stockholder</b>	<b>Nationality</b>	<b>No. of Shares</b>	<b>Percentage of ownership</b>
1	Far East Cement Corporation	Filipino	3,010,714,288	60.21%
2	Ramon S. Ang	Filipino	1,317,857,139	26.36%
3	PCD Nominee Corp - Filipino	Filipino	504,779,274	10.10%
4	John Paul L. Ang	Filipino	96,428,569	1.93%
5	PCD Nominee Corp - Non-Filipino	Non-Filipino	68,270,997	1.37%

	<b>Name of Stockholder</b>	<b>Nationality</b>	<b>No. of Shares</b>	<b>Percentage of ownership</b>
6	Raymond M. Moreno	Filipino	1,333,300	0.03%
7	Gerardo P. Sugay	Filipino	250,000	0.00%
8	Kim Sy Jacinto-Henares	Filipino	100,000	0.00%
9	Nestor D. Alampay Jr.	Filipino	70,000	0.00%
10	Sysmart Corporation	Filipino	50,000	0.00%
11	Raul G. Gerodias	Filipino	40,000	0.00%
12	William Tan Ang	Filipino	15,500	0.00%
13	Josephine Eviota Jolejole	Filipino	12,300	0.00%
14	Villanueva, Myra P.	Filipino	10,000	0.00%
15	Norma R. Espina	Filipino	10,000	0.00%
16	Conrad B. Reyes &/Or Ethelisa L. Reyes	Filipino	10,000	0.00%
17	Myrna P. Villanueva	Filipino	6,600	0.00%
18	Milagros P. Villanueva	Filipino	6,600	0.00%
19	Carlos Catangue Chua	Filipino	6,400	0.00%
20	Sonia S. Tapales	Filipino	6,000	0.00%
<b>TOTAL</b>			<b>4,999,976,967</b>	<b>100.00%</b>

*\*as of March 31, 2021*

### **Dividend Declaration – Common Shares**

On April 07, 2021, the Board of Directors approved the amendment of the existing Dividend Policy of the Corporation, increasing the amount of dividend that may be declared by the Board from 50% to up to 100% of the audited net income of the previous year.

### **Preferred Shares**

As of June 02, 2020, the Corporation redeemed the Three Billion (3,000,000,000) issued and outstanding preferred shares. The owners of the redeemed preferred shares of the Corporation, the number of shares and the amounts they have subscribed and paid are follows:

<b>Name of Stockholder</b>	<b>Nationality</b>	<b>No. of Shares</b>	<b>Amount Subscribed and Paid</b>
Far East Holdings, Inc.	Filipino	2,057,142,857	P 2,057,142,857
Ramon S. Ang	Filipino	878,571,429	878,571,429
John Paul L. Ang	Filipino	64,285,714	64,285,714
<b>Total</b>		<b>3,000,000,000</b>	<b>P 3,000,000,000</b>

Under the Corporation's Articles of Incorporation, the holders of Preferred Shares are entitled to six per cent (6%) cumulative, non-participating dividends.

### **Redemption of Preferred Shares**

On March 13, 2020, the Parent Company's BOD approved the redemption of the Parent Company's preferred shares amounting to ₱3,000.0 million on June 2, 2020, with a redemption price of ₱3 billion with ₱46.5 million cash dividends, to be paid upon submission and surrender of the original stock certificates by the preferred shareholders.

Under the Corporation's Articles of Incorporation, the preferred shares shall be redeemable, in whole or in part at the sole option of the Corporation at the end of the fifth year from the issue date thereof ("the Issued Date"), at the price equal to the issue price plus any accumulated and unpaid cash dividends. The preferred shares, when redeemed, shall not be considered retired and may be re-issued by the Corporation at a price to be determined by the Board of Directors.

There are no sales of unregistered or exempt Securities by the Corporation since its listing on May 29, 2017.

On March 16, 2021, the Certificate Authorizing Registration (CAR) on the transaction was issued by the Bureau of Internal Revenue and was received by the Company.

### **Compliance with Best Practices on Corporate Governance**

The evaluation by the Corporation to measure and determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance ("Manual") is vested by the Board of Directors on the Compliance Officer. The Compliance Officer is mandated to monitor compliance by all concerned with the provisions and requirements of the Manual. The Compliance Officer has certified that the Corporation has substantially adopted all the provisions of the Manual. Pursuant to its commitment to good governance and business practice, the Corporation continues to review and strengthen its policies and procedures, giving due consideration to developments in corporate governance which it determines to be in the best interests of the Corporation and its stockholders.

The Board of Directors, Committees and Management of the Company are committed to the principles of transparency, accountability, fairness and integrity in directing and running the Company. To this end, the Board adopted and approved the ECC Manual on Corporate Governance on 13 February 2017 following practices, programs and policies on good corporate governance. The Board and the Management regularly adopt and/or update company policies and practices to comply with the relevant rules and regulations of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE) and other regulatory bodies, and to align with the recommendations and principles under the Integrated Annual Corporate Governance Report (I-ACGR) and the ASEAN Corporate Governance Scorecard (ACGS). The I-ACGR of the Company for the year 2020 shall be filed on 31 May 2021 or on or before the date as may be set by the SEC.

### **Annual Continuing Training for Directors**

To ensure that the Company is headed by competent working board and management, ECC provides an annual continuing training to its directors and key officers. On 18 December 2020, the Board of Directors and key officers of the Company participated in a Corporate Governance Executive Briefing on Crisis Management and Anti-Corruption Program. The corporate governance training was conducted by the Center for Global Best Practices, a SEC-accredited CG training provider.

### **Annual Corporate Governance Performance Assessments**

In compliance with the Code of Corporate Governance for PLCs and the Integrated Annual Corporate Governance Report, ECC engaged the Good Governance Advocates and Practitioners of the Philippines (GGAPP) as an external facilitator to assess the performance and the effectiveness of the Board, the committees and the key officers of the Company. GGAPP is an association of good governance advocates and practitioners from various publicly-listed companies, the public sector and other organizations, who have come together to promote and assist in the development of good governance in the country.

The following is based on the results of the 2020 Board Assessment Form as conducted by the GCAPP: (a) The Board Committees have the right size and composition for their specific functions; (b) The types of committees are appropriate considering the size and needs of the Company; (c) The members of the Board are properly assigned to the committees based on their expertise and strengths; (d) The Board Committees regularly review and update their respective Committee Charters, the Manual on Corporate Governance, and recommend appropriate changes or improvements to the Board, in compliance with rules, applicable laws, and best practices; and (e) The Committee members are aware of the mandate of their Committees and ensure faithful execution of their duties and responsibilities.

### **ASEAN Corporate Governance Scorecard**

In recognition of the Company's adherence to the best corporate governance practices, ECC was conferred with its first Golden Arrow Award (1-arrow recognition) by the Institute of Corporate Directors (ICD) on 19 February 2021. The Golden Arrow Award is given to publicly-listed and insurance companies for achieving at least 80 points in the 2019 ASEAN Corporate Governance Scorecard Assessment. Eagle Cement Corporation was the sole cement company recipient of this award.

## UNDERTAKING

The Corporation shall provide to the stockholders, without charge, on written request, a printed or electronic copy of SEC Form 17-A. All such requests for a copy of the Annual Report shall be directed to:

**The Corporate Secretary**  
**EAGLE CEMENT CORPORATION**  
Suite 2801 Discovery Center, 25 ADB Avenue  
Ortigas Center, Pasig City  
[corporatesecretary@eagle-cement.com.ph](mailto:corporatesecretary@eagle-cement.com.ph)

or

[loydeleon@gselawfirm.com](mailto:loydeleon@gselawfirm.com)  
[juliantorcuator@gselawfirm.com](mailto:juliantorcuator@gselawfirm.com)

## SIGNATURE

After reasonable inquiry and to the best of my knowledge and on behalf of the Corporation, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on the 26<sup>th</sup> day of May 2021.

## EAGLE CEMENT CORPORATION

By:

  
**MARIA FARAH Z.G. NICOLAS-SUCHIANCO**  
*Corporate Secretary*



**CERTIFICATION OF  
INDEPENDENT DIRECTORS  
(*ANNEXES A-1 to A-5*)**

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY ) S.S.

### **CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **MELINDA GONZALES-MANTO**, Filipino, of legal age and a resident of 45 Barcelona Street, Merville Park, Paranaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **EAGLE CEMENT CORPORATION** and have been its independent director since 22 December 2016.
2. I am affiliated with the following companies or organizations:

<b>COMPANY/ ORGANIZATION</b>	<b>POSITION/ RELATIONSHIP</b>	<b>PERIOD OF SERVICE</b>
RSA Foundation, Inc.	Independent Trustee	2020 to present
Petrogen Insurance Corporation	Independent Director	2018 to present
Bank of Commerce	Independent Director	2013 to present
Linferd & Company, Inc.	Vice-President/Director	2010 to present
ACB Corabern Holdings Corporation	Vice-President/Director	2009 to present
Compsych Philippines, Inc.	Treasurer	2015 to present
Wholesale Electric Asia (Philippines), Inc.	Resident Agent	2019 to present
ISG Information Services Group Americas, Inc.	Resident Agent	2011 to present
The Gettys Group, Inc. - Philippine ROHQ	Resident Agent	2013 to present
Kenexa Singapore Pte. Ltd. – Philippine Branch	Resident Agent	2015 to present
GSIS Family Bank	Independent Member	2011 to 2016
Philippine Retailers Association	Board Member	2000 to 2009
SGV & Co.	Partner	1974 to 2009

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **EAGLE CEMENT CORPORATION**, as provided for in Section 38 of the Securities Regulation Code (SRC), its Implementing Rules and Regulations (IRR), and other issuances of the Securities and Exchange Commission (SEC).
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.



5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its IRR, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of EAGLE CEMENT CORPORATION of any changes in the abovementioned information within five days from its occurrence.

Done this 28<sup>th</sup> day of April 2021 in Pasig City.

*Melinda Gonzales-Manto*

**MELINDA GONZALES-MANTO**

*Affiant*

APR 30 2021

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of April 2021 in Pasig City, affiant having exhibited to me her Philippine Passport no. P5768594A issued by DFA-NCR South on 26 January 2018 and valid until 25 January 2028, as well as competent evidence of identity in the form of her Taxpayer's Identification Card with No. 123-305-056.

Doc. No. 40 ;  
Page No. 09 ;  
Book No. V ;  
Series of 2021.

*Ernest Aaron P. Valdez*  
**ERNEST AARON P. VALDEZ**  
Notary Public for the Cities of Pasig, San Juan  
And Municipality of Pateros

Commission until 31 December 2021

2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City

APPT. No. 173 (2020-2021) - Roll No. 73473

PTR No. 6514973; 01-13-2021; Pasig City

IBP No. 135453; 12-17-2020; RSM

MCLE Compliance - N/A (Admitted to Bar on 2019)



REPUBLIC OF THE PHILIPPINES)  
PASIG CITY ) S.S.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARTIN S. VILLARAMA JR.**, Filipino, of legal age and a resident of 22 Golden Street, Gloria 1 Subdivision, Tandang Sora, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **EAGLE CEMENT CORPORATION** and have been its independent director since 13 February 2017.
2. I am affiliated with the following companies or organizations:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Uniwide Group of Companies	Court-Appointed Liquidator	2018 to present
San Miguel Brewery Hongkong Ltd.	Member, Board of Advisors	2017 to present
Association of Retired Justices of the Supreme Court of the Philippines (ARJSCP)	Member	2016 to present
BIR Tennis Club, Agham Road, Q.C.	Member	1983 to present
Supreme Court of the Philippines	Associate Justice	2009 to 2016
Court of Appeals	Justice	1998 to 2009
Philippine Judicial Academy	Lecturer	2007 to 2009

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **EAGLE CEMENT CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of **EAGLE CEMENT CORPORATION** of any changes in the abovementioned information within five days from its occurrence.

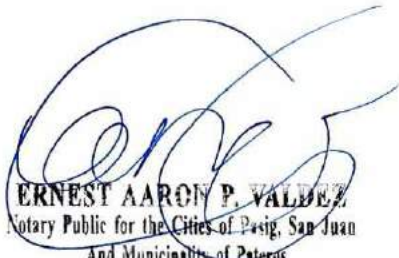
APR 30 2021

Done this \_\_\_\_ day of April 2021 in Pasig City.

  
**MARTIN S. VILLARAMA JR.**  
Affiant

SUBSCRIBED AND SWORN to before me this 30 day of April 2021 in Pasig City, affiant having exhibited to me his Philippine Driver's License no. N10-68-006627 issued by the Land Transportation Office and valid until 14 April 2023, as well as competent evidence of identity in the form of his Taxpayer's Identification Card with No. 124-314-240.

Doc. No. 41 ;  
Page No. 10 ;  
Book No. 1 ;  
Series of 2021.

  
**ERNEST AARON P. VALDEZ**  
Notary Public for the Cities of Pasig, San Juan  
And Municipality of Pateros  
Commission until 31 December 2021  
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City  
APPT. No. 173 (2020-2021) - Roll No. 73473  
PTR No. 6514973; 01-13-2021; Pasig City  
IBP No. 135453; 12-17-2020; RSM  
MCLE Compliance - N/A (Admitted to Bar on 2019)

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY ) S.S.

### **CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **JOSE P. PEREZ**, Filipino, of legal age and a resident of 105 12th Ave. West, Caloocan City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **EAGLE CEMENT CORPORATION** and have been its independent director since 13 February 2017.
2. I am affiliated with the following companies or organizations:

<b>COMPANY/ ORGANIZATION</b>	<b>POSITION/ RELATIONSHIP</b>	<b>PERIOD OF SERVICE</b>
Bloomberry Resorts Corporation	Independent Director	Present
San Miguel Brewery Hongkong	Board Adviser	Present
San Miguel Yamamura Packaging Corporation	Independent Director	Present
SMC Infrastructure SLEX	Independent Director	Present
Manuel L. Quezon University College of Law	Dean	Present
Supreme Court of the Philippines	Associate Justice	2009 to 2016
	Court Administrator	2008 to 2009
	Deputy Court Administrator	2000 to 2008
	Assistant Court Administrator	1996 to 2000

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **EAGLE CEMENT CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of **EAGLE CEMENT CORPORATION** of any changes in the abovementioned information within five days from its occurrence.




Done this MAY 10 2021 day of \_\_\_\_\_ 2021 in Pasig City.

  
JOSE P. PEREZ  
Affiant

SUBSCRIBED AND SWORN to before me this MAY 10 2021 day of \_\_\_\_\_ 2021 in Pasig City, affiant having exhibited to me his Philippine Passport no. P4229778A issued by DFA Manila on 31 August 2017 and valid until 30 August 2022, as well as competent evidence of identity in the form of his Taxpayer's Identification Card with No. 135-903-375.

Doc. No. 522 ;  
Page No. 186 ;  
Book No. 12 ;  
Series of 2021.

  
ANNABELLE P. LLANOZA  
Notary Public for the Cities of Pasig, San Juan  
And Municipality of Pateros  
Commission until 30 June 2021\*  
*\*as extended under Supreme Court B.M. no. 3795*  
2801 Discovery Center 25ADB Ave., Ortigas Center Pasig City  
APPT. No. 113 (2019-2020) - Roll No. 70582  
PTR No. 6514974; 01 - 13-2021; Pasig City  
IBP No. 135454; 12-17-2020; RSM  
MCLE Compliance No. VI-0024690; 04-10-2019

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY ) S.S.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RICARDO C. MARQUEZ**, Filipino, of legal age and a resident of 14 R. Kangleon Street, Phase 4 AFPOVAL, Fort Bonifacio, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **EAGLE CEMENT CORPORATION** and have been its independent director since 13 February 2017.
2. I am affiliated with the following companies or organizations:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
San Miguel Food and Beverage, Inc.	Director	2017 to present
Public Safety Mutual Fund Inc.	Director	2015 to present
Philippine National Police	Chief	2015 to 2016
	Director for Operations	2015
	Regional Director, Police Regional Office 1	2013
	Deputy Director, Directorate for Operations	2013
	Executive Officer, Directorate for Investigation and Detective Management	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **EAGLE CEMENT CORPORATION**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of **EAGLE CEMENT CORPORATION** of any changes in the abovementioned information within five days from its occurrence.

APR 30 2021


Done this \_\_\_\_ day of April 2021 in Pasig City.

  
**RICARDO C. MARQUEZ**  
Affiant

APR 30 2021

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of April 2021 in Pasig City, affiant having exhibited to me his Philippine Passport no. P1277739A issued by DFA-NCR East on 17 December 2016 and valid until 16 December 2021, as well as competent evidence of identity in the form of his Taxpayer's Identification Card with No. 150-378-662.

Doc. No. 389 ;  
Page No. 79 ;  
Book No. VII ;  
Series of 2021.

  
**IAN DENIS U. CANOY**  
Notary Public for the Cities of Pasig, San Juan  
And Municipality of Paleros  
Commission until 30 June 2021\*  
*\*as extended under Supreme Court B.M. no. 3795*  
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City  
APPT. No. 143 (2019-2020) - Roll No. 70912  
PTR No. 6514961; 01 - 13-2021; Pasig City  
IBPN No. 135440; 12-27-2020; RSM  
MCLE Compliance No. VI - 025505 ; 04 - 18-2019

REPUBLIC OF THE PHILIPPINES)  
PASIG CITY ) S.S.

### CERTIFICATE

I, **MARIA FARAH Z.G. NICOLAS-SUCHIANCO**, of legal age, Filipino, and with office address at Suite 2801 Discovery Center, 25 ADB Avenue, Ortigas Center, Pasig City, having been duly sworn in accordance with law, state that:

1. I am the duly elected Corporate Secretary of **EAGLE CEMENT CORPORATION** (Corporation), a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 2/F SMITS Corporate Center, 155 EDSA, Brgy. Wack-Wack, Mandaluyong City.

2. No director or officer of the Corporation is currently in the government service or is affiliated with any government agencies or its instrumentalities.


3. This Certification is being issued for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have affixed my signature this 11<sup>th</sup> day of May 2021 in Pasig City.

  
**MARIA FARAH Z.G. NICOLAS-SUCHIANCO**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 11<sup>th</sup> day of May 2021 in Pasig City, affiant having exhibited to me her Community Tax Certificate No. 6886497 issued on 08 January 2021 in Pasig City, as well as competent evidence of her identity in the form of her Tax Identification Number 165-102-272.

Doc. No. 370;  
Page No. 75;  
Book No. III;  
Series of 2021.

  
**DEO PAOLO MARCIANO V. HERMO**  
Notary Public for the Cities of Pasig, San Juan  
And Municipality of Pateros  
Commission until 31 December 2021  
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City  
APPT. No. 172 (2020-2021) - Roll No. 73007  
PTR No. 6514964; 01-13-2021; Pasig City  
IBP No. 135444; 12-17-2020; RSM  
MCLE Compliance - N/A (Admitted to Bar on 2019)





**SEC FORM 17-A  
ANNUAL REPORT WITH AUDITED  
CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020  
(ANNEX B)**



S.E.C. Number

File

Number \_\_\_\_\_

**EAGLE CEMENT CORPORATION**

(Company's Full Name)

2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong

City, 1554

(Company's Address)

(632) 5 3013453

(Telephone Numbers)

December 31

(Fiscal Year Ending) (month & day)

**SEC FORM 17-A – Annual Report**

Form Type

\_\_\_\_\_  
Amendment Delegation (If applicable)

December 31, 2020

Period Ended Date

\_\_\_\_\_  
(Secondary License Type and File Number)

# COVER SHEET

A	S	O	9	5	-	0	0	5	8	8	5
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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

**Marlon P. Javarro**

(Contract Person)

**(02) 5 301-3453**

(Company Telephone Number)

1	2	3	1
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Month Day

(Fiscal Year)

1	7	-	A	
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(Form Type)  
For the year ended  
31 December  
2020

0	6		
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Month Day

(Annual Meeting)

Securities registered pursuant to  
Sections 8 and 12 of the SRC or  
Sections 4 and 8 of the RSA

(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/section

42

Total No. of Stockholders

**₱6.4 Billion**

Domestic

1

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document ID

Cashier

## STAMPS

Remarks: Please use BLACK ink for scanning purposes.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-A, AS AMENDED**

**ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the calendar year ended: **December 31, 2020**
2. Commission identification number: **AS095-005885**
3. BIR Tax Identification No.: **004-731-637-000**
4. Exact name of issuer as specified in its charter : **EAGLE CEMENT CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization  
**Mandaluyong, Philippines**
6. (SEC Use Only  Industry Classification Code:
7. **2/F SMITS Corporate Center, 155 EDSA, Barangay Wack Wack, Mandaluyong City**  
Address of issuer's principal office Postal Code : **1554**
8. **(632) 5 301-3453**  
Issuer's telephone number, including area code
9. Former name, former address and former fiscal year, if changed since last report : **NA**
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 Issued and/or Outstanding
<b>COMMON (OUTSTANDING)</b>	<b>5,000,000,005</b>

\* The total issued and outstanding shares as at December 31, 2020 are:  
Common 5,000,000,005

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

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the classes of securities listed therein:

Philippine Stock Exchange (PSE)	Common Shares
---------------------------------	---------------

The Company's common shares were listed in the PSE on May 29, 2017 through an initial public offering (IPO).

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 ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [X] No [ ]

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:

13. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ] No [X] This item is not applicable to the Company.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of

QUEZON CITY on the \_\_\_\_\_ 2021.

  
**RAMON S. ANG**  
Chairman

  
**JOHN PAUL L. ANG**  
President & CEO

  
**MONICA L. ANG**  
Treasurer, CFO and EVP for Business Support Group

  
**MARIA FARAH Z.G. NICOLAS-SUCHIANCO**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this MAY 06 2021, affiants exhibiting to me the following:

Name	CTC/ Passport No. / SSS No. Date and Place of Issuance	Competent Evidence of Identity
Ramon S. Ang		TIN 118-247-725
John Paul L. Ang		TIN 212-627-576
Monica L. Ang		TIN 249-786-240
Maria Farah Z.G. Nicolas-Suchianco		TIN 165-102-272

Doc. No. 86 ;  
Page No. 19 ;  
Book No. 4 ;  
Series of 2021.

  
**ATTY. VALERIE A. VALENZUELA**  
Notary Public for Quezon City  
Commission until 31 December 2020  
Adm. Matter No. EP-104 (2019-2020)  
(Extended until 30 June 2021 per R.P. J795)  
Unit 2625 T2 Amala Suites Cebu, 5th Ave., Brgy. Sucro, Cebu City  
Phil No. 65372  
MCLC Compliance No. VI-0016091  
PTR No. 0700057 01/11/2021: CC  
ISP No. 143512 01/05/2021: CC

## **PART I – BUSINESS AND GENERAL INFORMATION**

### **ITEM 1. BUSINESS**

#### **A. Business Development**

##### **The Company**

Eagle Cement Corporation (ECC or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 21, 1995. The Parent Company and its wholly-owned subsidiaries, South Western Cement Corporation (“SWCC”) and KB Space Holdings, Inc. (“KSHI”) are collectively referred to herein as “the Group”. SWCC and KSHI are also incorporated in the Philippines and registered with the SEC.

The Parent Company is a 60.21%-owned subsidiary of Far East Holdings, Inc. (formerly Far East Cement Corporation), the Ultimate Parent Company, an entity incorporated and domiciled in the Philippines. The Parent Company and SWCC are primarily engaged in the business of manufacturing, marketing, sale and distribution of cement, cement products and by-products. SWCC is still under development stage as at December 31, 2020 KSHI will engage in property leasing. KSHI has not started its commercial operations as at December 31, 2020.

On May 29, 2017, the common stock of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) through an Initial Public Offering (IPO) under the ticker symbol “EAGLE”.

The registered office address of the Parent Company is 2/F SMITS Corporate Center 155 EDSA, Barangay Wack-Wack, Mandaluyong City.

##### **Subsidiaries**

The direct subsidiaries of the Company as of December 31, 2020 are listed below:

##### ***South Western Cement Corporation***

SWCC was incorporated in the Philippines on December 26, 1994. It will primarily engage in manufacturing, marketing, sale and distribution of cement, cement products and by-products. SWCC was given the right to source its raw materials on a property situated at Malabuyoc, Cebu by virtue of the Mineral Production Sharing Agreements (MPSAs) granted by the Republic of the Philippines through the Department of Environment and Natural Resources (DENR) in November 1996. The Parent Company acquired 100% equity interest in SWCC in December 2016.

##### ***KB Space Holdings, Inc.***

KSHI was incorporated in the Philippines on April 13, 1994, with the primary purpose to purchase, acquire, lease, develop or in any manner hold, own, use, sell or turn into account or dispose of, land and real estate of any kind and description. KSHI was acquired by the Parent Company on August 13, 2015. As of December 31, 2020, KSHI owns six contiguous properties with an estimated aggregate area of 7,169 square meters. KSHI is located in a prime commercial area in Brgy. Wack-Wack, Mandaluyong City, Metro Manila.

## **B. Business of the Company**

The Parent Company is a fully-integrated Corporation primarily engaged in the business of manufacturing, marketing, sale and distribution of cement. ECC has the newest, state-of-the-art, and single largest cement manufacturing plant in the Philippines. ECC is the fourth largest player in the Philippine cement industry in terms of cement sales volume, with the fastest growing market share amongst all competitors in the industry since it started its commercial operations in 2010.

The competitive strength of ECC is founded on its end-to-end production strategy, which seamlessly integrates critical raw material sourcing with modern manufacturing technology resulting in one of the most efficient cement manufacturing operations in the country. ECC has the single largest integrated plant production capacity in terms of cement output in the Philippines through its primary cement production facility located in Barangay Akle, San Ildefonso, Bulacan (the "Bulacan Cement Plant"). The Bulacan Cement Plant consists of three (3) integrated production lines with a combined annual cement production capacity of approximately Seven Million One Hundred Thousand (7,100,000) Metric Tonnes ("MT") or One Hundred Eighty Million (180,000,000) bags per annum. This is inclusive of the Twelve Million (12,000,000) bags of cement per annum produced by its grinding and packaging facility in Limay, Bataan. It is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of ECC.

The Cebu Cement Plant will be a fully integrated plant built to manufacture cement using the raw materials to be extracted under the MPSAs of SWCC in the province of Cebu. The plant will use approximately Two Million Five Hundred Thousand (2,500,000) MT of limestone per annum which will produce an estimated One Million Five Hundred Thousand (1,500,000) MT to Two Million (2,000,000) MT of cement. Majority of the cement produced will be dispatched from the plant by sea to a network of bulk cement distribution terminals across the Visayas and Mindanao.

ECC offers Blended (Type 1P) and OPC (Type 1) cement to both distributors and top Philippine real estate developers under the *Eagle Cement* brand that has become synonymous with strength, durability, reliability, and world-class quality. As a testament to the quality of the products of the Company, *Eagle Cement Strongcem* is being used in concrete design of up to a high of twelve thousand pounds per square inch (12,000 PSI).

The Company supports the distribution of its high quality products by means of its strong mass media marketing efforts and grass-roots below-the-line activation partnership-building programs with dealers, distributors, and retailers. Through its holistic brand building activities, ECC continues to enhance its value proposition which develops strong client relationships. Sound credit management framework employed by ECC ensures a substantially liquid financial position that provides options in short-term financial planning and in long term capital development strategy.

About sixty-three percent (63%) of the country's total cement demand come from Luzon region. ECC currently distributes its products in the following areas of the Luzon region: National Capital Region, Region I (Ilocos Norte, Ilocos Sur, La Union, Pangasinan), Region II (Batanes, Cagayan, Isabela, Nueva Vizcaya, and Quirino), Region III (Nueva Ecija, Bulacan, Pampanga, Tarlac, Bataan, Zambales), and Region IVA (Cavite, Laguna, Batangas, Rizal, and Quezon). As of 2020, NCR still serves as the center of construction and infrastructure activities in the country. ECC is considered as one of the leading players in areas with the highest economic activity in the Philippines with an estimated market share of 17% in NCR, Region III, and Region IVA, based on internal company data.

Currently, ECC does not sell its products in other countries. With the foreseen increase in both private and public construction activities, supported by the commitment of the national government towards infrastructure development, there remains a strong positive outlook on the Philippine economy which translates to sustained and impressive growth prospects for the cement industry in the country. ECC is uniquely well-positioned to capitalize on these market conditions to maintain its robust financial performance through modern production technology, strategic raw material sources, strong brand equity and established customer and dealer relationships. ECC will expand its production capacity and market coverage in the Philippines with the near completion of its Finish Mill 5 and other supporting facilities by the second quarter of 2021.

#### **(a.) Products and Brands**

ECC offers Blended (Type 1P) and OPC (Type 1) cement under the *Eagle Cement* brand to both distributors and top Philippine real estate developers.

##### **Brands**

##### ***Cement Bags***

Cement bags (cement packed in 40 kilogram bags) are currently sold under either the *Eagle Cement Advance* or *Eagle Cement Exceed* brands. This Type 1P blended cement is used for general construction applications such as floorings, plastering, as well as the production of concrete products like hollow blocks, culverts and concrete pipes. Distribution of said product is generally done through direct plant pick-up or delivery to cement retailers, dealers and distributors which in turn is sold to various customers like retailers, contractors, and home builders.

##### ***Bulk Cement***

Type 1 bulk cement is sold under the *Eagle Cement Strongcem* brand. Bulk cement is usually used for cement and concrete applications that require higher compressive and early strength development such as concrete slabs, foundations and matting in high rise buildings and infrastructures like roads and bridges. Distribution of said product is done through direct plant pick-up or truck delivery to institutional customers such as ready mix concrete suppliers, real estate and infrastructure developers and contractors.

Sales of cement bags to retail customers comprise the main revenue source of ECC, accounting for about 82.79% 79.30% and 80.35% of the consolidated net sales for years ended December 31, 2020, 2019, and 2018, respectively. However, demand for bulk cement has seen a compound annual growth rate (CAGR) of (7.74)% over the past three (3) years, accounting for about 17.21%, 20.70%, and 19.65% of the consolidated net sales for years ended December 31, 2020, 2019, and 2018, respectively, attributable to the continuous marketing and distribution efforts of ECC towards institutional customers and upstart in both public and private infrastructure and construction sectors signifying the improved presence of the *Eagle Cement* brand in this particularly important market segment.

#### **(b.) Distribution**

The distribution channels in the Philippines are slightly different between cement bags and bulk cement. Cement bags are almost exclusively sold through over a hundred independent wholesalers such as dealers and distributors. These wholesalers are usually associated with various cement producers although there are also a few which exclusively carry brands of a single manufacturer. Wholesalers either pick-up cement from the plant or have it delivered to their depots by the cement companies. Wholesalers mainly sell cement although a small amount of bulk cement (around 5% of total volume) is also being sold. These dealers and distributors sell cement to retailers which usually have outlets selling a variety of building materials to the public. As for bulk cement, this is mainly sold directly by the manufacturers to ready mix concrete producers ("RMC"), concrete product producers, projects contractors and developers.

ECC has five distribution centers located in Paranaque and Quezon City in the NCR, Cavite and Batangas in Region IVA and in Pangasinan in Region 1. These are complemented by a fleet of about 300 cargo trucks, 300 trailers, and 200 bulk carriers operated by third party service providers comprising a network that can efficiently reach the most important markets in NCR and its developing suburban areas as well as nearby fast-growing provincial markets. The distribution network of ECC supplies cement products to about 96 dealers and sub-dealers all over NCR and Region IVA.

To encourage product and brand loyalty, ECC has adopted a program to assist third-party service providers in the acquisition of cargo trucks. Under this program, ECC buys cargo trucks which, in turn, will be sold to third parties on installment payment basis for a certain period of time. The third-party service providers maintain possession and control of the vehicles, manage and operate their business distinctly and independently from ECC. These service providers are fully responsible and have complete control over the manner and method of conducting their businesses and exercise control over the performance of their employees. During the term of the installment plan, a third-party service provider is bound to exclusively service ECC's products. After the last installment payment or upon full payment of the purchase price, ECC transfers ownership over such vehicle to the third-party service provider.

### **(c.) Competition**

#### **Current Domestic Supply**

As of December 2020, the Philippine cement industry has an estimated annual cement capacity of 38.0 Million MT based on nameplate capacities of integrated cement manufacturing and grinding plants in the country. Of these capacities, it could be noted that the top four industry players (Holcim Philippines, Cemex Holdings Philippines, CRH-Aboitiz, and Eagle) account for about 84% and 78% of total clinker and cement domestic production, respectively.

In the Luzon region, the top four industry players account for about 71.00% share of the said market. Note that while ECC has 18% share of the Luzon market, it has an estimated market share of 20.6% and 23.70% in NCR and Region 3, respectively. Because of this, ECC is considered one of the leading players in the areas with highest economic activities in the Philippines.

As for the Visayas region, Cemex has the most volume with about 30% share, supplying cement through its plant in Cebu. Holcim has the largest market share in Mindanao at 43%, supplying cement through its two plants on the said area.

Competition is mainly on the basis of product quality, market coverage, distribution infrastructure, product offerings, marketing strategy, brand equity and pricing. Given the key strengths of the Company and its track record to date, ECC believes it can continue to compete strongly on these factors with other players in the industry.

ECC has a diverse customer base and is not dependent on any single customer. No single customer accounts for 20.00% or more of the total revenues of ECC.



The following table illustrates the contribution in revenue of each product of the Company:

<b>CEMENT TYPE</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Bags (Type 1P)</b>	82.8%	79.3%	80.4%
<b>Bulk (Type 1)</b>	17.2%	20.7%	19.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### ***Imports***

As a result of the robust growth in cement consumption, the Philippine cement market has seen significant growth in imports of both clinker and cement. These imports are brought into the country either by existing industry players or independent importers. The entry of independent importers is viewed to be opportunistic in nature and their long-term commitment to the market is questionable since they have yet to invest in importation assets in the country such as terminals, depots, etc.

### **(d.) Sources and availability of raw materials**

The primary raw materials used in the cement manufacturing process of ECC is limestone. Raw materials costs represent approximately 20.7%, 23.5% and 17.4% of the costs of sales of ECC for the years ended December 31, 2020, 2019 and 2018, respectively.

Limestone is sourced primarily by ECC from its own reserves pursuant to its mineral rights. As part of the strategy of ECC, said reserves are co-located or within proximity of the Bulacan Cement Plant to minimize transportation/hauling costs.

### ***Other raw materials obtained from third party sources***

In addition to the limestone sourced from its reserves, ECC also procures shale, gypsum, silica, and other raw materials from third party suppliers located within and outside of the Philippines. Raw materials sourced through third parties are usually contracted on a cost (based on prevailing market prices) and freight basis up to the plants. Raw materials below the prescribed standards are deducted from suppliers' billings. Losses incurred during the transport of the raw materials to the plant are charged to the third party service providers.

ECC primarily sources these other raw materials from other third party pursuant to existing supply agreements and purchase orders.

### **(e.) Research and Development**

Research and development activities of ECC form part of the function of the Quality and Process Department of the Company.

### **(f.) Employees**

ECC has been able to maintain a good relationship with its workforce. Neither ECC nor any of its subsidiaries has experienced a work stoppage as a result of labor disagreements. None of the employees of ECC belong to a union since its incorporation in 1995.

The following table sets forth the total employee headcount, divided by function, as of December 31, 2020:

Management Committee	15
Managers	11
Superintendents/Heads	45
Supervisors	126
Rank and File	319
<b>Total Headcount</b>	<b>516</b>

ECC has a rewards and recognition policy that is competitive with industry standards in the Philippines. Salaries and benefits are reviewed periodically and adjusted accordingly to retain current employees and attract new talents. Tied to this is a performance management system that calls for the alignment of individual key results, competencies, and development plans with the overall business targets and strategy of the Company. Performance is reviewed annually and employees are rewarded based on the attainment of pre-defined objectives. In addition to its statutory benefits, ECC maintains benefits to provide for the increased security of its employees in the following areas: healthcare, leaves, miscellaneous benefits, loans and financial assistance applicable to a variety of uses, retirement benefits, survivor security and death benefits. The Company also provides programs for the professional and personal development of its employees.

**(f.) Transactions with Related Parties**

Refer to Item 12, Part III of this SEC Form 17-A (Annual Report) and Note 19- Related Party Transactions to the Consolidated Financial Statements as of year ended December 31, 2020 in the accompanying Audited Financial Statements filed as part of this Form 17-A.

**(g.) Intellectual Properties**

ECC's intellectual property registrations and application as of December 31, 2020 are described below:

**Registered Trademarks.** Eagle Cement (TM42020003451), Eagle Cement (TM42020003447) Eagle Cement (TM42020003449), Eagle (TM42020003450), Eagle Cement (TM42020003446), Eagle Cement (TM42020003448), Eagle Cement Exceed (TM42009012374), The Reinforcements! (TM42013010045), Eagle Cement Hard Wall (TM42013010042), Eagle Cement Palitada Max (TM42013010043), Eagle Cement Super Mason (TM42013010044), Eagle Cement High Sa Tibay! (TM42015003734), Eagle Cement Power Minerals (TM42015006466), Eagle Cement Power Minerals (TM42015006466), Eagle Cement (TM42009010863 and Eagle Cement (TM42008006759).

**(h.) Compliance with Regulatory and Environmental Laws**

ECC is subject to a number of laws and regulations relating to the protection of the environment and human health and safety, including those governing air emissions, water and wastewater discharges, and odor emissions and the management and disposal of hazardous materials. ECC applies its quality standards uniformly across all its production facilities.

As a certified IMS (Integrated Management System) company, ECC was issued with ISO-9001, ISO-14001 and OHSAS 18001 certifications by TUV-SUD Asia Pacific TUV SUD Group for the establishment and application of a quality management system, environmental management system, and occupational health and safety management system for the manufacturing of Portland cement and blended hydraulic cement with pozzolan. This year, ECC intends to continue to strengthen its commitment to health and safety standards as it prepares to migrate towards ISO-45001 certification.

ECC believes it is compliant with relevant health, safety, and environmental laws. In addition, the Company has implemented health and safety protocols in accordance with the guidelines and requirements of government agencies in order to contain the spread of Covid-19.

**ITEM 2. PROPERTIES**

The general asset description and locations of the various plants and offices owned and leased by ECC and its Subsidiaries are included in Appendix C of this SEC form 17-A.

The properties in Appendix C are in good condition, ordinary wear and tear excepted. ECC is continuously evaluating available properties for sale which cost or details cannot be determined at this time.

### **ITEM 3. LEGAL PROCEEDINGS**

As set forth below, ECC is involved in ongoing legal case.

#### ***Civil Case for Fraud***

ECC is the plaintiff in this case. It sought to enjoin defendants Exclusive Precinct Int. (M) Sdn Bhd (Exclusive), PT Hasta Yasa Semsta (PT Hasta), an Indonesian entity, QY Asia Marketing & Services Sdn Bhd (QY Asia), a Malaysian entity, and Malayan Bank Berhad (Maybank) from claiming under the Letter of Credit No. 2010/0260 in the amount of Nine Hundred Four Thousand US Dollars (US\$904,000.00) and defendant Bank of Commerce (BOC) from releasing payment under the same Letter of Credit.

On July 12, 2011, a writ of preliminary injunction was issued by Hon. Presiding Judge Ofelia C Calo of the Regional Trial Court of Mandaluyong, Branch 211, enjoining defendants from claiming payment from defendant Bank of Commerce.

As of December 31, 2020, the trial of the case is continuously being held. The next schedule of hearing for the presentation of plaintiff's evidence is on 10 June 2021.

### **ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS**

Any stockholder of the Corporation may exercise his appraisal right against the proposed actions which qualify as instances giving rise to the exercise of such right pursuant to and subject to the compliance with the requirements and procedure set forth under Title X of the Corporation Code of the Philippines.

There were no matters that were acted upon by the stockholders at the Annual Meeting of the Stockholders held last July 15, 2020 that required the exercise of the appraisal right.

## PART II - FINANCIAL INFORMATION

### **ITEM 5 MARKET INFORMATION AND STOCKHOLDERS MATTERS**

#### **(1) Market Price of and Dividends on the Company's Common Equity and Related Stockholders Matter**

The principal market for the registrant's common equity is the Philippine Stock Exchange

The percentage of public ownership of the Corporation as of December 31, 2020 is 11.50%.

Stock Prices	High	Low
1st Quarter	₱14.78	₱5.90
2nd Quarter	₱10.88	₱7.35
3rd Quarter	₱14.60	₱9.79
4th Quarter	₱16.10	₱14.40

As of December 31, 2020 there are Five Billion and five (5,000,000,005) issued and outstanding common shares which are registered securities pursuant to Sections 8 and 12 of the Securities Regulations Code.

#### **Top Twenty (20) Stockholders (Common)**

	Name of Stockholder	Nationality	No. of Shares	Percentage to total O/S (%)
1	Far East Holdings, Inc.	Filipino	3,010,714,288	60.21%
2	Ang, Ramon S	Filipino	1,317,857,139	26.36%
3	PCD Nominee Corp - Filipino	Filipino	502,430,758	10.05%
4	Ang, John Paul L	Filipino	96,428,569	1.93%
5	PCD Nominee Corp - Non-Filipino	Non-Filipino	70,619,521	1.41%
6	Raymond M. Moreno	Filipino	1,333,300	0.03%
7	Gerardo P. Sugay	Filipino	250,000	0.00%
8	Kim Sy Jacinto-Henares	Filipino	100,000	0.00%
9	Nestor D. Alampay Jr	Filipino	70,000	0.00%
10	Sysmart Corporation	Filipino	50,000	0.00%
11	Raul G. Gerodias	Filipino	40,000	0.00%
12	William Tan Ang	Filipino	15,500	0.00%
13	Josephine Eviota Jolejole	Filipino	12,300	0.00%
14	Villanueva, Myra P	Filipino	10,000	0.00%
15	Norma R. Espina	Filipino	10,000	0.00%
16	Conrad B. Reyes &/or Ethelisa L. Reyes	Filipino	10,000	0.00%

	Name of Stockholder	Nationality	No. of Shares	Percentage to total O/S (%)
17	Villanueva, Myrna P.	Filipino	6,600	0.00%
18	Villanueva, Milagros P.	Filipino	6,600	0.00%
19	Carlos Catangue Chua	Filipino	6,400	0.00%
20	Sonia S. Tapales	Filipino	6,000	0.00%
	<b>Total</b>		<b>4,999,976,975</b>	

### **Preferred Shares**

Preferred stock is cumulative, non-participating, non-voting, not convertible to common stock and redeemable at the option of the Parent Company at the end of fifth year from the issue date, at the price of issue value plus all accumulated and unpaid dividends. Subject to the availability of unrestricted retained earnings of the Parent Company, the preferred stockholders shall be paid a cash dividend of 6.00% per annum or such rate as may be fixed by its BOD.

As at December 31, 2019 and 2018, there is no dividend in arrears related to the preferred stock.

On March 13, 2020, the Company's board of directors approved the redemption of all outstanding preferred shares in the amount of P3,000,000,000.00 divided into Three billion (3,000,000,000) preferred shares on June 2, 2020 with record date of March 20, 2020. The redemption price shall be the issue price of P1.00 per share, plus any accumulated and unpaid cash dividends.

On March 16, 2021, the Certificate Authorizing Registration (CAR) on the transaction has been issued by the Bureau of Internal Revenue and was received by the Company.

### **Limitations and Requirements**

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC. The approval of the Board is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose. From time to time, the Company may reallocate capital among its subsidiaries depending on its business requirements.

The Philippine Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the Board; (ii) when the required consent of any financing institution or creditor to such distribution has not been secured; (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probable contingencies; or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

### **Dividend History**

Set out below is the dividend history of ECC for the past five years, paid out to the shareholders of ECC.

#### **Cash Dividend**

Pursuant to the features of Preferred Shares with cumulative, non-participating annual dividend rate of six percent (6%) of the issue price, it has been the policy of ECC to declare cash dividends payable to preferred shareholders on a quarterly basis. ECC declared and paid quarterly cash dividends to preferred shareholders commencing in the second quarter of 2015, and every quarter thereafter.

Below is a summary of the cash dividend declarations of the Company:

<b><u>Date of Declaration</u></b>	<b><u>Class of Shares</u></b>	<b><u>Rate per share (P)</u></b>	<b><u>Total Amount (P)</u></b>	<b><u>Record Date</u></b>
January 9, 2017	Preferred	0.015	45,000,000.00	January 15, 2017
April 5, 2017	Preferred	0.015	45,000,000.00	March 31, 2017
June 29, 2017	Preferred	0.015	45,000,000.00	May 31, 2017
June 29, 2017	Preferred	0.015	45,000,000.00	May 31, 2017
June 29, 2017	Preferred	0.015	45,000,000.00	May 31, 2017
March 15, 2018	Preferred	0.015	45,000,000.00	March 15, 2018

March 15, 2018	Preferred	0.015	45,000,000.00	March 15, 2018
March 15, 2018	Preferred	0.015	45,000,000.00	March 15, 2018
March 15, 2018	Preferred	0.015	45,000,000.00	March 15, 2018
May 3, 2018	Common	0.2310231027	1,155,115,515.50	May 31, 2018
February 28, 2019	Preferred	0.015	45,000,000.00	February 28, 2019
February 28, 2019	Preferred	0.015	45,000,000.00	February 28, 2019
February 28, 2019	Preferred	0.015	45,000,000.00	February 28, 2019
February 28, 2019	Preferred	0.015	45,000,000.00	February 28, 2019
June 18, 2019	Common	0.26	1,300,000,001.30	July 12, 2019
March 13, 2020	Preferred	0.015	46,500,000.00	March 13, 2020

#### **Recent Sale of Unregistered or Exempt Securities**

On April 29, 2016, after approval by the SEC of the increase of the authorized capital stock of ECC from ₱3,500,000,000.00 to ₱8,500,000,000.00, ECC issued common shares to the following persons and in the amounts indicated below pursuant to the foregoing capital increase and in implementation of the distribution of stock dividend in the amount of ₱4,000,000,000.00 declared by ECC on December 9, 2015:

On February 13, 2017, the Company issued one common share each to Melinda Gonzales-Manto, Ricardo C. Marquez, Martin S. Villarama, Jr. and Jose P. Perez at par value. On February 23, 2017, ECC issued one common share to Luis A. Vera Cruz, Jr., at par value. The issuance by a corporation of securities to less than 20 persons in the Philippines in any 12-month period is exempt from registration pursuant to Section 10.1(k) of the SRC. In addition, the distribution by a corporation of securities to its stockholders or other security holders as a stock dividend or other distribution out of surplus is exempt from registration pursuant to Section 10.1(d) of the SRC.

## **ITEM 6 MANAGEMENT DISCUSSION AND ANALYSIS**

The following discussion and analysis relate to the consolidated financial position and results of operations of the Group and should be read in conjunction with the accompanying audited consolidated financial statements and related notes. The audited consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards ("PFRS"). PFRS includes statements named PFRS and Philippine Accounting Standards, including Interpretations issued by the PFRS Council.

The financial information appearing in this report and in the accompanying audited consolidated financial statements is presented in Philippine pesos, the Group's functional and presentation currency, as defined under PFRS. All values are rounded to the nearest million pesos, except when otherwise indicated.

### **Key Components of Results of Operations**

#### ***Revenues***

ECC generates revenue from the sale of cement (via cement bags or bulk cement). ECC sells majority of its products to dealer clients (via cement bags) but demand for bulk cement from institutional clients also account for a significant portion of total sales.

#### ***Cost of Goods Sold***

Cost of goods sold represents the accumulated total of all costs used to produce cement which has been sold. It comprises variable and fixed and semi-variable expenses such as, electricity consumption, fuel consumption, raw materials, packaging materials, repairs and maintenance expenses, personnel expenses, depreciation and depletion of assets utilized in production of cement and clinker, expenses related to moving, storing, feeding of raw materials in the plant, and all other expenses directly identifiable to cement production.

Expenses related to personnel, equipment and other services involved in the sales, distribution, and warehousing activities of cement at points of sales does not form part of cost of sales. These are included in operating expenses. Freight expenses of finished products between plants and points of sale and freight expenses from points of sales to the facilities of the customers are included as part of distribution expenses.

#### ***Operating Expenses***

Operating expenses consist of administrative and selling and distribution expenses. Administrative expenses include the costs of the employees (salaries and benefits), taxes and licenses, security services and depreciation of non-production related assets. Selling and distribution expenses comprise of, but not limited to, freight cost, warehousing fees, advertising and promotion and handling.

#### ***Finance Costs***

Finance costs mainly consist of interest expense incurred in relation to the Term Loan and Facility and Security Agreement (TLFSA) entered into with various banks to finance the construction of the third production line.

#### ***Interest Income***

Interest income basically comprise interest income earned from short-term placements cash deposits and finance lease agreement with its haulers.

#### ***Other Income – Net***

Other income comprises of foreign exchange gain, fair value adjustment on investment properties, gain on sale of property and equipment, gain or loss on sale of investments and dividend income.



## ***Income Taxes***

Income taxes includes current and deferred income tax. Current income tax expense pertains to regular corporate income tax of the Parent Company. The statutory income tax rate of the Parent Company is 30% and the income tax at effective tax rate was 23.39% , 17.01% and 23.77% in CY 2020; CY 2019, and CY 2018, respectively, after taking into consideration the increase (decrease) in income tax resulting from: income exempt from ITH (income tax holiday) covered activities, non-deductible interest expense, interest income subjected to final tax, and dividend income exempt from income tax. On July 31, 2017, the Bureau of Investments (BOI) approved the application of the Parent Company as an expanding producer of cement in Bulacan on a nonpioneer status. In May 2018, the Group started commercial operations of Line 3. On October 2, 2020, BOI granted the deferment of ECC's ITH entitlement for the taxable year 2020 for the expansion project covered by BOI CR 2017-278 on account of the adverse effects of the COVID-19 (Corona virus disease) pandemic resulting in the firm not being able to fully enjoy the ITH incentives granted to it. The ITH entitlement shall expire on April 30, 2022.

## **RESULTS OF OPERATIONS (2020 VS. 2019)**

Eagle Cement Corporation (EAGLE or “the Company”) registered a net profit of ₱3.39 billion, 44% lower than the ₱6.01 billion it made in 2019 after a strong start in 2020 was disrupted by the implementation of lockdown measures amid the COVID-19 pandemic that began in mid-March of the year.

The Company reached net sales of ₱13.91 billion, 30% lower than the ₱19.82 billion it recorded last year as COVID-19 related restrictions led to a sharp contraction in cement demand. Of the total net sales, 83% were derived largely from Type 1P or bagged cement while the remaining 17% represents Type 1 or bulk cement. Following the easing of restrictions in the second half, the Company grew its net sales by 35% during the period versus the first semester of the year.

Cost of goods sold consequently dropped by 26% to ₱8.21 billion, reflecting the decline in sales volume, coupled with the nonconsumption of imported clinker and lower prices of coal.

Gross profit registered at ₱5.70 billion, a 34% decrease from the ₱8.67 billion in the same period last year, with margin registering at 41%

Operating expenses decreased by 15% to ₱1.59 billion from ₱1.87 billion last year led lower by the 33% drop in freight costs resulting from the lower sales volume.

Finance costs dropped by 13% to ₱430.70 million owing to the partial repayment of loan related to the Term Loan Facility and Security Agreement (TLFSA).

Interest income dropped by 56% to ₱333.75 million mainly due to the decrease in the interest rate in the financial market with the interest rate cut(s) imposed by the Bangko Sentral ng Pilipinas.

Other income surged by to 130% ₱412.79 million as a result of fair value adjustments on investment properties and of dividend income from the investment in redeemable perpetual security.

Income tax expense decreased by 16% to ₱1.04 billion attributable to the lower taxable income resulting from the decrease in net sales during the period.

These movements resulted in an earnings before interest, tax, depreciation and amortization (EBITDA) of ₱5.57 billion, maintaining an EBITDA margin at 40%.

Meanwhile, net income margin registered at 24%.

For the fourth quarter alone, EAGLE reported net sales of ₱3.94 billion, 13% lower relative to the same quarter in 2019. Gross profit similarly declined by 19% to ₱1.58 billion. Meanwhile, EBITDA went down by 25% to ₱1.36 billion.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2020, 2019 and 2018, presented in absolute amounts as a percentage of net sales.

	For the Year Ended December 31				
	2020	2019	2018	% of Change	
	(in Millions of Philippine Pesos, except percentages)			2020 vs 2019	2019 vs 2018
Net Sales	13,906	19,824	16,522	-30%	20%
Cost of Goods Sold	8,209	11,153	9,311	-26%	20%
Gross Profit	5,697	8,671	7,211	-34%	20%
Operating Expenses	1,586	1,872	1,568	-15%	19%
Income from Operations	4,111	6,799	5,643	-40%	20%
Finance costs	431	496	366	-13%	36%
Interest Income	334	764	548	-56%	39%
Other income – net	413	180	470	129%	-62%
Income Before Income Tax	4,427	7,248	6,294	-39%	15%
Income Tax Expense	1,036	1,233	1,496	-16%	-18%
Net Income	3,391	6,015	4,798	-44%	25%

*Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*

	For the year ended	
	December 31, 2020	December 31, 2019
Net income	₱3,391,392,558	₱6,014,901,093
Add:		
Income tax expense	1,035,711,238	1,232,614,482
Depreciation and amortization	1,047,083,967	952,698,422
Finance costs	430,696,047	495,685,474
Less:		
Interest income	333,746,012	763,982,413
EBITDA	₱5,571,137,798	₱7,931,917,058

**FINANCIAL CONDITION**

The financial position of the Company for the year ended December 31, 2020 remains solid and well-capitalized, with total assets growing by 1% to ₱49.66 billion.

Current assets decreased by 8% to ₱18.91 billion as a result of the decrease in revenues.

Noncurrent assets on the other hand increased by 8% to ₱30.75 billion resulting from the revaluation gains on land and investment properties.

Current liabilities dropped by 3% to ₱4.56 billion owing to subsequent payments to various suppliers and the decrease in income tax payable.

Noncurrent liabilities also declined by 9% to ₱6.38 billion as a result of repayments made to the TLFS.

Consequently, total liabilities dropped by 7% to ₱10.94 billion while stockholder's equity rose by 4% to ₱38.71 billion.

EAGLE remains compliant with its loan covenants, with debt to equity ratio registering at 0.28x while financial debt to equity ratio stood at 0.16x. The current gearing gives the Company more flexibility to support its investment plans. Meanwhile, current ratio stood at 4.14x while return on equity ended at 9%.

**Summary of Consolidated Statements of Financial Position**

	December 31			
	2020	2019	Increase/(Decrease)	Percentage of Change
(in Millions of Philippine Pesos, except percentages)				
Current Assets	18,914	20,659	-1,745	-8%
Noncurrent Assets	30,745	28,396	2,349	8%
<b>Total Assets</b>	<b>49,659</b>	<b>49,055</b>	<b>604</b>	<b>1%</b>
Current Liabilities	4,563	4,699	-136	-3%
Noncurrent Liabilities	6,381	7,026	645	-9%
<b>Total Liabilities</b>	<b>10,945</b>	<b>11,724</b>	<b>-780</b>	<b>-7%</b>
<b>Equity</b>	<b>38,714</b>	<b>37,331</b>	<b>1,383</b>	<b>4%</b>
<b>Total Liabilities and Equity</b>	<b>49,659</b>	<b>49,055</b>	<b>604</b>	<b>1%</b>

## Company Performance and Profitability and Liquidity

### **Key Performance Indicators**

#### *Relevant Financial Ratios*

The table below shows the comparative key performance indicator of the Company:

Financial KPI	Formula	2020	2019	2018
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>4.14</b>	4.40	4.17
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	<b>0.41</b>	0.59	0.44
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<b>0.28</b>	0.31	0.39
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.28</b>	1.31	1.39
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	<b>0.08</b>	0.14	0.12
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	<b>0.09</b>	0.17	0.15

### ***Capital Expenditure***

EAGLE's total capital expenditure in 2020 amounted to ₱1.60 billion. Of that amount, 16% was disbursed for plant machinery and equipment, 77% was spent on the construction of Finish Mill 5, Packhouse 3 and Cement Silo 5, while the remaining 7% was accounted for building and improvement, transportation equipment, and furniture, fixtures and office equipment.

### ***MATERIAL CHANGES IN THE FINANCIAL STATEMENTS***

#### ***CONSOLIDATED STATEMENTS OF INCOME (YEAR-END 2020 VS. YEAR-END 2019)***

##### **Net Sales – 30% decrease**

Attributable to the halting of operations during the first half of the year due to Covid-19 restrictions

##### **Cost of Goods Sold – 26% decrease**

##### *Cost of inventories – 32% decrease*

Largely due to the decrease in sales volume and non consumption of imported clinker

##### *Utilities – 35% decrease*

Decrease in power usage as a result of Covid-19-related restrictions starting in mid-March.

##### *Repairs and Maintenance – 24% decrease*

Due to the postponement of preventive maintenance activities for three production lines

**Operating Expenses – 15% decrease**

Freight, trucking, and handling – 33% decrease

Due to the decrease in sales volume

Warehousing fees – 22% decrease

Driven by the drop in sales volume

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (END 2020 vs. END 2019)**

**Current Assets – 8% decrease**

Financial Assets at FVPL – 555% increase

Pertains to the ₱4.0 billion investment in redeemable perpetual security.

Trade and other receivables – 13% decrease

Due to the decrease in trade receivable as result of decline in sales and decrease of interest receivable.

Other current assets – 14% decrease

Attributable to the decrease in advances to suppliers caused by application of downpayments for trade-related purchases completely delivered in 2020

**Noncurrent Assets – 8% increase**

Investment Properties – 26% increase

Resulted from the ₱262 million gain on change in fair value of investment property of KSHI

Property, Plant & Equipment – 8% increase

Mainly from the land revaluation increment and of company's ongoing construction of Finish Mill 5, Cemet Silo 5 and Packhouse 3.

**Current Liabilities – 3% decrease**

Trade and other payables – 3% decrease

Subsequent payments to trade suppliers.

Income tax payable – 19% decrease

Attributable to the decline in revenue and profit before tax.

**Noncurrent Liabilities – 9% decrease**

Loans payable – net of current portion – 17% decrease

Related to the ₱1.07 billion repayment of TLFS.

**Equity – 4% increase**

Total retained earnings – 16% increase

The ₱3.39 billion net income generated in 2020 was offset by the dividend payment amounting to ₱46.50 million for preferred shareholders.

## Liquidity and Capital Resources

### Cash Flows

The primary sources and uses of cash of the Company for calendar years 2020, 2019 and 2018 were as follows:

	For the years ended December 31		
	2020	2019	2018
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	4,910	7,137	4,691
Cash flows used in investing activities	-5,764	-3,419	-2,872
Cash flows provided by (used in) financing activities	-4,602	-2,953	-2,398
Net effect of exchange rate changes on cash and cash equivalents	-16	-3	17
Net increase (decrease) in cash and cash equivalents	5,472	761	(562)
Cash and cash equivalents at beginning of year	16,938	16,177	16,739
Cash and cash equivalents at end of year	11,466	16,938	16,177

### Net Cash Flows Provided by Operating Activities

Net cash flows provided by operating activities was ₱4.91 billion. This was primarily the result of net income before taxes of ₱4.43 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱1.05 billion, finance costs of ₱430.70 million, gain on fair value changes in investment properties of ₱262.00 million, income taxes paid of ₱1.08 billion and interest received of ₱383.10 million.

### Net Cash Flow Used in Investing Activities

The net cash flows used in investing activities amounting to ₱5.76 billion was mainly from the ₱4.00 billion investment in redeemable perpetual security, ₱1.49 billion capital expenditures, the ₱217.00 million additional advances for future investment and the ₱132.06 million additions to intangible assets.

### Net Cash Used in Financing Activities

The net cash flows used in financing activities amounting to ₱4.60 billion comprised of ₱3.09 billion payments for the redeemed preferred stocks and the accumulated dividends, and ₱1,488.9 million principal and interest payments related to TLFSA.

## RESULTS OF OPERATIONS (2019 VS. 2018)

Eagle Cement Corporation (EAGLE or “the Company”) ended another remarkable year with double-digit growth across the board, reaching a net income of ₱6.01 billion, a 25% improvement from the ₱4.80 billion it made in 2018.

Robust demand from the private sector boosted the double-digit growth in sales volume, fueling the 20% increase in net sales to ₱19.82 billion in 2019 from ₱16.52 billion it posted in the preceding year. Of the total net sales, 79% were derived largely from Type 1P or bagged cement while the remaining 21% represents Type 1 or bulk cement.

The 20% increase in cost of goods sold was largely due to the increase in limestone and gypsum consumption, rise electricity and power usage and increase in utilization of imported clinker in 2019 to support operational requirements.

Consequently, gross profit rose by 20% to ₱8.67 billion compared to the previous year, with margin sustained at 44%.

Operating expenses went up by 19% to ₱1.87 billion from ₱1.57 billion a year earlier, as a result of the upsurge in selling and distribution costs, coupled by the increase in manpower expenses.

Finance costs advanced by 36% to ₱495.69 million, as a result of the cessation of the capitalization of borrowing costs related to the TLFS in December 2018, following the completion of the third integrated production line (Line 3).

Other income dropped by 62% to ₱179.77 million, mainly coming from the decline of revaluation gain or increase in market values of KB Space properties, cushioned by the increase in unrealized gain on trading securities due to fair value adjustments.

Income tax expense declined by 18% to ₱1.23 billion due to the full year effect of the income tax holiday enjoyed by the Company for its Line 3.

These movements resulted in an earnings before interest, tax, depreciation and amortization (EBITDA) of ₱7.93 billion, rising by 16% from ₱6.82 billion in the prior year. This resulted into an EBITDA margin of 40%.

Meanwhile, net income margin improved to 30%.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2019, 2018 and 2017, presented in absolute amounts as a percentage of net sales.

	For the Year Ended December 31				
	2019	2018	2017	% of Change	
	(in Millions of Philippine Pesos, except percentages)			2019 vs 2018	2018 vs 2017
Net Sales	19,824	16,522	14,872	20%	11%
Cost of Goods Sold	11,153	9,311	7,945	20%	17%
Gross Profit	8,671	7,211	6,927	20%	4%
Operating Expenses	1,872	1,568	1,403	19%	12%
Income from Operations	6,799	5,643	5,525	20%	2%
Finance costs	496	366	390	36%	(6%)
Interest Income	764	548	223	39%	146%
Other income - net	180	470	153	(62%)	207%
Income Before Income Tax	7,247	6,295	5,511	15%	14%
Income Tax Expense	1,233	1,496	1,248	(18%)	20%
Net Income	6,015	4,798	4,263	25%	13%

*Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)*

	For the year ended	
	December 31, 2019	December 31, 2018
Net income	₱6,014,901,093	₱4,798,343,056
Add:		
Income tax expense	1,232,614,482	1,495,849,341
Depreciation and amortization	952,698,422	710,148,534
Finance costs	495,685,474	365,786,275
Less:		
Interest income	763,982,413	547,543,036
EBITDA	₱7,931,917,058	₱6,822,584,170

## **FINANCIAL CONDITION**

The financial position of the Company for the year ended December 31, 2019 remains solid and well-capitalized, with total assets growing by 8% to ₱49.06 billion.

Cash and cash equivalents went up by 5% to ₱16.94 billion, primarily as a result of additional cash generated from operations and partly from the sale of PPE and other investments. Current assets at the end of the year totaled to ₱20.66 billion, 6% better than end of 2018. Noncurrent assets grew by 9% to ₱28.40 billion.

Current liabilities inched up by 1% to ₱4.70 billion while noncurrent liabilities declined by 12% to ₱7.03 billion.

Interest-bearing loans totaled to ₱7.35 billion, a 12% drop from ₱8.32 billion at the end of 2018, mainly as a result of the ₱979 million repayment of loan.

Total liabilities dropped by 7% to ₱11.73 billion while stockholder's equity rose by 14% to ₱37.33 billion.

EAGLE remains compliant with its loan covenants, with debt to equity ratio registering at 0.31x while financial debt to equity ratios stood at 0.20x. The current gearing gives the Company more flexibility to support its investment plans. Meanwhile, current ratio stood at 4.40x while return on equity ended at 17%.

### **Summary of Consolidated Statements of Financial Position**

	December 31			Percentage of Change
	2019	2018	Increase/(Decrease)	
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	20,659	19,444	1,215	6%
Noncurrent Assets	28,396	26,020	2,376	9%
<b>Total Assets</b>	<b>49,055</b>	<b>45,464</b>	<b>3,591</b>	<b>8%</b>
Current Liabilities	4,699	4,658	41	1%
Noncurrent Liabilities	7,026	7,985	(959)	(12%)
<b>Total Liabilities</b>	<b>11,724</b>	<b>12,643</b>	<b>(919)</b>	<b>(7%)</b>
<b>Equity</b>	<b>37,331</b>	<b>32,821</b>	<b>4,511</b>	<b>14%</b>
<b>Total Liabilities and Equity</b>	<b>49,055</b>	<b>45,464</b>	<b>3,590</b>	<b>8%</b>



## Company Performance and Profitability and Liquidity

### **Key Performance Indicators**

#### *Relevant Financial Ratios*

The table below shows the comparative key performance indicator of the Company:

Financial KPI	Formula	2019	2018	2017
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	<b>4.40</b>	4.17	4.94
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	<b>0.59</b>	0.44	0.37
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	<b>0.31</b>	0.39	0.44
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	<b>1.31</b>	1.39	1.44
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	<b>0.14</b>	0.12	0.13
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	<b>0.17</b>	0.15	0.18

### ***Capital Expenditure***

EAGLE' total capital expenditure in 2019 amounted to ₱2.38 billion. Of that amount, 49% was disbursed for plant machinery and equipment, 43% was spent on the construction of Finish Mill 5, Packhouse 3 and Cement Silo 5, 3% was spent on building and improvements, while the remaining 6% was accounted for land acquisitions, transportation equipment, and furniture, fixtures and office equipment.

### ***MATERIAL CHANGES IN THE FINANCIAL STATEMENTS***

#### ***CONSOLIDATED STATEMENTS OF INCOME (YEAR-END 2019 VS. YEAR-END 2018)***

##### **Net Sales – 20% increase**

Owing to double-digit sales volume growth despite the challenging market condition

##### **Cost of Goods Sold – 20% increase**

##### Cost of inventories – 25% increase

Mainly coming from the increase in limestone and gypsum consumption and and increase in utilization of imported clinker in 2019 due to operational requirements

##### Utilities – 15% increase

Due to the increase power usage as a result on increase in production, slightly tempered by lower price of electricity

##### Repairs and Maintenance – 40% increase

Primarily due to maintenance activities for three lines

## **Operating Expenses – 19% increase**

### Freight, trucking, and handling – 21% increase

Increase was due to the rise in sales volume and 4% increase in average freight cost.

### Personnel costs – 33% increase

Pertains to the increase in number of employees in 2019, as well as the rise in salary due to adjustment and increase during the year

### Warehousing fees – 60% increase

Mainly driven by sales volume growth

### Other expenses – 23% increase

Primarily due to the expenses related to Corporate Social Responsibility activities

## **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (END 2019 vs. END 2018)**

## **Current Assets – 6% increase**

### Financial Assets at FVPL – 295% increase

Pertains to the ₱500 million investment in retail bonds and ₱61.8 million unrealized gain on fair value adjustments

### Trade and other receivables – 16% increase

Due to the increase in trade receivable as result of growth in sales and increase in interest receivable from placements

### Other current assets – 10% decrease

Attributable to the decrease in advances to suppliers caused by application of downpayments for trade-related purchases completely delivered in 2019

## **Noncurrent Assets – 9% increase**

### Investment Properties – 9% increase

Resulted from the ₱111.22 million gain on change in fair value of investment property of KBSHI

### Other noncurrent assets – 40% increase

Driven by the increase in deposit for future investments, deposit for raw materials and increase in required security deposit for the supply of electricity.

## **Current Liabilities – 1% increase**

### Current portion of loans payable – 9% increase

Pertains to increase in percentage of principal repayment for 2020 as compared to the percentage of principal repayment last 2019

## **Noncurrent Liabilities – 12% decrease**

### Loans payable – net of current portion – 14% decrease

Related to the ₱979 million repayment of loan and ₱90.39 million increase in portion reported under current liabilities

## **Equity – 14% increase**

### Total retained earnings – 27% increase

As a result of the ₱6.01 billion net income generated in 2019 offset by the dividend payment amounting to ₱1.48 billion for both common and preferred shareholders.

## Liquidity and Capital Resources

### Cash Flows

The primary sources and uses of cash of the Company for calendar years 2019, 2018 and 2017 were as follows:

	For the years ended December 31		
	2019	2018	2017
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	7,137	4,691	5,458
Cash flows used in investing activities	(3,419)	(2,872)	(4,749)
Cash flows provided by (used in) financing activities	(2,953)	(2,398)	9,407
Net effect of exchange rate changes on cash and cash equivalents	(3)	17	1
Net increase (decrease) in cash and cash equivalents	761	(562)	10,117
Cash and cash equivalents at beginning of year	16,177	16,739	6,621
Cash and cash equivalents at end of year	16,938	16,177	16,739

#### Net Cash Flows Provided by Operating Activities

Net cash flows provided by operating activities was ₱7.14 billion. This was primarily the result of net income before taxes of ₱7.25 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱952.70 million, finance cost of ₱495.69 million, gain on fair value changes in investment properties of ₱111.22 million, income taxes paid of ₱1.28 billion, interest received of ₱744.38 million and net increase in working capital of ₱107.13 million.

#### Net Cash Flow Used in Investing Activities

The net cash flows used in investing activities of ₱3.42 billion was mainly due to the purchase and acquisition of property, plant and equipment amounting to ₱2.27 billion, P500.00 million investment in retail treasury bonds and deposits for asset purchase and future investment of P723.73 Million.

#### Net Cash Flows Provided by / Used in Financing Activities

The net cash flows used in financing activities of ₱2.95 billion comprised of dividends payments to both common and preferred stockholders amounting to ₱1.48 billion and payments of loans and interest of ₱1.46 billion.

## ITEM 7. FINANCIAL STATEMENTS

The Group's Accompanying Audited Consolidated Financial Statements as at and for the year ended December 31, 2019 are filed as part of this Form 17-A (Annual Report).

## ITEM 8. INDEPENDENT PUBLIC ACCOUNTANT

### Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the Company's external auditors on accounting and financial disclosure.

### Audit and Audit Related Fees

The Company paid the external auditors the following fees for the last three years for professional services rendered:

	2020	2019	2018
Audit and other audit related fees	₱3,700,000	₱3,500,000	₱3,395,000
Tax fees	120,000	-	-
Others	1,500,000		

The Audit Committee reviews the audit scope and coverage, strategy and results for the approval of the Board. It ensures that audit services rendered shall not impair or derogate the independence of the external auditors or violate SEC regulations. Likewise, the Audit Committee evaluates and determines any non-audit work performed by external auditors, including the fees therefor, and ensures that such work will not conflict with the duties of the external auditors or threaten their independence.

## **PART III- CONTROL AND COMPENSATION INFORMATION**

### **IT ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS**

The Board of ECC is entrusted with the responsibility for the overall management and direction of the company. Currently, the Board consists of 11 directors, four of whom are independent directors. The board meets at least on a quarterly basis, or more frequently as required, to review and monitor the financial position and operations of the Company.

(A). Current Directors and Executive Officers

#### **Independent directors:**

**Melinda Gonzales-Manto**, 69, *Filipino*, was first elected as an independent director of Eagle on December 22, 2016. She is the lead independent director, the chairperson of the Audit Committee, and a member of the Corporate Governance and the Related-Party Transaction Committees. She currently holds the following positions in other companies: Independent Director of Petrogen Insurance Corporation, Director and Vice-President of Linferd & Company, Inc. (a global accounting solutions company), Director and Vice President of ACB Corabern Holdings Corporation, and Independent Director and Chairperson of the Audit Committee of the Bank of Commerce, and Resident Agent of several multinational companies doing business in the Philippines. She was formerly a partner of SGV & Co., Assurance and Advisory Business Services Division (1974-2009), and previously served as Board Member of the Philippine Retailers Association (2000-2009), and as an independent member of the board of directors of the GSIS Family Bank (2011-2016). She is a certified public accountant and holds a Bachelor of Science degree from the Philippine School of Business Administration. She completed the Management Development Program at the Asian Institute of Management.

**Ricardo C. Marquez**, 60, *Filipino*, was first elected as an independent director of the Corporation on February 13, 2017. He is the chairman of the Board Risk Oversight Committee and a member of the Audit Committee. He is currently a director of the Public Safety Mutual Benefit Fund, Inc. and San Miguel Pure Foods Company, Inc. He previously held various positions in the Philippine National Police, eventually being promoted to Chief of the Philippine National Police. He also served as the Chairman of Public Safety Mutual Benefit Fund Inc. from July 2015 until June 2016. He has undergone various trainings and programs from the Institute of Corporate Directors, Harvard Kennedy School, and the Federal Bureau of Investigation National Academy, among others. He holds a master's degree in Management from the Philippine Christian University and a Bachelor of Science Degree from the Philippine Military Academy.

**Martin S. Villarama, Jr.**, 75, *Filipino*, was first elected as an independent director of the Corporation on February 13, 2017. He is also the chairman of the Related-Party Transaction Committee and a member of the Audit and the Corporate Governance Committees. He is the Court-appointed liquidator of Uniwide Group of Companies and currently a member of the Board of Advisers of San Miguel Brewery Hongkong Ltd., and a member of the Association of Retired Justices of the Supreme Court of the Philippines and BIR Tennis Club. He was the 166<sup>th</sup> member of the Supreme Court and served as a Supreme Court Justice from 2009 to 2016. He started his career in the Judiciary in 1986, when he was appointed as Regional Trial Court Judge of Pasig City. He was also a lecturer at the Philippine Judicial Academy from 2007 to 2009. He obtained his Bachelor of Laws degree from the Manuel L. Quezon University (MLQU) after completing a Bachelor of Science degree in Business Administration from De La Salle University.

**Jose P. Perez, 74, Filipino**, was first elected as an independent director of the Corporation in February 13, 2017. He is also the chairman of the Corporate Governance Committee and a member of the Board Risk Oversight Committee. He is currently a member of the Board of Advisers of San Miguel Brewery Hongkong Ltd., and an Independent Director of Bloomberry Resorts Corporation, San Miguel Yamamura Packaging Corporation, and San Miguel Infrastructure Corporation – SLEX. He is also the current Dean of the College of Law of Manuel L. Quezon University. He served as a Justice of the Supreme Court from 2009 to 2016. He started his career in the Supreme Court in 1971 as a legal assistant. He rose from the ranks and became Assistant Court Administrator, Deputy Court Administrator, and Court Administrator. He holds a Bachelor of Laws Degree and Political Science Degree both from the University of the Philippines.

#### **Other Directors**

**Ramon S. Ang, 67, Filipino**, is the Chairman of the Board of Directors of the Corporation since his first election on October 5, 2007. He holds, among others, the following positions in other publicly listed companies: Vice Chairman, President and Chief Operating Officer of San Miguel Corporation; President and Chief Executive Officer of Top Frontier Investment Holdings Inc. and Petron Corporation; President of Ginebra San Miguel, Inc.; Chairman of the Board of San Miguel Brewery Inc. and San Miguel Brewery Hong Kong Limited (listed on the Hong Kong Stock Exchange) and Petron Malaysia Refining & Marketing Bhd. (a company publicly listed in Malaysia); and Vice Chairman of the Board, President and Chief Executive Officer of San Miguel Food and Beverage, Inc. He is also the Chairman of the Board of San Miguel Brewery Inc. and South Western Cement Corporation; Chairman of the Board and Chief Executive Officer of, and concurrently the President of, and Chief Operating Officer of SMC Global Power Holdings Corp.; Chairman of the Board, President, and Chief Executive Officer of Far East Holdings, Inc.; Chairman of the Board and President of San Miguel Holdings Corp., San Miguel Equity Investments Inc., San Miguel Properties, Inc., SEA Refinery Corporation, San Miguel Aerocity Inc., KB Space Holdings, Inc.; Chairman of the Board and Chief Executive Officer of SMC Asia Car Distributors Corp.; Chairman of the Board of San Miguel Brewery Inc., San Miguel Foods, Inc., San Miguel Yamamura Packaging Corporation, Clariden Holdings, Inc., Anchor Insurance Brokerage Corporation and Philippine Diamond Hotel & Resort, Inc.; President of San Miguel Northern Cement, Inc. and President and Chief Executive Officer of Northern Cement Corporation. He is also the sole director and shareholder of Master Year Limited and the Chairman of the Board of Privado Holdings, Corp. He formerly held the following positions: Chairman of the Board of Liberty Telecoms Holdings, Inc. and Cyber Bay Corporation, President and Chief Operating Officer of PAL Holdings, Inc. and Philippine Airlines, Inc.; Director of Air Philippines Corporation; and Vice Chairman of the Board and Director of Manila Electric Company. Mr. Ang has held directorships in various domestic and international subsidiaries of SMC in the last five years. He has a Bachelor of Science degree in Mechanical Engineering from Far Eastern University.

**John Paul L. Ang, 41, Filipino**, is the President and Chief Executive Officer of the Corporation. He was first elected as director of the Company on November 30, 2010. He is the Chairman of the Executive Committee, and is also currently a member of the Audit Committee. He is also the President and Chief Executive Officer of South Western Cement Corporation, and is a director of San Miguel Corporation, Petron Corporation, KB Space Holdings, Inc. and Buildnet Construction, Inc. He previously served as the Chief Operating Officer and General Manager from 2008 to 2016 and Managing Director from 2003 to 2007 of Sarawak Clinker. He also served as the Purchasing Officer of Basic Cement from 2002 to 2003. He has a Bachelor of Arts Degree in Interdisciplinary Studies, Minor in Economics and Finance from the Ateneo de Manila University.

**Manny C. Teng, 48 Filipino**, is the General Manager and the Chief Operating Officer of the Corporation. He was first elected as a director of the Company on June 21, 1995. He is also currently a member of the Executive Committee. Mr. Teng has served as President of the Corporation for seven years from 2009 to 2016. For the past 10 years, Mr. Teng held various positions in the following companies: Technical Services Manager, Beverage Group of Ginebra San Miguel, Inc.; Technical Service Manager, Beverage group of San Miguel Beverages; Product Development Manager, Non-Alcoholic Beverages International of San Miguel Beverages; Project Group of Centech Consultancy; Purchasing Head of Cement Management Corporation; and Purchasing Officer of Standard Construction and Rebuilding Corporation. He has a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas.

**Monica L. Ang**, 31, *Filipino*, is the Chief Finance Officer and Treasurer of the Corporation. She is concurrently the Executive Vice-President for Business Support Group since 2012 and the Risk Oversight Officer of the Corporation. She was first elected as director of the Corporation on June 3, 2013. Ms. Ang is currently a member of the Related-Party Transaction, Board Risk Oversight, and Executive Committees of the Corporation. She is also the Chairperson of Buildnet Construction, Inc. and a director, Chief Finance Officer and Treasurer of South Western Cement Corporation. She is also a director of the following companies: KB Space Holdings, Inc., A5 Wagyu, Inc., Q-Tech Alliance Holdings, Inc., and Premier Capital Venture Corporation. She has a Bachelor of Science degree in Management, Minor in Enterprise Development from the Ateneo de Manila University.

**Mario K. Surio**, 74, *Filipino*, has been a director of the Corporation since his first election on January 14, 2011. He is currently the Adviser of the Related-Party Transaction and Board Risk Oversight Committees of the Corporation. He currently holds, among others, the following positions in other companies: Technical Consultant for the Office of the President and Chief Operating Officer of San Miguel Corporation; Vice-Chairman and Director of Private Infrastructure Development Corporation - Tarlac-Pangasinan-La Union Expressway (PDIC/TPLEX); Director of South Luzon Expressway (SLTC/SLEX), Ginebra San Miguel, Inc., and San Miguel Yamamura Packaging Corp. In the past 10 years, Mr. Surio served as the President of Philippine Technologies, Inc. Cement Management Corporation and CEMA Consultancy Services, Inc. He also became the Assistant Quality Control Head, Quality Control Head, Production Manager and Plant Manager of Northern Cement Corporation and a Laboratory Technician and Physical Tester for Republic Cement Corporation. Mr. Surio is a licensed Chemical Engineer with a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas-College of Engineering.

**Luis A. Vera Cruz, Jr.**, 70, *Filipino*, was first elected as director of the Corporation on February 23, 2017. He is currently a member of the Related-Party Transaction Committee of the Corporation. Mr. Cruz is currently Of Counsel at Angara Abello Concepcion Regala & Cruz, a Legal Consultant of San Miguel Corporation, Corporate Secretary of Chemical Industries of the Philippines, Inc., and a Director of Philippine Resources Savings Banking Corporation and Cyber Bay Corporation. He previously served as Co-Managing Partner at Angara Abello Concepcion Regala & Cruz and Director of ACCRA Holdings, Inc. Mr. Vera Cruz holds a Master of Laws from Cornell University, a Bachelor of Laws Degree from the University of the Philippines, College of Law, and a BS Business Administration Degree from the University of the Philippines, College of Business Administration.

**Manuel P. Daway**, 73, *Filipino*, was first elected as a director of the Corporation on February 13, 2017, effective on March 31, 2017. He is the Vice-President for Operations of the Corporation since January 2010. In the past 10 years, Mr. Daway held the following positions in various corporations, namely: Project Director of CEMA Consultancy, an engineering and construction corporation; Vice-President for External Relations of Lafarge Cement Services Philippines Inc.; and Vice President for Operations of Lafarge/Republic Cement Corporation. Mr. Daway is a licensed Electrical Engineer and holds a Bachelor of Science degree in Electrical Engineering from the Mapua Institute of Technology.

Pursuant to ECC's By-laws, the directors are elected at each annual stockholders meeting by stockholders entitled to vote. Each director holds office until the next annual election and his successor is duly elected, unless he resigns, dies, or is removed prior to such election.

#### **Executive Officers**

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Citizenship</b>
<b>John Paul L. Ang</b>	President and Chief Executive Officer	41	Filipino
<b>Manny C. Teng</b>	General Manager and Chief Operating Officer	48	Filipino
<b>Monica L. Ang</b>	Chief Finance Officer/Treasurer/ Executive Vice-President for Business Support Group/Risk Oversight Officer	31	Filipino
<b>Manuel P. Daway</b>	Vice-President for Operations	73	Filipino

<b>Maria Farah Z. G. Nicolas-Suchianco</b>	Corporate Secretary	52	Filipino
<b>Marlon P. Javarro</b>	Assistant Corporate Secretary/Related Party Transaction Officer/AVP for Finance	42	Filipino
<b>Fabiola B. Villa</b>	SVP for Legal Services/Compliance Officer/Data Protection Officer	55	Filipino
<b>Mercedes V. Jorquia</b>	Chief Audit Executive	55	Filipino

**Maria Farah Z. G. Nicolas-Suchianco**, 52, *Filipino*, has been the Corporate Secretary of the Corporation since 2010 up to the present. She is a Founding Partner of Gerodias Suchianco Estrella Law Firm and its current Managing Partner. She is also the Vice-Chairman and Treasurer of GSE Managed Solutions, Inc. She is the Chairman and President of Assetvalues Holding Corporation, Inc., Evander Holdings Corporation, Global Titan Leisure Holdings Corp., and Sunspear Holdings, Inc. She is the Treasurer of Alpha Point Property Holdings, Inc., Countrybreeze Corporation, Escaler Realty Corporation, Pedalmax Holdings, Inc., and Terramino Holdings, Inc. She currently serves as a Director and Corporate Secretary of Eastbay Resorts, Inc., Radio Philippines Network, Inc., South Western Cement Corporation, and Thunderbird Pilipinas Hotels and Resorts, Inc., among others. She is the Corporate Secretary of numerous corporations, including Rags2riches, Inc., KB Space Holdings, Inc. and Wynsum Realty & Development, Inc. She was previously an independent director of the Capital Markets Integrity Corporation, the Chairman of its Compensation Committee and a member of its Audit Committee. She was also previously a director of Bank of Commerce, Citra Metro Manila Tollways Corporation, and Philippine Ink Corporation. She was a Senior Partner at De Borja Medialdea Bello Guevarra & Gerodias Law Firm. She holds a Juris Doctor Degree from the Ateneo de Manila University and a Bachelor of Science Degree in Management, Major in Legal Management, from the same university.

**Fabiola B. Villa**, 55, *Filipino*, has been with the Company since 2017. She is the Compliance Officer, Data Privacy Officer, and Senior Vice President for Legal Services and Compliance. She was appointed as Compliance Officer of the Company on May 21, 2018. Prior to joining the Company, Atty. Villa was with United Overseas Bank Manila for 9 years, as Vice-President and Head of the Legal Department and Secretariat, Corporate Secretary of the Board, and Committee Secretary of the Audit Committee, Compliance Management Committee, Risk Management Committee and Good Governance Committee. She was an Assistant Vice-President and Group Head of Support Units at Asiatrust Bank from 2001 to 2005. She was an Associate at Tan Concepcion and Que Law Offices from 2005 to 2007; Picazo Buyco Tan Fider and Santos Law Offices from 1998-2001; and, Go Cojuangco Mendoza Ligon and Castro Law Offices from 1997 to 1998. She was a News Reporter under the Office of the Press Secretary from 1995 to 1997; and, a College Instructor at Tarlac State University from 1988 to 1993. She obtained her Bachelor of Arts degree in Philosophy and Political Science in 1986, and Bachelor of Laws in 1997, both from the University of the Philippines. She also completed the academic requirements leading to a Master's degree in Public Administration at Tarlac State University in 1990. Atty. Villa passed the Philippine Bar Examinations in 1998.

**Marlon P. Javarro**, 42, *Filipino*, has been the Assistant Corporate Secretary of the Corporation since February 13, 2017. He is currently the Assistant Vice President for Finance and the Related Party Transaction Officer of the Corporation. He also served as Finance Manager of the Company from 2008 to 2018. He is also a director of South Western Cement Corporation since 2016. Prior to joining Eagle, he was a Finance Manager at Sarawak Clinker Sdn Berhad in Malaysia from 2005 to 2007. He is a Certified Public Accountant and holds a Bachelor of Science Degree in Accountancy from Colegio de San Agustin.

**Mercedes V. Jorquia**, 55, *Filipino*, has been the Senior Audit Manager of the Corporation since February 4, 2019. She was appointed as Chief Audit Executive of the Company on June 18, 2019. She handled the same capacity as Senior Manager and Head of Internal Audit Department from a Retail Company in 2018, Building Materials Manufacturing from 2016 to 2018, Real Estate Development from 2011 to 2016 prior to joining Eagle. She is a well-traveled Auditor having served both Domestic and Foreign Airline Companies as Audit Officer and Senior Auditor positions from 1986 to 2011 before entering the Manufacturing, Retail and Real Estate Development sectors. She

is a Certified Public Accountant and holds a Bachelor in Accountancy Degree Cum Laude from the Polytechnic University of the Philippines.

**(B). Significant Employees**

The Group considers the collective efforts of its employees as vital to its success. The Group does not solely rely on key individuals for the conduct of its business. Therefore, the resignation or loss of any non-executive employee will not have any significant, adverse effect on the business of the Group. No special arrangement with non-executive employees to assure their continued stay with the Group exists, other than standard employment contracts.

**(C). Family Relationships**

The Chairman, Mr. Ramon S. Ang, is the parent of siblings John Paul L. Ang, CEO & President, and Monica L. Ang, CFO and Treasurer, and Executive Vice-President for the Business Support Group.

Further, Far East Holdings, Inc. is owned by Mr. Ramon S. Ang.

Other than the foregoing, there are no family relationships either by consanguinity or affinity up to the fourth civil degree among the Directors, executive officers and shareholders.

Manny C. Teng, COO and General Manager, is the nephew of Mr. Ramon S. Ang.

**(D). Involvement in Certain Legal Proceedings of Directors and Executive Officers**

To the best of the Corporation's knowledge and belief and after due inquiry, and except as otherwise disclosed, none of the Corporation's directors, nominees for election as director or executive officer in the past five years up to the date of this report:

1. have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two year period of that time;
2. have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses;
3. have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or
4. been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

**(E). Resignation/Disagreement**

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of a disagreement with the Corporation on any matter relating to the Corporation's operations, policies or practices.

**ITEM 10. COMPENSATION OF DIRECTORS**

Article III, Section 10 of the By-laws of the Corporation provides that by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meetings of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten per cent (10%) of the net income before income tax of the Corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem



proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

The aggregate compensation paid or incurred during the last three fiscal years to the Corporation's CEO and senior executive officers are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
CEO and the four (4) most highly compensated executive	2020	₱29.5 Million	₱5.7 Million	₱1.6 Million	₱36.8 Million
	2019	₱23.0 Million	₱7.8 Million	₱2.0 Million	₱32.8 Million
	2018	₱22.8 Million	₱5.2 Million	₱1.5 Million	₱29.5 Million
All other officers and Directors as a group unnamed	2020	₱26.1 Million	₱4.6 Million	₱2.8 Million	₱33.5 Million
	2019	₱29.8 Million	₱12.9 Million	₱2.6 Million	₱45.3 Million
	2018	₱18.7 Million	₱4.7 Million	₱0.5 Million	₱23.9 Million
TOTAL	2020	₱55.6 Million	₱10.3 Million	₱4.4 Million	₱70.3 Million
	2019	₱52.8 Million	₱20.7 Million	₱4.6 Million	₱78.1 Million
	2018	₱41.5 Million	₱9.9 Million	₱2.0 Million	₱53.4 Million

Each director received a per diem of Thirty Thousand Pesos (₱30,000.00) per attendance at Board meetings of the Corporation.

There are no other arrangements pursuant to which any of the directors was compensated or is to be compensated, directly or indirectly, by the Corporation for services rendered during the last fiscal year, and the ensuing fiscal year.

There are no employment contracts between the Corporation and its executive officers. There are neither compensatory plans nor arrangements with respect to an executive officer that results or will result from the resignation, retirement or any other termination of such executive officer's employment with the Corporation, or from a change-in-control of the Corporation, or a change in an executive officer's responsibilities following a change-in-control of the Corporation.

There are no outstanding warrants or options held by the Corporation's President, named executive officers and all directors and officers as a group.

#### **ITEM 11. SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT**

Security Ownership of Record and Beneficial Owners of more than five per cent (5%) of the Corporation's Voting Stock as of December 31, 2020.

Title of Class	Names and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	Number of shares held	% to Total Outstanding
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<b>Common</b>	Far East Holdings, Inc.* (No. 153 EDSA, Barangay Wack-Wack, Mandaluyong City)	Far East Holdings, Inc. (The same as the record owner)	Filipino	3,010,714,283	60.21%
<b>Common</b>	Ramon S. Ang (Harvard St. Barangay Wack-Wack, Mandaluyong City)	Ramon S. Ang (The same as the record owner)	Filipino	1,317,857,139	26.36%

\* Far East Holdings, Inc. is 100%-owned by Ramon S. Ang

Security Ownership of Management as of December 31, 2020

<b>Title of Class</b>	<b>Names of beneficial owner</b>	<b>Position</b>	<b>Amount and nature of beneficial ownership</b>	<b>Citizenship</b>	<b>% to Total Outstanding</b>
<b>CEO and FOUR MOST HIGHLY COMPENSATED OFFICERS</b>					
<b>Common</b>	John Paul L. Ang	President and Chief Executive Officer	96,428,569	Filipino	1.93%
<b>Common</b>	Manny C. Teng	General Manager and Chief Operating Officer	1	Filipino	-
<b>Common</b>	Monica L. Ang	Chief Finance Officer and Treasurer, Vice-President for Business Support Group	123,001 <sup>1</sup>	Filipino	-
<b>Common</b>	Manuel P. Daway	Vice-President for Operations	1 <sup>2</sup>	Filipino	-

#### **OTHER DIRECTORS AND OFFICERS**

<b>Common</b>	Ramon S. Ang	Chairman	1,317,857,139 <sup>1</sup>	Filipino	26.36%
<b>Common</b>	Mario K. Surio	Director	1	Filipino	-
<b>Common</b>	Luis A. Vera Cruz, Jr.	Director	1	Filipino	-
<b>Common</b>	Melinda Gonzales-Manto	Independent Director	1	Filipino	-
<b>Common</b>	Ricardo C. Marquez	Independent Director	1	Filipino	-

<b>Common</b>	Martin S. Villarama, Jr.	Independent Director	1	Filipino	-
<b>Common</b>	Jose P. Perez	Independent Director	1	Filipino	-
<b>Common</b>	Maria Farah Z. G. Nicolas-Suchianco	Corporate Secretary	-	Filipino	-
<b>Common</b>	Marlon P. Javarro	Assistant Corporate Secretary/Related Party Transaction Officer/AVP for Finance	-	Filipino	-
<b>Common</b>	Fabiola B. Villa	SVP for Legal Services/ Data Protection Officer/Compliance Officer	-	Filipino	-
<b>Common</b>	Mercedes V. Jorquia	Chief Audit Executive	-	Filipino	-
<b>TOTAL</b>			<b>1,414,408,717</b>		<b>28.29%</b>

<sup>1</sup> includes 123,000 shares lodged under PCD Nominee Corp. (Filipino)

<sup>2</sup> shares lodged under PCD Nominee Corp. (Filipino)

#### **Voting Trust Holders of Five Percent (5%) or More**

There is no voting trust arrangement executed among the holders of five percent (5%) or more of the issued and outstanding shares of the common stock of ECC.

#### **Changes in Control**

The Company is not aware of any arrangement which may result in a change in control of the Company at this time.

#### **ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

There were no transactions with directors, officers or any principal stockholders (owning at least ten per cent (10%) of the total outstanding shares of ECC) which are not in ECC's ordinary course of business. (Refer to Note 19 of the 2020 AFS)

The Company has transactions with its related parties in the ordinary course of business. The outstanding balances and amount of transactions with related parties as at and for the years ended December 31, 2020 and 2019 are as follows:

Nature of Relationship	Nature of Transactions	2020		2019	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Cash and Cash Equivalents					
Entities under common key management with ECC	Cash deposits and investment in short-term placements	₱40,580,613	₱509,891,847	₱1,880,179	₱469,311,234

**Unquoted Equity Securities at FVPL**  
(see Note 5)

Entity under common key management with ECC	Investment in unquoted redeemable perpetual security	₱4,000,000,000	₱4,000,000,000	₱—	₱—
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Nature of Relationship	Nature of Transactions	2020		2019	
		Amount of Transaction	Outstanding Balance	Amount of Transaction	Outstanding Balance
<b>Trade Receivables</b> (see Note 6)					
Entities under common key management with ECC	Sale of inventories	₱27,605,222	4,395,609	₱25,322,622	₱1,776,754
<b>Dividends Receivable</b> (see Note 6)					
Entities under common key management with ECC	Dividends earned	₱106,808,051	₱51,702,013	₱6,808,051	₱1,702,013
<b>Advances to Officers</b>					
Key management personnel	Cash advances	₱396,399	₱189,135	₱880,130	₱342,973
<b>Advances to Related Parties</b> (see Note 6)					
Ultimate Parent Company	Working capital advances	₱—	₱—	₱—	₱5,000,000
<b>Advances to Suppliers</b>					
Subsidiaries of Ultimate Parent Company	Deposit for inventory acquisition and purchase of services	₱—	₱937,369,570	₱—	₱1,029,268,144
Associate	Deposit for inventory acquisition	—	184,496,290	250,000,000	250,000,000
Entities under common key management with ECC	Purchase of services	448,869	29,472,517	9,972,571	31,988,219
Subsidiaries of Ultimate Parent Company	Purchase of services and equipment	808,430	5,464,053	—	4,655,622
			₱1,156,802,430		₱1,315,911,985
<b>Financial Assets at FVOCI</b> (see Note 9)					
Entities under common key management with ECC	Investments in quoted equity instruments	₱—	₱103,079,550	₱—	₱101,079,300
<b>Refundable Deposits</b>					
Entities under common key management with ECC	Supply of services	₱—	₱54,190,018	₱51,457,542	₱54,190,018
<b>Trade Payables</b> (see Note 15)					
Entities under common key management with ECC	Purchase of raw materials and outside services	₱275,697,236	₱344,368,477	₱709,467,894	₱115,773,952
Subsidiaries of Ultimate Parent Company	Hauling, rental and other services	966,526,064	332,315,115	1,403,492,878	326,471,153
Associate Company	Purchase of goods	427,881,423	89,134,854	389,451,834	72,195,486
			₱765,818,446		₱514,440,591
<b>Accrued Expenses</b> (see Note 15)					
Entity under common key management	Purchase of services	₱1,937,101,529	₱201,229,504	₱2,730,167,121	₱163,766,819
<b>Advances from A Related Party</b> (see Note 15)					
Ultimate Parent Company	Capital expenditure	₱65,246,173	₱65,246,173	₱62,018	₱10,000,000
<b>Loans Payable</b>					
Entity under common key management	Purchase of Services	₱66,473,774	₱1,274,247,309	₱76,342,837	₱1,483,759,164
<b>Retirement Benefit Plan</b>					
	Contribution	₱—	₱23,525,414	₱—	₱24,611,175

**Personnel Costs**

Key management personnel	Salaries and other employee benefits	<b>₱70,301,991</b>	<b>₱6,832,683</b>	₱63,837,483	₱15,111,150
	Net retirement benefit liability	<b>18,231,928</b>	<b>45,879,468</b>	2,938,744	22,540,557
			<b>₱52,712,151</b>		<b>₱37,651,707</b>

<b>Name of Related Party</b>	<b>Nature of the Transaction (ie. Advances, Purchase Agreement)</b>	<b>Description of Transaction</b>
Buildnet Construction, Inc. (BCI)	Services	BCI provides heavy equipment necessary for moving (hauling, loading, dozing, and stockpiling) of raw materials and fuel.
Solid North Mineral Corporation (SNMC)	Purchase Agreement (Shale, Pozzolan)/ Purchase Agreement (Limestone)	SNMC supplies raw materials to the Company for use in the manufacture of cement.
Armstrong Fly-Ash and Logistics Company, Inc. (AFALCI)	Purchase Agreement (Fly ash)	AFALCI supplies raw materials to the Company for use in the manufacture of cement.
SMC Group	Rental Agreement/ Purchase of Fuel and Oil, Diesel and Fly-ash/Barging Services/ IT Services/Investment in Securities	Lease to the Company a parcel of land, together with the improvements thereon, for use in the distribution of cement products; purchase of supplies and raw materials for use in the manufacture of cement; barging services for the Company for some shipments of raw material and fuel; IT services for ERP and Payroll System; Investments in securities
Far East Holdings, Inc.	Advances	Advances made by shareholders for working capital requirement.
Ramon S. Ang	Advances	Sale of inventories

## **PART IV – CORPORATE GOVERNANCE**

### **ITEM 13. CORPORATE GOVERNANCE**

#### **Compliance with Corporate Governance Practices**

The Board of Directors, Committees and Management of the Company are committed to the principles of transparency, accountability, fairness and integrity in directing and running the Company. To this end, the Board adopted and approved the ECC Manual on Corporate Governance on 13 February 2017 following practices, programs and policies on good corporate governance. The Board and the Management regularly adopt and/or update company policies and practices to comply with the relevant rules and regulations of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE) and other regulatory bodies, and to align with the recommendations and principles under the Integrated Annual Corporate Governance Report (I-ACGR) and the ASEAN Corporate Governance Scorecard (ACGS). The I-ACGR of the Company for the year 2020 shall be filed on 31 May 2021 or on or before the date as may be set by the SEC.

#### **Annual Continuing Training for Directors**

To ensure that the Company is headed by competent working board and management, ECC provides an annual continuing training to its directors and key officers. On 18 December 2020, the Board of Directors and key officers of the Company participated in a Corporate Governance Executive Briefing on Crisis Management and Anti-Corruption Program. The corporate governance training was conducted by the Center for Global Best Practices, a SEC-accredited CG training provider.

#### **Annual Corporate Governance Performance Assessments**

In compliance with the Code of Corporate Governance for PLCs and the Integrated Annual Corporate Governance Report, ECC engaged the Good Governance Advocates and Practitioners of the Philippines (GGAPP) as an external facilitator to assess the performance and the effectiveness of the Board, the committees and the key officers of the Company. GGAPP is an association of good governance advocates and practitioners from various publicly-listed companies, the public sector and other organizations, who have come together to promote and assist in the development of good governance in the country.

The following is based on the results of the 2020 Board Assessment Form as conducted by the GCAPP: (a) The Board Committees have the right size and composition for their specific functions; (b) The types of committees are appropriate considering the size and needs of the Company; (c) The members of the Board are properly assigned to the committees based on their expertise and strengths; (d) The Board Committees regularly review and update their respective Committee Charters, the Manual on Corporate Governance, and recommend appropriate changes or improvements to the Board, in compliance with rules, applicable laws, and best practices; and (e) The Committee members are aware of the mandate of their Committees and ensure faithful execution of their duties and responsibilities.

#### **ASEAN Corporate Governance Scorecard**

In recognition of the Company's adherence to the best corporate governance practices, ECC was conferred with its first Golden Arrow Award (1-arrow recognition) by the Institute of Corporate Directors (ICD) on 19 February 2021. The Golden Arrow Award is given to publicly-listed and insurance companies for achieving at least 80 points in the 2019 ASEAN Corporate Governance Scorecard Assessment. Eagle Cement Corporation was the sole cement company recipient of this award.

## **PART V- EXHIBITS AND SCHEDULES**

### **ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C**

APPENDIX A – Consolidated Financial Statements of the Company as at and for the year ended December 31, 2020

APPENDIX B – Independent Auditor's Report

APPENDIX C – List of Properties

APPENDIX D – Schedule of Materials Permits and Licenses of the Company



## EAGLE CEMENT CORPORATION

Head Office: 155 Brgy. Wack Wack, EDSA Mandaluyong City, Philippines  
Plant: Bgy. Akle, San Ildefonso Bulacan, Philippines  
Tel. No.: +632-301-3453  
www.eaglecement.com.ph

### "STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS"

The management of **Eagle Cement Corporation and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**RAMON S. ANG**

Chairman of the Board

  
**JOHN PAUL L. ANG**

Chief Executive Officer

  
**MONICA L. ANG**

Chief Financial Officer

Signed this \_\_\_ day of \_\_\_\_\_, 2021

Doc.: \_\_\_\_\_  
Page: \_\_\_\_\_  
Book: \_\_\_\_\_  
Series of \_\_\_\_\_



REPUBLIC OF THE PHILIPPINES )  
Quezon City ) S.S.

**SUBSCRIBED AND SWORN** to before me on 27 April 2021 at Quezon City, the following affiants exhibited to me their competent evidence of identity:

Name	Competent Evidence of Identity	Date/Place Issued
Ramon S. Ang	TIN 118-247-275	
John Paul L. Ang	Passport No. 2247864B	22 May 2019/ Manila
Monica L. Ang	Passport No. P4589065A	02 Oct 2017/ Manila

Doc. No. 57;  
Page No. 13;  
Book No. 4;  
Series of 2021.

*[Signature]*  
**ATTY. RICHARD S. SALENDRE PANGILINAN**  
Notary Public in Quezon City  
Commission until 31 December 2020  
Adm. Matter No. NP 104 (2019-2020)  
[Extended until 30 June 2021 per B.P. 344]  
Unit 2625 T2 Amala Skies Cebu, Sub. Ave., Bldg. Alcorcon,  
Quezon City  
Roll No. 69842  
MCLE Compliance No. VI 0016081  
PTR No. 0700867 01/11/2021, QC  
IBP No. 143212 01/05/2021, QC

**for**  
**AUDITED FINANCIAL STATEMENTS**

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C	R	M	D
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N	/	A
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<b>COMPANY INFORMATION</b>
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**info@eagle-cement.com.ph**

**(02) 5301-3453**

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42

1st Monday of June

December 31

CONTACT PERSON INFORMATION	
NAME	
PHONE	
EMAIL	
ADDRESS	
CITY	
STATE	
ZIP	
COUNTRY	

The designated contact person ***MUST*** be an Officer of the Corporation

**Marlon P. Javarro**

**mpjavarro@eagle-cement.com.ph**

**(632) 5301-3453**

**0917-598-8771**

CONTACT PERSON'S ADDRESS	
NAME	
ADDRESS	
CITY	
STATE	
ZIP	
PHONE	
FAX	
EMAIL	

**2/F SMITS Corporate Center, 155 EDSA Barangay Wack-Wack, Mandaluyong City**

**2:** All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Eagle Cement Corporation and Subsidiaries  
2/F SMITS Corporate Center  
155 EDSA Barangay Wack-Wack  
Mandaluyong City

### *Opinion*

We have audited the accompanying consolidated financial statements of Eagle Cement Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020, 2019 and 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Eagle Cement Corporation and Subsidiaries as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

### *Basis for Opinion*

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



#### Accounting for Financial Assets Arising from Public Listing

As discussed in Note 1 to the consolidated financial statements, the common shares of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) through an Initial Public Offering (IPO) on May 29, 2017. Proceeds from the IPO amounted to ₱7,500.0 million, of which ₱531.6 million was spent for expenses incurred during the IPO and ₱59.0 million for the construction of the Cebu facility. As of December 31, 2020, total unutilized proceeds from IPO amounted to ₱6,909.4 million. This is considered as a key audit matter because the amount of the proceeds from the IPO is substantial in relation to the consolidated financial statements as a whole and due to the PSE's requirement for the validation of the utilization of proceeds from the public listing.

We have performed audit procedures to validate the utilization of the proceeds from public listing. We have also assessed the propriety of recognition, classification, and measurement of the recognized financial assets from the proceeds of the IPO. In addition, we have validated against supporting documents the amount of spending from the IPO proceeds and ascertained the appropriate recording in the Group's consolidated financial statements. We also confirmed the outstanding unutilized amount of proceeds from IPO with the depository bank accounts of the Group and ascertained that bank reconciliation procedures were performed.

#### Capitalization of Property, Plant and Equipment

As discussed in Note 10 to the consolidated financial statements, the Group's property, plant and equipment amounted to ₱25,604.0 million as at December 31, 2020. In 2020, the Group made several acquisitions of machinery and equipment which amounted to ₱254.6 million. Total costs incurred during the year related to the ongoing construction amounted to ₱1,230.5 million. We determined that the property, plant and equipment account is a key audit matter due to the significance of the transactions involved and its carrying amount in relation to the consolidated financial statements as a whole.

We have determined the existence of property, plant and equipment on a sample basis, as well as the completeness and validity of the capitalizable costs incurred in 2020. Further, we have validated the proper classification of major components of property, plant and equipment, and assessed the reasonableness of the estimated useful lives and appropriateness of the depreciation method used, including commencement of depreciation. We also tested the reliability of the Group's accounting information system in capturing the transactions related to property, plant and equipment including the additions, disposals and the computation of depreciation.

#### Revenue Recognition

The Group manufactures, markets, sells and distributes cement products. As discussed in Note 20 to the consolidated financial statements, net sales of the Group amounted to ₱13,906.1 million in 2020. The Group recognizes sales to customers when goods are delivered, the title to the goods has passed to the buyer, and the amount of revenue can be measured reliably.

We determined that the revenue recognition of the Group is a key audit matter because of the inherent risk related to the completeness, occurrence, and accuracy of the revenue recognition arising from the Group's arrangements with its key customers. We have performed an understanding of the revenue cycle and revenue recognition policy and tested the reliability of its accounting information system in capturing transactions related to revenue. Further, we have reviewed the arrangement with the customers vis-à-vis its transaction in 2020 to determine proper revenue recognition. In addition, we have validated against supporting documents the revenue transactions in 2020 and ascertained proper recording in the Group's consolidated financial statements.



Accounting for Income Tax

As discussed in Note 28 to the consolidated financial statements, income tax expense of the Group consists of the following:

	2020	2019
Current	₱1,032,478,972	₱1,224,911,672
Deferred	3,232,266	7,702,810

The operations of the Group include business activities that are registered with the Board of Investments (BOI) which provides the Group income tax holiday (ITH) incentives. In 2020, due to the Covid-19 pandemic, the Group experienced a decline in revenues particularly in the first half of the year. Due to this situation, the BOI approved the request of the Group for the deferment of the application of its ITH incentives for the taxable year 2020. This resulted to the activities covered by the ITH incentives in 2020 to be subjected to a regular corporate income tax, and the extension of the ITH incentives for registered activities for another taxable year.

The effect in the computation of current and deferred income tax arising from the deferment of the application of the ITH incentives in 2020 is considered as a key audit matter due to the significant impact on the Group's consolidated financial statements, and judgment involved in the valuation of the recoverability of deferred tax assets due to the change in timing of the expiration of the ITH incentives.

We reviewed all communications of the Group with the BOI regarding the deferment of the application of the ITH incentives. Further, we recomputed the current and deferred income tax computation of the Group. We also reviewed and assessed the timing of the utilization of deductible temporary differences in determining the amounts to be recognized as deferred tax assets.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2020, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2020 are expected to be made available to us after the date of this auditors' report.



Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



The engagement partner on the audit resulting in this independent auditors' report is Joseph C. Bilangbilin.

**REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782; Valid until August 15, 2021

SEC Accreditation No. 1778-A

Valid until September 23, 2022

BIR Accreditation No. 08-005144-011-2020

Valid until January 1, 2023

PTR No. 8534278

Issued January 5, 2021, Makati City

April 7, 2021

Makati City, Metro Manila



**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	₱11,466,255,207	₱16,938,492,092
Financial assets at fair value through profit or loss (FVPL)	5	4,703,019,162	717,831,517
Trade and other receivables	6	488,698,028	561,138,328
Inventories	7	1,405,696,412	1,450,894,745
Other current assets	8	850,409,547	990,806,317
Total Current Assets		18,914,078,356	20,659,162,999
<b>Noncurrent Assets</b>			
Investment in an associate	12	75,000,000	75,000,000
Financial assets at fair value through other comprehensive income (FVOCI)	9	103,079,550	101,079,300
Property, plant and equipment	10	25,603,963,422	23,704,326,500
Investment properties	11	1,630,650,604	1,299,237,000
Intangible assets	13	323,388,553	192,048,532
Other noncurrent assets	14	3,008,991,655	3,024,584,898
Total Noncurrent Assets		30,745,073,784	28,396,276,230
		₱49,659,152,140	₱49,055,439,229
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	₱3,283,815,937	₱3,370,627,644
Current portion of loans payable	16	1,060,127,446	1,058,663,109
Current portion of lease liabilities	25	7,648,720	8,061,837
Income tax payable		211,879,633	261,225,325
Total Current Liabilities		4,563,471,736	4,698,577,915
<b>Noncurrent Liabilities</b>			
Loans payable - net of current portion	16	5,235,508,836	6,295,636,282
Lease liabilities - net of current portion	25	36,557,012	43,880,682
Net retirement benefit liability	26	87,944,993	114,190,524
Provision for mine rehabilitation and decommissioning	17	31,233,753	29,869,882
Net deferred tax liabilities	28	989,861,221	542,320,918
Total Noncurrent Liabilities		6,381,105,815	7,025,898,288
Total Liabilities		10,944,577,551	11,724,476,203
<b>Equity</b>			
	18		
Capital stock		8,000,000,005	8,000,000,005
Additional paid-in capital		6,525,506,098	6,525,506,098
Retained earnings:			
Appropriated		16,000,000,000	7,500,000,000
Unappropriated		8,843,203,656	13,998,311,098
Treasury stock		(3,000,000,000)	—
Other equity reserves		2,345,864,830	1,307,145,825
Total Equity		38,714,574,589	37,330,963,026
		₱49,659,152,140	₱49,055,439,229

See accompanying Notes to Consolidated Financial Statements.

**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31		
	Note	2020	2019	2018
<b>NET SALES</b>	20	<b>₱13,906,139,382</b>	₱19,824,452,081	₱16,522,046,309
<b>COST OF GOODS SOLD</b>	21	<b>8,208,930,134</b>	11,153,024,543	9,310,948,838
<b>GROSS PROFIT</b>		<b>5,697,209,248</b>	8,671,427,538	7,211,097,471
<b>OPERATING EXPENSES</b>	22	<b>1,585,941,759</b>	1,871,981,700	1,568,268,283
<b>INCOME FROM OPERATIONS</b>		<b>4,111,267,489</b>	6,799,445,838	5,642,829,188
<b>FINANCE COSTS</b>	16	<b>(430,696,047)</b>	(495,685,474)	(365,786,275)
<b>INTEREST INCOME</b>	4	<b>333,746,012</b>	763,982,413	547,543,036
<b>OTHER INCOME - Net</b>	23	<b>412,786,342</b>	179,772,798	469,606,448
<b>INCOME BEFORE INCOME TAX</b>		<b>4,427,103,796</b>	7,247,515,575	6,294,192,397
<b>INCOME TAX EXPENSE (BENEFIT)</b>	28			
Current		<b>1,032,478,972</b>	1,224,911,672	1,498,968,804
Deferred		<b>3,232,266</b>	7,702,810	(3,119,463)
		<b>1,035,711,238</b>	1,232,614,482	1,495,849,341
<b>NET INCOME</b>		<b>3,391,392,558</b>	6,014,901,093	4,798,343,056
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Not to be reclassified to profit or loss in subsequent periods</i>				
Revaluation of land (net of deferred tax)	10	<b>994,379,358</b>	—	—
Remeasurement gains (losses) on net retirement benefit liability (net of deferred tax)	26	<b>42,339,397</b>	(25,457,530)	(8,808,816)
Unrealized gains (losses) on financial assets at FVOCI	9	<b>2,000,250</b>	1,066,800	(9,267,825)
		<b>1,038,719,005</b>	(24,390,730)	(18,076,641)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱4,430,111,563</b>	₱5,990,510,363	₱4,780,266,415
<b>Basic/Diluted Earnings Per Share (EPS)</b>	32	<b>₱0.68</b>	₱1.17	₱0.92

See accompanying Notes to Consolidated Financial Statements.

**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018**

	Note	Capital Stock - ₱1 par value		Additional Paid-in Capital	Retained Earnings		Other Equity Reserves			Treasury Stock	Total Equity
		Common Stock	Preferred Stock		Appropriated	Unappropriated	Revaluation Surplus (Net of Deferred Tax)	Cumulative Remeasurement Gains (Losses) on Net Retirement Benefits Liability (Net of Deferred Tax)	Cumulative Unrealized Gains on Financial Assets at FVOCI		
Balances as at December 31, 2019		<b>₱5,000,000,005</b>	<b>₱3,000,000,000</b>	<b>₱6,525,506,098</b>	<b>₱7,500,000,000</b>	<b>₱13,998,311,098</b>	<b>₱1,325,088,000</b>	<b>(₱19,008,975)</b>	<b>₱1,066,800</b>	<b>₱—</b>	<b>₱37,330,963,026</b>
Net income		—	—	—	—	3,391,392,558	—	—	—	—	3,391,392,558
Other comprehensive income		—	—	—	—	—	994,379,358	42,339,397	2,000,250	—	1,038,719,005
Appropriations	18	—	—	—	8,500,000,000	(8,500,000,000)	—	—	—	—	—
Redemption of preferred stock	18	—	—	—	—	—	—	—	—	(3,000,000,000)	(3,000,000,000)
Cash dividends declared	18	—	—	—	—	(46,500,000)	—	—	—	—	(46,500,000)
Balances as at December 31, 2020		<b>₱5,000,000,005</b>	<b>₱3,000,000,000</b>	<b>₱6,525,506,098</b>	<b>₱16,000,000,000</b>	<b>₱8,843,203,656</b>	<b>₱2,319,467,358</b>	<b>₱23,330,422</b>	<b>₱3,067,050</b>	<b>(₱3,000,000,000)</b>	<b>₱38,714,574,589</b>
Balances as at December 31, 2018		<b>₱5,000,000,005</b>	<b>₱3,000,000,000</b>	<b>₱6,525,506,098</b>	<b>₱7,500,000,000</b>	<b>₱9,463,410,006</b>	<b>₱1,325,088,000</b>	<b>₱6,448,555</b>	<b>₱—</b>	<b>₱—</b>	<b>₱32,820,452,664</b>
Net income		—	—	—	—	6,014,901,093	—	—	—	—	6,014,901,093
Other comprehensive income (loss)		—	—	—	—	—	—	(25,457,530)	1,066,800	—	(24,390,730)
Cash dividends declared	18	—	—	—	—	(1,480,000,001)	—	—	—	—	(1,480,000,001)
Balances as at December 31, 2019		<b>₱5,000,000,005</b>	<b>₱3,000,000,000</b>	<b>₱6,525,506,098</b>	<b>₱7,500,000,000</b>	<b>₱13,998,311,098</b>	<b>₱1,325,088,000</b>	<b>(₱19,008,975)</b>	<b>₱1,066,800</b>	<b>₱—</b>	<b>₱37,330,963,026</b>

	Note	Capital Stock - ₱1 par value		Additional Paid-in Capital	Retained Earnings		Other Equity Reserves			Treasury Stock	Total Equity
		Common Stock	Preferred Stock		Appropriated	Unappropriated	Revaluation Surplus (Net of Deferred Tax)	Cumulative Remeasurement Gains on Net Retirement Benefits Liability (Net of Deferred Tax)	Cumulative Unrealized Gains on Financial Assets at FVOCI		
Balances as at December 31, 2017		₱5,000,000,005	₱3,000,000,000	₱6,525,506,119	₱3,500,000,100	₱10,000,182,366	₱1,325,088,000	₱15,257,371	₱9,267,825	(₱100)	₱29,375,301,686
Net income		—	—	—	—	4,798,343,056	—	—	—	—	4,798,343,056
Other comprehensive losses		—	—	—	—	—	—	(8,808,816)	(9,267,825)	—	(18,076,641)
Appropriations	18	—	—	—	5,000,000,000	(5,000,000,000)	—	—	—	—	—
Reversal of appropriations		—	—	—	(1,000,000,000)	1,000,000,000	—	—	—	—	—
Sale of treasury stock		—	—	(21)	(100)	100	—	—	—	100	79
Cash dividends declared	18	—	—	—	—	(1,335,115,516)	—	—	—	—	(1,335,115,516)
Balances as at December 31, 2018		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱7,500,000,000	₱9,463,410,006	₱1,325,088,000	₱6,448,555	₱—	₱—	₱32,820,452,664

See accompanying Notes to Consolidated Financial Statements.

**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

		Years Ended December 31		
	Note	2020	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		<b>₱4,427,103,796</b>	₱7,247,515,575	₱6,294,192,397
Adjustments for:				
Depreciation and amortization	10	<b>1,047,083,967</b>	952,698,422	710,148,534
Finance costs	16	<b>430,696,047</b>	495,685,474	365,786,275
Interest income	4	<b>(333,746,012)</b>	(763,982,413)	(547,543,036)
Fair value changes in investment properties	11	<b>(262,000,000)</b>	(111,216,000)	(435,811,000)
Dividend income	5	<b>(134,753,962)</b>	(13,065,644)	(12,874,199)
Retirement benefit costs	26	<b>33,230,449</b>	20,778,962	14,461,027
Trading losses (gains) on financial assets at FVPL	5	<b>(20,077,980)</b>	(63,663,740)	19,596,342
Unrealized foreign exchange losses (gains)		<b>18,968,158</b>	4,297,334	(14,057,755)
Loss (gain) on sale of property, plant and equipment	23	<b>(5,976,932)</b>	4,586,716	(2,997,477)
Loss on cancellation of finance lease contracts	23	<b>—</b>	5,021,149	6,164,277
Operating income before working capital changes		<b>5,200,527,531</b>	7,778,655,835	6,397,065,385
Decrease (increase) in:				
Trade and other receivables		<b>73,159,660</b>	(63,095,034)	160,348,960
Inventories		<b>288,454,859</b>	118,561,883	137,054,168
Other current assets		<b>140,396,770</b>	107,058,186	(273,535,109)
Other noncurrent assets		<b>36,521,591</b>	(266,890,082)	(932,307,112)
Increase (decrease) in trade and other payables		<b>(130,554,344)</b>	(2,761,533)	110,753,521
Net cash generated from operations		<b>5,608,506,067</b>	7,671,529,255	5,599,379,813
Income taxes paid		<b>(1,081,824,664)</b>	(1,279,114,639)	(1,445,151,005)
Interest received		<b>383,096,025</b>	742,238,510	537,233,142
Net cash provided by operating activities		<b>4,909,777,428</b>	7,134,653,126	4,691,461,950
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to:				
Financial assets at FVPL	5	<b>(4,000,000,000)</b>	(499,999,931)	—
Property, plant and equipment		<b>(1,448,633,399)</b>	(2,265,013,698)	(2,098,149,262)
Deposit for future investment	14	<b>(217,000,000)</b>	(500,000,000)	—
Intangible assets	13	<b>(132,059,137)</b>	—	(106,942)
Deposits on asset purchase		<b>(94,386,948)</b>	(223,725,693)	(8,455,435)
Investment properties	11	<b>(4,167,431)</b>	—	(164,780,000)
Long-term placements	14	<b>—</b>	—	(650,000,000)
Proceeds from sale of:				
Financial assets at FVPL		<b>34,890,335</b>	27,393,089	14,469,670
Property, plant and equipment		<b>3,479,335</b>	13,339,334	3,945,480

(Forward)

Years Ended December 31				
	Note	2020	2019	2018
Dividends received		<b>₱84,753,962</b>	₱13,065,644	₱12,874,199
Collection of finance lease receivables	25	<b>9,454,619</b>	17,800,607	18,574,487
Net cash used in investing activities		<b>(5,763,668,664)</b>	(3,417,140,648)	(2,871,627,803)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payments of:				
Loans payable	16	<b>(1,068,000,000)</b>	(979,000,000)	(534,000,000)
Interest		<b>(420,914,555)</b>	(481,738,877)	(529,182,558)
Dividends		<b>(91,500,000)</b>	(1,480,000,001)	(1,335,115,516)
Lease liabilities	25	<b>(11,569,276)</b>	(11,893,731)	–
Advances from a related party		<b>(10,000,000)</b>	–	–
Reissuance (acquisition) of treasury stock	18	<b>(3,000,000,000)</b>	–	79
Net cash used in financing activities		<b>(4,601,983,831)</b>	(2,952,632,609)	(2,398,297,995)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(5,455,875,067)</b>	764,879,869	(578,463,848)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(16,361,818)</b>	(3,339,418)	16,731,621
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>16,938,492,092</b>	16,176,951,641	16,738,683,868
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱11,466,255,207</b>	₱16,938,492,092	₱16,176,951,641

See accompanying Notes to Consolidated Financial Statements.

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**1. General Information**

**Corporate Information**

Eagle Cement Corporation (ECC or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 21, 1995. The Parent Company and its wholly-owned subsidiaries, South Western Cement Corporation (SWCC) and KB Space Holdings, Inc. (KSHI) are collectively referred to herein as “the Group”. SWCC and KSHI are also incorporated in the Philippines and registered with the SEC.

The Parent Company is a 60.21%-owned subsidiary of Far East Holdings, Inc. (formerly Far East Cement Corporation) (the Ultimate Parent Company), an entity incorporated and domiciled in the Philippines. The Parent Company and SWCC are primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products. SWCC is still under the development stage as at April 7, 2021. KSHI will be engaged in property leasing. KSHI has not started commercial operations as at April 7, 2021.

On May 29, 2017, the common stocks of the Parent Company were listed and traded in the Philippine Stock Exchange (PSE) through an Initial Public Offering (IPO) under the trading symbol “EAGLE”.

The registered office address of the Parent Company is 2/F SMITS Corporate Center, 155 EDSA Barangay Wack-Wack, Mandaluyong City.

**Status of Operations**

The Group has the following Mineral Production Sharing Agreements (MPSA) granted by the Philippine Government through the Mines and Geosciences Bureau (MGB) either through direct grant or through deed of assignment.

Grantee/Assignee	MPSA No.	Location	Date of Issuance
<u>Luzon sites:</u>			
ECC	245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007
ECC	181-2002-III	Akle, San Ildefonso, Bulacan	December 9, 2002
<u>Cebu sites:</u>			
ECC	100-97-VII	Ginatilan, Cebu	December 29, 1997
ECC	101-97-VII	Ginatilan and Malabuyoc, Cebu	December 29, 1997
SWCC	059-96-VII	Lo-oc, Malabuyoc, Cebu	November 18, 1996
SWCC	060-96-VII	Lo-oc, Malabuyoc, Cebu	November 18, 1996

These MPSAs have a term of 25 years from the issuance date and may be renewed thereafter for another term not exceeding 25 years. The Group started the commercial operations of the Luzon sites in 2010, while the Cebu sites are still under exploration and development stage as at April 7, 2021.

On August 6, 2020, the MGB approved the extension of the terms of the MPSAs 059-96-VII and 060-96-VII from Cebu sites for a period of nine (9) years until November 18, 2030.

### **Approval of Consolidated Financial Statements**

The consolidated financial statements of the Group as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 were approved and authorized for issuance by the Board of Directors (BOD) of the Parent Company on April 7, 2021, upon endorsement by the Audit Committee on the same date.

### **Effect of Covid-19**

On March 16, 2020, the Philippine government declared an enhanced community quarantine (ECQ) covering the island of Luzon due to the pandemic caused by the corona virus (Covid-19). This resulted to a slowdown in the Philippine economy and the temporary closure and stoppage of manufacturing operations of the Company.

On June 5, 2020, the Group resumed commercial operations following the easing of restriction in the markets the Group serves. Along with the resumption of operations, the Group executed an extensive health and safety measures such as conducting of tests, wearing of face shields and imposing strict social distancing. The temporary shutdown of operations resulted in the significant decline in revenues of the Group. However, the Group was able to normalize its operations and regain its market position in the second semester of the year.

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## **2. Summary of Significant Accounting Policies**

### **Basis of Preparation**

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC).

### **Measurement Bases**

The consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for the following:

	Measurement Bases
Financial assets at fair value through profit or loss (FVPL)	Fair Value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair Value
Land, included as part of "Property, plant and equipment"	Revalued Amount
Investment properties	Fair Value

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes to the consolidated financial statements:

- Note 5 - Financial Assets at FVPL
- Note 9 - Financial Assets at FVOCI
- Note 10 - Property, Plant and Equipment
- Note 11 - Investment Properties
- Note 30 - Fair Value Measurement

#### **Adoption of Amended PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS, which the Group adopted effective January 1, 2020:

- Amendments to References to the Conceptual Framework in PFRS – The amendments include a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance-in particular the definition of a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurements uncertainty in financial reporting. The amendments should be applied retrospectively unless retrospective application would be impracticable or involve undue cost or effort.
- Amendments to PFRS 3 - *Definition of a Business* – This amendment provides a new definition of a “business” which emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. To be considered a business, ‘an integrated set of activities and assets’ must now include ‘an input and a substantive process that together significantly contribute to the ability to create an output’. The distinction is important because an acquirer may recognize goodwill (or a bargain purchase) when acquiring a business but not a group of assets. An optional simplified assessment (the concentration test) has been introduced to help companies determine whether an acquisition is of a business or a group of assets.

- Amendments to PAS 1, *Presentation of Financial Statements* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material* – The amendments clarify the definition of “material” and how it should be applied by companies in making materiality judgments. The amendments ensure that the new definition is consistent across all PFRS standards. Based on the new definition, an information is “material” if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Under prevailing circumstances, the adoption of the foregoing amended PFRS did not have any material effect on the consolidated financial statements of the Group. Additional disclosures are included in the notes to the consolidated financial statements, as applicable.

#### **Amended PFRS Issued But Not Yet Effective**

Relevant amended PFRS, which are not yet effective as at December 31, 2020 and have not been applied in preparing the financial statements, are summarized below.

Effective January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.
- Annual Improvements to PFRS 2018 to 2020 Cycle:
  - Amendments to PFRS 9, *Financial Instruments - Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other’s behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.

- Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Deferred effectivity -

- Amendment to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the notes to the consolidated financial statements, as applicable.

### **Basis of Consolidation**

The consolidated financial statements comprise of the financial statements of the Parent Company and its wholly-owned subsidiaries.

A subsidiary is an entity in which the Parent Company has control. The Parent Company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control, the Parent Company takes into consideration potential voting rights that are currently exercisable. Subsidiaries are consolidated from the date on which control is transferred to the Parent Company. Subsidiaries are deconsolidated from the date the Parent Company ceases to have control.

All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated. The financial statements of the subsidiaries are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If there is a loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. Any investment retained is recognized at fair value.

*Goodwill.* Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the fair value of the net assets acquired, including the amount recognized for non-controlling interest, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill included under the “Intangible assets” account in the consolidated statements of financial position, is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity or a financial liability or equity instrument of another entity.

*Date of Recognition.* The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*“Day 1” Difference.* Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data at inception date, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

### **Financial Assets**

*Initial Recognition and Measurement.* Financial assets, are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at FVPL, includes transaction cost.

*Classification.* The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Group’s business model for managing the asset and its contractual cash flow characteristics.

*Financial Assets at Amortized Cost.* Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized, impaired and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2020 and 2019, the Group's cash and cash equivalents, trade and other receivables (except advances to officers and employees), finance lease receivables, Debt Service Reserve Account (DSRA), long-term placements, refundable deposits, deposit in escrow and restricted cash are classified under this category (see Notes 4, 6, 8, and 14).

Cash and cash equivalents include cash on hand, cash in banks, and short-term placements. Short-term placements are highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

*Financial Assets at FVOCI.* For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in other comprehensive income (OCI) and are presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at December 31, 2020 and 2019, the Group has quoted investments in equity securities which were irrevocably designated as financial assets at FVOCI because the Group considers these investments to be strategic in nature (see Note 9).

*Financial Assets at FVPL.* Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2020 and 2019, the Group’s investments in listed debt and equity securities and investment in unquoted redeemable perpetual securities are classified under this category (see Note 5).

*Reclassification.* The Group reclassifies its financial assets only when it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new carrying amount.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new carrying amount.

*Impairment of Financial Assets at Amortized Cost and FVOCI.* The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset’s original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other debt instruments measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Group also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition.

The Group considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the counterparty. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Derecognition.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

## **Financial Liabilities**

*Initial Recognition and Measurement.* Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized costs, the initial measurement is net of any directly attributable transaction costs.

*Classification.* The Group classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2020 and 2019, the Group does not have financial liabilities at FVPL.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process. Financial liabilities at amortized cost are included under current liabilities if payment is due within 12 months after the reporting period. Otherwise, these are classified as noncurrent liabilities.

As at December 31, 2020 and 2019, the Group's trade and other payables (except advances from customers and statutory payables), loans payable and lease liabilities are classified under this category (see Notes 15, 16 and 25).

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

*Classification of Financial Instrument between Liability and Equity.* Redeemable preferred shares are classified as equity if it does not exhibit the following contractual obligations to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Redeemable preferred shares that exhibit characteristics of a liability are recognized at fair value, net of transaction costs, at inception date and presented as a liability in the consolidated statements of financial position.

#### **Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.



### **Inventories**

Inventories are valued at the lower of cost and net realizable value (NRV). The cost of raw materials is calculated based on moving average method while the cost of goods in process and finished goods are calculated based on standard costing method. Standard cost is adjusted to reflect actual cost which is principally determined using the moving average method. The cost of finished goods and goods in process comprise raw materials, direct labor and other direct costs and related production overheads. The NRV of raw materials, goods in process and finished goods is the estimated selling price in the ordinary course of business, less the estimated costs of completion and of marketing and distribution.

Cost is determined using the moving average method for spare parts and supplies. The NRV of spare parts and supplies are their current replacement costs. Spare parts are carried as inventory and recognized in profit or loss as consumed. However, major spare parts and stand-by equipment are recorded under "Property, plant and equipment" account in the consolidated statements of financial position when the Group expects to use these for more than one year or if these can be used only in connection with an item of property, plant and equipment.

### **Other Nonfinancial Current Assets**

Other nonfinancial current assets include prepayments and advances to suppliers.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

*Advances to Suppliers.* Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at face amount in the consolidated statement of financial position and are recognized to appropriate asset account or in profit or loss when the services or materials for which the advances were made are received and delivered. Advances to suppliers wherein the related assets to which the advances were made will be used primarily for the purpose of trading are classified as current assets. Otherwise, these are classified as noncurrent assets.

### **Property, Plant and Equipment**

Land is accounted for using the revaluation model.

Under the revaluation model, land is initially recorded at cost and subsequently measured at fair value less impairment losses, if any. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded initially in OCI and accumulated to the other equity reserves account in equity. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus.

The following property, plant and equipment are stated at cost less accumulated depreciation, amortization and any accumulated impairment losses:

- Machinery and equipment
- Building and improvements
- Transportation equipment
- Furniture, fixtures and other office equipment

The initial cost of property, plant and equipment comprises its purchase price, after deducting trade discounts and rebates, import duties, non-refundable purchase taxes, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable in bringing the assets to a working condition for their intended use, costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items (major components) of property, plant and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property, plant and equipment:

	Number of Years
Machinery and equipment	5 to 30
Building and improvements	10 to 30 years or remaining lease term whichever is shorter
Transportation equipment	5
Furniture, fixtures and other office equipment	3 to 5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Construction in progress represents properties under construction and is stated at cost. Cost includes costs of construction and other directly attributable costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

### **Investment Properties**

Investment properties pertain to land which is intended to be used for the construction of a building to be held for rental and construction in progress pertaining to development costs for the building. Investment properties are properties held either to earn rental income or for capital appreciation or both, and properties under construction or redevelopment, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in profit or loss in the period in which they arise. The carrying amount excludes the costs of day-to-day servicing of the investment properties.

Investment properties are derecognized when either they have been disposed of or the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

For transfers from investment properties to owner-occupied properties or inventories, the cost for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such in accordance with the policy under property, plant and equipment up to the date of change in use.

### **Investment in an Associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is accounted for under equity method. The investment is initially recognized at cost and adjusted to recognize the Group's share in net assets of the associate since the acquisition date. Dividends received by the Group from the associate will reduce the carrying amount of the investment when the right to receive the dividend is established. The Group recognizes its share in net income or loss of the associate in profit or loss. Any change in OCI of the associate is presented as part of the Group's OCI. In addition, where there has been change recognized directly in equity of the associate, the Group recognizes its share in any changes, when applicable, in the consolidated statements of changes in equity.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associate are prepared in the same reporting period as the Group.

#### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Such borrowing costs are capitalized net of any investment income earned on the temporary investment of funds that are surplus pending such expenditure. To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Group shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

#### **Stripping Costs**

As part of its mining operations, the Group incurs stripping costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine before the production phase commences (development stripping) are capitalized as part of the cost of constructing the mine and subsequently amortized over its useful life using unit-of-production method. The capitalization of development stripping costs ceases when the mine is commissioned and ready for use as intended by management. After the commencement of production, further development of the mine may require a phase of unusually high stripping that is similar in nature to development phase stripping. The cost of such stripping is accounted for in the same way as development stripping.

Production stripping is generally considered to create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realized in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realized in the form of improved access to the ore to be mined in the future, the costs are recognized as a noncurrent asset, referred to as a 'stripping activity asset', if the following criteria are met:

- a. Future economic benefits (improved access to the ore body) are probable;
- b. The component of the ore body for which access will be improved can be accurately identified;  
and
- c. The costs associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are recognized in profit or loss as operating costs when incurred.

### **Intangible Assets**

Intangible assets include mining rights, computer software, and goodwill.

Intangible assets are stated at cost, which includes purchase price and other direct costs, less accumulated amortization and any impairment in value. Intangible assets are amortized over their useful lives on a straight-line basis and assessed for impairment whenever there is an indication that the mining rights may be impaired. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible assets with finite useful lives are recognized in profit or loss.

The useful life of intangible assets arising from contractual or other legal rights should not exceed the period of those rights, but may be shorter depending on the period over which the intangible asset is expected to be used by the Group. The useful lives of the intangible assets are as follows:

	Number of Years
Mining rights	25
Computer software	5

When mining rights are retired or otherwise disposed of, the cost and the related accumulated amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

### **Other Nonfinancial Noncurrent Assets**

Other nonfinancial noncurrent assets include deposit on asset purchase, deposit for future investment, and deferred exploration and evaluation costs.

*Deposit on Asset Purchase.* Deposit on asset purchase, measured at face amount less any allowance for impairment, represents advance payments for long term supply of raw materials and advance payments for the purchase of property, plant and equipment.

*Deposit for Future Investment.* Deposit for future investment represents funds paid in advance for future acquisition of the investee's capital stocks which is measured at cost less any allowance for impairment.

*Deferred Exploration and Evaluation Costs.* Deferred exploration and evaluation costs arising from the Group's exploration and evaluation activities are carried at cost less any accumulated impairment losses, if any.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified mineral resource. These include the following:

- Acquisitions of rights to explore;
- Gathering exploration data through geophysical studies;
- Determining and examining the volume and grade of the resource;
- Surveying transportation and infrastructure requirements; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditures are deferred as asset when future economic benefit is more likely than not to be realized. These costs include directly attributable employee remuneration, materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred up to the point when a commercial reserve is established.

Deferred exploration and evaluation costs are assessed for impairment before these are reclassified to "Property, plant and equipment" account in the consolidated statements of financial position. Any impairment loss is recognized in profit or loss. If the mining property is found to contain no commercial reserves, the deferred exploration and evaluation costs are charged to profit or loss.

#### **Impairment of Nonfinancial Assets**

The carrying amounts of property, plant and equipment, intangible assets and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or CGU are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

#### **Advances from Customers**

Advances from customers consist of amounts received by the Group from its customers as advance collections for the sale of goods. These are recorded at face amount in the consolidated statements of financial position and recognized as revenue in the consolidated statements of comprehensive income when the control over the goods for which the advances were made are transferred and delivered to the customers.

#### **Value-Added Tax (VAT)**

VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- Where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT payable to the taxation authority is included as part of “Trade and other payables” account in the consolidated statements of financial position.

#### **Deferred Input VAT**

In accordance with Revenue Regulations (RR) No. 16-2005, input VAT on purchases or imports of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million is claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed services, including the use or lease of properties.

Deferred input VAT that are expected to be claimed against output VAT within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets. Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

#### **Rebates**

The Group provides rebates to certain customers based on the level of their purchases which may be applied against the amount of their existing or future payables to the Group. The rebates granted by the Group are not considered as a variable consideration as defined in PFRS 15. Accordingly, the Group’s sales rebates are accounted for separately from the total consideration of the revenue recognized and measured at the amount expected to be claimed by the customer against future sales transactions.

The Group’s accrual for sales rebates is included as part of “Trade and other payables” account in the consolidated statements of financial position.

#### **Equity**

*Common Stock.* Common stock is measured at par value for all shares issued and outstanding.

*Preferred Stock.* Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the Group’s option, and any dividends are discretionary. It is measured at par value for all shares issued. Dividends thereon are recognized as distributions within equity upon approval by the Parent Company’s BOD.

*Additional Paid-in Capital (APIC).* APIC represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from APIC, net of any tax effects.

*Retained Earnings.* Retained earnings represent the cumulative balance of net income, net of any dividend declaration.

Unappropriated retained earnings pertain to the unrestricted portion available for dividend declaration. Appropriated retained earnings pertain to the restricted portion which is intended for expansion projects and other significant business activities of the Group.

The Group recognizes a liability to pay dividends when the distribution is authorized and no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

*Other Equity Reserves.* Other equity reserves comprise of items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other equity reserves of the Group pertain to revaluation surplus on land, cumulative remeasurement gains (losses) on net retirement benefits liability, and cumulative unrealized gains on financial assets at FVOCI.

*Treasury Stock.* Treasury stock represents issued shares repurchased by the Group. The consideration paid, including any directly attributable incremental costs, net of related taxes, is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related taxes, is included in equity attributable to the equity holders of the Group.

### **Revenue Recognition**

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

*Sales.* Sales are recognized at a point in time when control of the goods has been transferred, when the products are delivered to the buyer, and the seller has no obligation that could affect the buyer's acceptance of goods.

*Other Income.* Income from other sources is recognized when earned during the period.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15:

*Interest Income.* Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

*Dividend Income.* Dividend income is recognized when the Group's right to receive payment is established.



### **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

*Cost of Goods Sold.* Cost of goods sold is recognized as expense when the related goods are delivered to and accepted by customers.

*Operating Expenses.* Operating expenses constitute cost of administering the business and cost incurred to sell and market the goods. These include advertising and freight and handling, among others. These are expensed as incurred.

### **Employee Benefits**

*Short-term Benefits.* The Group recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits is measured on an undiscounted basis and is included as part of "Trade and other payables" account in the consolidated statements of financial position.

*Retirement Benefits.* Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of net retirement benefits (costs) is performed annually by a qualified actuary. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Group recognizes service costs, comprising current service cost, past service cost and net interest cost in profit or loss.

The Group determines the net interest cost by applying the discount rate to the net defined benefit liability at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

The net retirement benefit liability recognized by the Group is the aggregate of the present value of the defined benefit obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefit liability.

## **Leases**

The Group assesses whether a contract is, or contains a lease, at the inception of a contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of the asset and whether the Group has the right to direct the use of the asset. The Group recognizes ROU asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases and leases of low-value assets.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

*Group as a Lessee.* At the commencement date, the Group recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

*ROU Assets.* At commencement date of the lease contract, the Group measures ROU assets (presented as part of "Property, plant and equipment" account) at cost. The initial measurement of ROU assets includes the following:

- the amount of the initial measurement of lease liabilities;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs; and
- an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets ranging from two to eight years.

*Lease Liabilities.* At commencement date, the Group measures lease liabilities at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. Lease liabilities are also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

*Group as Lessor.* Finance leases, which transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are recorded at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease receipts are apportioned between the interest income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable. Interest income is recognized in profit or loss.

#### **Finance Costs**

Finance costs include interest charges and other costs incurred in connection with the borrowing of funds. Finance costs also include any interest expense resulting from adjusting the amortized cost of financial liabilities based on the effective interest method.

All finance costs, other than capitalizable borrowing costs, are recognized in profit or loss in the period they are incurred.

#### **Foreign Currency-Denominated Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

#### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used in the computation are those that have been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries and interest in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to nonrelated parties in an economically comparable market.

#### **Segment Reporting**

The Group reports separate information about each of its operating segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group) and whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete information is available.

### **Provisions and Contingencies**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, the estimated future cash flows are discounted using a current pretax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

*Provision for Mine Rehabilitation and Decommissioning.* Mine rehabilitation costs will be incurred by the Group either while operating or at the end of the operating life of the Group's facilities and mine properties. The Group assesses its provision for mine rehabilitation and decommissioning at each reporting date. The Group recognizes a provision where: it has a legal and constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount of obligation can be made. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closing plant and waste sites, and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the mining asset is installed, or the ground or environment is disturbed at the mining operation's location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it is incurred as a result of the development or construction of the mine.

Changes in the estimated timing of rehabilitation or changes in the estimated future costs are recognized prospectively as an adjustment to the provision for mine rehabilitation and decommissioning and the related mining asset.

Any decrease in the provision for mine rehabilitation and decommissioning and, therefore, any deduction from the asset may not exceed the carrying amount of the related mining asset. Any excess over the carrying amount is recognized in profit or loss.

If the change in estimate results in an increase in the provision for mine rehabilitation and decommissioning and, therefore, an addition to the carrying amount of the mining asset, the Group considers whether there is an indication of impairment of the asset as a whole. If any such indication exists and when the revised estimate for the mining asset (net of rehabilitation provisions) exceeds the recoverable amount, the increase is recognized as expense.

The discounted provision for mine rehabilitation and decommissioning is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic accretion of the discount is recognized in profit or loss as part of finance cost.

Rehabilitation funds committed for use in satisfying environmental obligations are included in "Other noncurrent assets" account in the consolidated statements of financial position.

*Contingencies.* Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

#### **EPS**

Basic EPS is calculated by dividing the net income (less preferred dividends net of tax, if any) for the year attributable to common stockholders by the weighted average number of common stocks outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted EPS is computed by dividing net income by the weighted average number of common stocks outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year, and adjusted for the effect of dilutive options.

#### **Events After the Reporting Date**

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

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### **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. The judgments and accounting estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions made by the Group:

#### **Judgments**

*Classification of Financial Assets.* Classification and measurement of financial assets depends on the results of the contractual cash flow and the business model tests. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

At initial recognition, the Group designated its investments in equity securities either as financial assets at FVOCI (see Note 9) or as financial assets at FVPL, and its investments in debt securities and investment in unquoted redeemable perpetual securities as financial assets at FVPL (see Note 5).

Cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), finance lease receivables, DSRA, long-term placements, refundable deposits, deposit in escrow and restricted cash were classified as financial assets at amortized cost since the Group's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest (see Notes 4, 6, 8, and 14).

*Fair Value Measurement of Financial Instruments.* The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date.

When the fair values of financial assets recorded in the consolidated statements of financial position cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to this model are taken from observable market when possible, but when this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

In accordance with the amendments to PFRS 7, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the consolidated statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 30 to the consolidated financial statements.

*Assessment of Production Start Date.* The Group assesses the stage of development of the mine site to determine the start of production phase or the substantial completion of mining site development or production. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. The criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared with construction cost estimate;
- Completion of a reasonable period of testing of the property, plant and equipment; and
- Ability to sustain ongoing production of limestone.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either capitalized as part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements, mine development, or mineable reserve development. It is also at this point that depreciation or amortization commences.

The Luzon mining sites started their production and commercial operations in 2010. As at April 7, 2021, the Cebu mining sites have not yet started commercial operations.

*Capitalization of Exploration and Evaluation Expenditures.* The Group makes judgments in determining whether there are future economic benefits from either future exploration or sale of mineral reserves to capitalize exploration and evaluation expenditures. The Group further applies estimates and assumptions about future events and circumstances to determine whether an economically viable extraction operation can be established.

Deferred exploration and evaluation costs, presented under “Other noncurrent assets” account in the consolidated statements of financial position, amounted to ₱36.8 million and ₱29.6 million as at December 31, 2020 and 2019, respectively (see Note 14).

*Determination of Finance Lease Commitments - Group as a Lessor.* The Group has lease agreements with its haulers covering certain items of transportation equipment. Based on the evaluation of terms and conditions of the arrangements, the Group has determined that the risks and rewards of ownership of the transportation equipment have been transferred to its haulers. Accordingly, the lease agreements are accounted for as finance leases.

Finance lease receivables amounted to ₱8.0 million and ₱22.7 million as at December 31, 2020 and 2019, respectively (see Note 25).

*Classification of Land as Property, Plant and Equipment and Investment Properties.* The Group determines whether a property qualifies as an investment property or a property, plant and equipment. In making its judgment, the Group considers whether the property is held primarily to earn rentals or capital appreciation or both or used for operations and administrative purposes by the Group.

*Existence of Significant Influence over Armstrong Fly-ash and Logistics Company, Inc. (AFALCI).* Significant influence has been established by the Group over the investee as shown from its participation, through its representative in the investee’s BOD, in the decision making process of the investee’s significant activities. Further, although the Group’s interest is only represented by preferred shares, still, a conversion feature gives the Group a potential voting power in the future, which increases its ability to participate in the overall decision making process of the investee.

Investment in the preferred shares of AFALCI amounted to ₱75.0 million as at December 31, 2020 and 2019 (see Note 12).

### **Estimates and Assumptions**

*Assessment for ECL on Trade Receivables.* The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.



The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has assessed that the ECL on trade receivables is not material because substantial amount of receivables are normally collected within one year while none of the remaining balances are written off or credit impaired as at reporting date. Accordingly, no provision for ECL on trade receivables was recognized in 2020, 2019 and 2018. The carrying amount of trade receivables is ₱360.8 million and ₱428.6 million as at December 31, 2020 and 2019, respectively (see Note 6).

*Assessment for ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in 2020, 2019 and 2018. The carrying amounts of other financial assets at amortized cost are as follows:

	Note	2020	2019
Cash in banks and cash equivalents	4	<b>₱11,465,131,641</b>	₱16,937,743,033
Long-term placements	14	<b>650,000,000</b>	650,000,000
DSRA	8	<b>347,425,003</b>	362,765,125
Other receivables*	6	<b>110,768,237</b>	109,814,068
Refundable deposits	14	<b>55,912,004</b>	65,162,604
Deposit in escrow	14	<b>42,083,752</b>	44,708,495
Restricted cash	14	<b>28,232,093</b>	27,428,594
Finance lease receivables	25	<b>8,046,261</b>	22,709,613
		<b>₱12,707,598,991</b>	<b>₱18,220,331,532</b>

\*Includes interest receivable, receivable from contractors, advances to related parties, dividends receivable and other receivables

*Determination of NRV of Inventories.* The Group writes down the cost of inventories whenever the NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The Group reviews the lower of cost and NRV of inventories on a periodic basis. NRV represents the estimated selling price of the product based on prevailing prices at the end of the reporting period, less estimated costs to complete production and bring the product to sale. NRV test for spare parts and supplies is also performed annually. The NRV of spare parts and supplies represents the current replacement cost. An increase in allowance for inventory obsolescence and market decline would increase recorded operating expense and decrease current assets.

As at December 31, 2020 and 2019, the cost of inventories is lower than its NRV. The carrying amount of inventories is ₱1,405.7 million and ₱1,450.9 million as at December 31, 2020 and 2019, respectively (see Note 7).

*Estimation of Mineral and Quarry Reserves.* Mineral and quarry reserves are estimates of the amount of minerals that can be economically and legally extracted from the Group's mining and quarry properties. The Group estimates its mineral and quarry reserves based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of minerals to be mined and processed, the configuration of the mineral body, expected recovery rates of minerals, estimated operating costs, estimated climatic conditions and other factors.

Changes in the mineral reserve or resource estimates may impact the carrying amounts of property, plant and equipment, provision for mine rehabilitation and decommissioning, recognition of deferred tax assets, and amortization charges.

The Group also makes estimates and assumptions regarding a number of economic and technical factors, such as production rates, grades, production, and delivery costs and prices. These economic and technical estimates and assumptions may change depending on the quality and quantity of mineral extracted. The Group reviews and updates estimates annually, to reflect actual production, new exploration data or developments, and changes in other assumptions or parameters.

These estimates will change from time to time to reflect mining and quarrying activities, analyses of new engineering and geological data, changes in reserve and mineral resource holdings, modifications of mining and quarrying plans or methods, changes in mineral prices or production costs, and other factors.

Estimated limestone reserves from the Group's Luzon sites is 572.0 million metric tonnes and 574.2 million metric tonnes as at December 31, 2020 and 2019, respectively.

*Estimation of the Useful Lives of Property, Plant and Equipment and Mining Rights.* The Group estimates the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes, and anticipated use of the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation, and experience with similar assets. The Group also amortizes mining rights based on the total term of the quarry permit which is twenty five (25) years pursuant to Republic Act (R.A.) 7942, the Philippine Mining Act of 1995.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and mining rights would increase the recorded depreciation and amortization expenses and decrease noncurrent assets.

The Group has not yet started amortization for its computer software as it has only been available for use by the end of 2020.

There is no change in the estimated useful lives of property, plant and equipment and mining rights in 2020, 2019 and 2018.

The carrying amount of property, plant and equipment (excluding land and construction in progress) is ₱19,259.2 million and ₱19,869.3 million as at December 31, 2020 and 2019, respectively (see Note 10). The carrying amount of mining rights is ₱187.5 million and ₱188.2 million as at December 31, 2020 and 2019, respectively (see Note 13).

*Determination of the Revalued Amount of Land (Included under Property, Plant and Equipment account).* The Group has adopted the revaluation model in determining the carrying amount of land. The Group obtained the services of an independent appraiser in determining the fair value of land, and such fair value was determined based on recent prices of similar properties, with adjustments to reflect any changes in economic conditions since the date of those transactions. The amount and timing of recorded changes in fair value for any period would differ if the Group made different judgments and accounting estimates or utilized a different basis for determining fair value.

The carrying amount of land measured at revalued amount as at December 31, 2020 and 2019 is ₱4,104.4 million and ₱2,683.8 million, respectively (see Note 10).

*Determination of the Fair Value of Investment Properties.* The Group measures its investment properties at fair value. The Group engaged an independent appraiser to assess the fair value of investment properties as at December 31, 2020 and 2019. These were valued by reference to recent market-based evidence using comparable prices adjusted for specific market factors such as nature, location and condition of the properties.

Estimated fair values of investment properties (excluding construction in progress) amounted to ₱1,565.4 million and ₱1,299.2 million as at December 31, 2020 and 2019, respectively (see Note 11).

*Leases – Estimation of the Incremental Borrowing Rate.* The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The Group estimates the IBR using available observable inputs (such as the prevailing BVAL interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Group has applied incremental borrowing rates ranging from 7.73% to 7.91% for the computation of lease liabilities and ROU assets. Lease liabilities amounted to ₱44.2 million and ₱51.9 million as at December 31, 2020 and 2019, respectively. ROU assets amounted to ₱40.0 million and ₱49.7 million as at December 31, 2020 and 2019, respectively (see Note 25).

*Assessment for Impairment of Nonfinancial Assets.* The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on nonfinancial assets was recognized in 2020, 2019 and 2018. The carrying amounts of nonfinancial assets are as follows:

	Note	2020	2019
Property, plant and equipment	10	<b>₱25,603,963,422</b>	₱23,704,326,500
Deposit on asset purchase	14	<b>1,453,042,846</b>	1,643,721,441
Deposit for future investment	14	<b>717,000,000</b>	500,000,000
Intangible assets	13	<b>323,388,553</b>	192,048,532
Prepayments	8	<b>211,329,558</b>	162,543,637
Deferred input VAT	8,14	<b>151,744,805</b>	205,713,521
Advances to suppliers	8	<b>124,895,339</b>	298,469,784
Investment in an associate	12	<b>75,000,000</b>	75,000,000
Deferred exploration and exploration costs	14	<b>36,790,105</b>	29,628,420
Advances to officers and employees	6	<b>9,904,885</b>	7,744,402
Others	8,14	<b>40,095,101</b>	17,518,955

*Assessment of the Recoverability of Deferred Exploration and Evaluation Costs.* Deferred exploration and evaluation costs are capitalized in the period incurred until it has been determined that a property has no sufficient economically recoverable reserves, in which case the costs are written off as impairment losses. The Group reviews the carrying amounts of its mineral property interests whenever events or changes in circumstances indicate that their carrying amounts may exceed their estimated net recoverable amounts. An impairment loss is recognized when the carrying amount of those assets exceeds its recoverable amount.

No impairment loss on deferred exploration and evaluation costs was recognized in 2020, 2019 and 2018.

*Recognition of Provision for Mine Rehabilitation and Decommissioning.* The cost of mine rehabilitation and decommissioning is uncertain, and cost estimates can vary in response to many factors including estimates of the extent and costs of rehabilitation activities, changes in the relevant legal requirements, emergence of new restoration techniques or experience, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change in response to changes in quarry reserves or production rates. These uncertainties may result in future actual expenditure different from the amounts currently provided. As a result, there could be significant adjustments in provision for mine rehabilitation and decommissioning, which would affect future financial results.

Provision for mine rehabilitation and decommissioning is based on estimated future costs of rehabilitating the mine site using information available at the reporting date.

Provision for mine rehabilitation and decommissioning amounted to ₱31.2 million and ₱29.9 million as at December 31, 2020 and 2019, respectively (see Note 17).

*Determination of Retirement Benefits.* The determination of the net retirement benefit liability and expense is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 26 to the consolidated financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded liability in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefit liability.

Net retirement benefit liability amounted to ₱87.9 million and ₱114.2 million as at December 31, 2020 and 2019, respectively. Cumulative remeasurement gain amounted to ₱23.3 million and loss of ₱19.0 million on net retirement benefit liability (net of deferred tax) as at December 31, 2020 and 2019, respectively (see Note 26).

*Recognition of Deferred Tax Assets.* The Group reviews the carrying amounts of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets amounting to ₱21.9 million and ₱8.2 million were not recognized as at December 31, 2020 and 2019, respectively. Management believes that the Group will not have sufficient taxable income against which the benefits of the deferred tax assets can be utilized (see Note 28).

Deferred tax assets recognized amounted to ₱38.7 million and ₱60.9 million as at December 31, 2020 and 2019, respectively (see Note 28).

#### 4. Cash and Cash Equivalents

This account consists of:

	2020	2019
Cash on hand	<b>₱1,123,566</b>	₱749,059
Cash in banks	<b>2,084,472,199</b>	1,263,696,434
Short-term placements	<b>9,380,659,442</b>	15,674,046,599
	<b>₱11,466,255,207</b>	₱16,938,492,092

Cash on hand pertains to petty cash fund and revolving funds. Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn annual interest at rates ranging from 0.88% to 5.50% in 2020, 3.63% to 7.10% in 2019, and 3.60% to 5.76% in 2018.

Interest income is recognized from the following:

	Note	2020	2019	2018
Cash in banks and cash equivalents*		<b>₱273,048,011</b>	₱703,719,973	₱531,587,068
Long-term placements	14	<b>31,797,173</b>	37,571,500	11,868,342
Financial assets at FVPL	5	<b>28,100,980</b>	20,550,895	1,550,490
Finance lease receivables	25	<b>799,848</b>	2,140,045	2,537,136
		<b>₱333,746,012</b>	₱763,982,413	₱547,543,036

\*Includes interest income from DSRA, deposit in escrow and restricted cash.

#### 5. Financial Assets at FVPL

This account consists of:

	2020	2019
Equity securities	<b>₱4,058,939,455</b>	₱94,305,770
Debt securities	<b>644,079,707</b>	623,525,747
	<b>₱4,703,019,162</b>	₱717,831,517

Financial assets at FVPL are debt, equity, and unquoted redeemable perpetual securities held by the Group for trading purposes.

Debt securities earn annual interest rate ranging from 5.17% to 6.25% in 2020 and 2019. Interest income on debt securities amounted to ₱28.1 million, ₱20.6 million and ₱1.6 million in 2020, 2019 and 2018, respectively (see Note 4).

On July 1, 2020, the Group subscribed to an unquoted perpetual redeemable securities of a related party amounting to ₱4,000.0 million with a distribution rate of 5.0% per annum to be distributed quarterly starting October 1, 2020 (see Note 19).

Dividend income is recognized from the following equity securities:

	Note	2020	2019	2018
Financial asset at FVPL		<b>₱127,945,911</b>	₱6,257,593	₱6,066,148
Financial asset at FVOCI	9	<b>6,808,051</b>	6,808,051	6,808,051
		<b>₱134,753,962</b>	₱13,065,644	₱12,874,199

In 2020 and 2019, trading gains on financial assets at FVPL amounted to ₱20.1 million and ₱63.7 million, respectively. In 2018, trading losses on financial assets at FVPL amounted to ₱19.6 million (see Note 23).

The Group's quoted financial assets at FVPL as at December 31, 2020 and 2019 are carried at fair values based on quoted market or bidding dealer price quotations from active markets as at the reporting period. The fair valuation is classified under Level 1 category.

The Group assessed that the acquisition cost of unquoted redeemable perpetual securities amounting to ₱4,000.0 million is the appropriate estimates of fair value as at December 31, 2020.

## 6. Trade and Other Receivables

This account consists of:

	Note	2020	2019
Trade:			
Third parties		<b>₱356,433,602</b>	₱426,824,130
Related parties	19	<b>4,395,639</b>	1,776,754
Dividends receivable	19	<b>51,702,013</b>	1,702,013
Receivable from contractors		<b>22,165,263</b>	21,617,282
Advances to officers and employees		<b>9,904,885</b>	7,744,402
Current portion of finance lease receivables	25	<b>7,195,665</b>	14,978,974
Interest receivable		<b>5,580,044</b>	55,729,905
Advances to related parties	19	<b>—</b>	5,000,000
Others		<b>31,320,917</b>	25,764,868
		<b>₱488,698,028</b>	₱561,138,328

Trade receivables are noninterest-bearing and are generally on a 30-day credit term.

Advances to officers and employees are subject to liquidation within a period of seven (7) days after the transaction occurred or through salary deduction.

Other receivables are normally settled throughout the year.

## 7. Inventories

This account consists of:

	2020	2019
Spare parts	<b>₱440,416,296</b>	₱400,600,046
Goods in process	<b>416,690,974</b>	548,193,951
Raw materials	<b>326,940,512</b>	335,886,128
Supplies	<b>188,815,287</b>	138,217,428
Finished goods	<b>32,833,343</b>	27,997,192
	<b>₱1,405,696,412</b>	₱1,450,894,745

Cost of inventories as at December 31, 2020 and 2019 is lower than its NRV. Cost of inventories sold amounted to ₱4,332.9 million, ₱6,371.8 million, and ₱5,112.9 million in 2020, 2019, and 2018, respectively (see Note 21).

## 8. Other Current Assets

This account consists of:

	Note	2020	2019
DSRA	16	<b>₱347,425,003</b>	₱362,765,125
Prepayments for:			
Real property taxes		<b>202,640,975</b>	154,232,773
Insurance		<b>8,688,583</b>	8,310,864
Current portion of deferred input VAT		<b>138,009,998</b>	161,206,347
Advances to suppliers		<b>124,895,339</b>	298,469,784
Others		<b>28,749,649</b>	5,821,424
		<b>₱850,409,547</b>	₱990,806,317

DSRA represents an account maintained with a certain bank for annual principal and interest payments of the Group's loans payable in accordance with the provision of the Term Loan Facility and Security Agreement (TLFSA) (see Note 16). As a requirement, the Group ensures that the outstanding balance of DSRA is at least equal to the interest and the principal due, net of applicable withholding tax, on the immediately succeeding payment date. Withdrawals from DSRA should only be made if the amount outstanding exceeds the required balance, no default is continuing, and a written consent of the security agent is obtained.

Advances to suppliers represent advance payments for purchases of inventories that are applied against subsequent deliveries. The amounts have been outstanding for less than one (1) year from initial recognition.



## 9. Financial Assets at FVOCI

This account consists of quoted equity securities amounting to ₱103.1 million and ₱101.1 million as at December 31, 2020 and 2019, respectively.

Dividend income earned from financial assets at FVOCI amounted to ₱6.8 million in 2020, 2019 and 2018 (see Note 5).

Rollforward analysis of cumulative unrealized gains on financial assets at FVOCI is shown below:

	2020	2019	2018
Balance at beginning of year	₱1,066,800	₱—	₱9,267,825
Unrealized gains (losses) for the year	2,000,250	1,066,800	(9,267,825)
Balance at end of year	₱3,067,050	₱1,066,800	₱—

The Group's financial assets at FVOCI as at December 31, 2020 and 2019 are carried at fair value based on quoted market prices or bidding dealer price quotations from active markets as at the reporting date. The fair valuation is classified under Level 1 category (see Note 30).

## 10. Property, Plant and Equipment

The balances and movements in this account as at and for the years ended December 31, 2020 and 2019 are as follows:

		December 31, 2020						
At Revalued Amount		At Cost						
	Land	ROU Asset	Machinery and Equipment	Building and Improvements	Transportation Equipment	Furniture, Fixtures, and Other Office Equipment	Construction in Progress (CIP)	Total
<b>Cost/Revalued Amount</b>								
Balances at beginning of year	₱2,683,828,281	₱59,726,112	₱20,712,637,200	₱3,856,434,116	₱211,211,409	₱223,026,748	₱1,151,172,452	₱28,898,036,318
Additions	—	—	254,555,821	52,132,201	26,480,573	35,617,013	1,230,483,421	1,599,269,029
Revaluation	1,420,541,939	—	—	—	—	—	—	1,420,541,939
Disposals	—	—	(63,408,847)	(31,250)	(15,942,493)	(3,042,546)	—	(82,425,136)
Reclassifications	—	—	338,616,408	(338,616,408)	—	—	—	—
Settlement of construction in progress	—	—	110,234,416	30,982,031	—	—	(141,216,447)	—
Balances at end of year	4,104,370,220	59,726,112	21,352,634,998	3,600,900,690	221,749,489	255,601,215	2,240,439,426	31,835,422,150
<b>Accumulated Depreciation and Amortization</b>								
Balances at beginning of year	—	10,016,520	3,518,177,845	1,387,970,587	137,123,417	140,421,449	—	5,193,709,818
Depreciation and amortization	—	9,696,552	892,372,613	153,160,041	28,003,556	36,794,932	—	1,120,027,694
Disposals	—	—	(63,408,847)	(3,646)	(15,823,745)	(3,042,546)	—	(82,278,784)
Reclassifications	—	—	137,610,620	(137,610,620)	—	—	—	—
Balances at end of year	—	19,713,072	4,484,752,231	1,403,516,362	149,303,228	174,173,835	—	6,231,458,728
Carrying Amounts	₱4,104,370,220	₱40,013,040	₱16,867,882,767	₱2,197,384,328	₱72,446,261	₱81,427,380	₱2,240,439,426	₱25,603,963,422

	December 31, 2019							
	At Revalued Amount	At Cost						
	Land	ROU Asset	Machinery and Equipment	Building and Improvements	Transportation Equipment	Furniture, Fixtures, and Other Office Equipment	Construction in Progress	Total
<b>Cost/Revalued Amount</b>								
Balances at beginning of year	₱2,633,104,897	₱—	₱19,369,062,888	₱3,825,931,055	₱203,580,445	₱167,825,042	₱458,440,829	₱26,657,945,156
Additions	50,723,384	59,726,112	1,163,071,555	8,308,878	30,896,954	55,201,706	1,011,793,489	2,379,722,078
Disposals	—	—	(116,364,926)	—	(23,265,990)	—	—	(139,630,916)
Reclassifications	—	—	296,867,683	22,194,183	—	—	(319,061,866)	—
Balances at end of year	2,683,828,281	59,726,112	20,712,637,200	3,856,434,116	211,211,409	223,026,748	1,151,172,452	28,898,036,318
<b>Accumulated Depreciation and Amortization</b>								
Balances at beginning of year	—	—	2,814,607,438	1,256,066,267	120,718,264	106,494,997	—	4,297,886,966
Depreciation and amortization	—	10,016,520	801,907,668	131,904,320	38,488,134	33,926,452	—	1,016,243,094
Disposals	—	—	(98,337,261)	—	(22,082,981)	—	—	(120,420,242)
Balances at end of year	—	10,016,520	3,518,177,845	1,387,970,587	137,123,417	140,421,449	—	5,193,709,818
<b>Carrying Amounts</b>	<b>₱2,683,828,281</b>	<b>₱49,709,592</b>	<b>₱17,194,459,355</b>	<b>₱2,468,463,529</b>	<b>₱74,087,992</b>	<b>₱82,605,299</b>	<b>₱1,151,172,452</b>	<b>₱23,704,326,500</b>

The Company recognized the present value of the estimated costs of mine rehabilitation and decommissioning under “Building and improvements” account. Movements in the balances of capitalized costs are as follows:

	2020	2019
<b>Cost</b>		
Balance at beginning and end of year	<b>₱24,984,511</b>	<b>₱24,984,511</b>
<b>Accumulated Amortization</b>		
Balance at beginning of year	<b>14,276,864</b>	10,707,648
Amortization	<b>3,569,216</b>	3,569,216
Balance at end of year	<b>17,846,080</b>	14,276,864
<b>Carrying Amount</b>	<b>₱7,138,431</b>	<b>₱10,707,647</b>

As at December 31, 2020 and 2019, deposit on asset purchase amounting to ₱150.6 million and ₱107.9 million, respectively, were reclassified and included as additions to property, plant and equipment (see Note 14). This transaction is considered as a noncash financial information in the consolidated statements of cash flows.

In 2020, the Group sold, under a finance lease agreement, fully depreciated transportation equipment to a hauler. This resulted to a gain on sale of property, plant and equipment amounting to ₱2.6 million in 2020 (see Note 25). This is considered as a noncash financial information in the consolidated statements of cash flows.

Details of depreciation and amortization are as follows:

	Note	2020	2019	2018
Included in profit or loss:				
Property, plant and equipment		<b>₱1,036,668,299</b>	₱941,962,786	₱709,429,418
ROU assets	25	<b>9,696,552</b>	10,016,520	—
Mining rights	13	<b>719,116</b>	719,116	719,116
		<b>1,047,083,967</b>	952,698,422	710,148,534
Recognized as component of inventories		<b>73,662,843</b>	64,263,788	27,830,885
		<b>₱1,120,746,810</b>	<b>₱1,016,962,210</b>	<b>₱737,979,419</b>

Depreciation and amortization are distributed in the consolidated statements of comprehensive income as follows:

	Note	2020	2019	2018
Cost of goods sold	21	<b>₱914,067,157</b>	₱843,584,896	₱635,591,933
Operating expenses	22	<b>133,016,810</b>	109,113,526	74,556,601
		<b>₱1,047,083,967</b>	₱952,698,422	₱710,148,534

### **Revaluation of Land**

The Group engaged an independent appraiser to determine the fair value of its land. The latest appraisal valuation report was dated March 22, 2021 and was estimated using the Sales Comparison Approach. This is a comparative approach to value property that considers the sales of similar or substitute properties and related market data, and that establishes a value estimate by processes involving comparison. This fair valuation is classified under Level 3 category (significant unobservable inputs) (see Note 30).

Considering the foregoing and such factors as property location, desirability, neighbourhood, utility, size, terrain, and time element involved, the following shows the details of the valuation of the Group's land as at December 31, 2020 and 2019:

	2020	2019
Balances at beginning of year	<b>₱2,683,828,281</b>	₱2,633,104,897
Revaluation during the year	<b>1,420,541,939</b>	–
Additions	–	50,723,384
Balances at end of year	<b>₱4,104,370,220</b>	₱2,683,828,281

If these parcels of land were measured using cost model, the carrying amount should have been ₱963.2 million and ₱790.8 million as at December 31, 2020 and 2019, respectively.

Rollforward analysis of revaluation surplus is shown below:

2020				
	Note	Gross of Tax	Deferred Tax Expense	Net of Tax
Balances at beginning of year	18	₱1,892,982,858	(₱567,894,858)	₱1,325,088,000
Revaluation during the year		1,420,541,939	(426,162,581)	994,379,358
Balances at end of year		₱3,313,524,797	(₱994,057,439)	₱2,319,467,358

2019				
	Note	Gross of Tax	Deferred Tax Expense	Net of Tax
Balances at beginning and end of year	18	₱1,892,982,858	(₱567,894,858)	₱1,325,088,000

2018				
	Note	Gross of Tax	Deferred Tax Expense	Net of Tax
Balances at beginning and end of year	18	₱1,892,982,858	(₱567,894,858)	₱1,325,088,000

Revaluation surplus on land amounting to ₱1,420.5 million for the year ended December 31, 2020 is a noncash financial information excluded in the consolidated statements of cash flows.

### **Construction in Progress**

Construction in progress consists of costs incurred in the construction of the following additional facilities and projects of the Group:

	2020	2019
Finish Mill	<b>₱1,409,818,567</b>	₱822,105,683
Cement Silo	<b>182,687,081</b>	120,674,716
Pack House	<b>146,344,751</b>	31,070,292
Additive Storage	<b>99,093,638</b>	—
Others	<b>402,495,389</b>	177,321,761
	<b>₱2,240,439,426</b>	₱1,151,172,452

The remaining contracted capital expenditures for the Group's outstanding construction projects as at December 31, 2020 amounted to ₱592.0 million.

### **11. Investment Properties**

The balances and movements in this account are as follows:

	Note	2020	2019
Balance at beginning of year		<b>₱1,299,237,000</b>	₱1,188,021,000
Fair value changes	23	<b>262,000,000</b>	111,216,000
Additions		<b>4,167,431</b>	—
		<b>1,565,404,431</b>	1,299,237,000
Construction in progress		<b>65,246,173</b>	—
		<b>₱1,630,650,604</b>	₱1,299,237,000

The Group did not earn any rental income from its investment properties in 2020, 2019, and 2018.

Direct operating expenses arising from these investment properties amounted to ₱0.7 million, ₱0.6 million and ₱4.8 million in 2020, 2019, and 2018, respectively.

The Group engaged an independent appraiser to determine the fair value of the investment properties as at December 31, 2020. The latest appraisal valuation report was dated March 3, 2021 and was estimated using the Sales Comparison Approach. This approach compares sales of similar or substitute properties and related market data to establish an estimated value. The fair value of investment properties is categorized under Level 3 (significant unobservable inputs) (see Note 30).

Construction in progress amounting to ₱65.2 million pertains to the development cost incurred by the Group for the construction of a building to be held for leasing purposes. This is considered as a non cash financial information in the preparation of the consolidated statements of cash flows since payments made for the construction in progress is through advances from a related party (see Note 19).

## 12. Investment in an Associate

The Group's investment in AFALCI, an associate, amounting to ₱75.0 million as at December 31, 2020 and 2019 represents 100% interest in convertible preferred shares issued in 2015. AFALCI is an entity incorporated and domiciled in the Philippines and is engaged in the manufacturing, processing, sale and distribution of fly-ash, bottom ash, hi carbon and other by-products.

The conversion feature of the preferred shares is exercisable at the option of AFALCI at the end of the fifth year from the issue date. As of April 7, 2021, AFALCI is yet to make a decision on the exercise of the conversion feature of the investment.

The Group has significant influence over AFALCI because of its representation in the BOD of AFALCI and the existence of interlocking key management personnel. Accordingly, AFALCI is determined to be an associate of the Group.

The key financial information of the associate as at and for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Current assets	<b>₱261,257,940</b>	₱354,418,127
Noncurrent assets	<b>404,102,632</b>	487,402,986
Current liabilities	<b>491,249,793</b>	538,910,544
Noncurrent liabilities	<b>44,692,679</b>	250,000,000
Net assets	<b>₱129,418,100</b>	₱52,910,569
Net income (loss)	<b>₱91,426,588</b>	(₱23,522,752)

## 13. Intangible Assets

This account consists of:

	2020	2019
Mining rights	<b>₱187,522,898</b>	₱188,242,014
Computer software	<b>132,059,137</b>	—
Goodwill	<b>3,806,518</b>	3,806,518
	<b>₱323,388,553</b>	₱192,048,532

### **Mining Rights**

Mining rights represent the Group's legal rights to undertake quarrying activities in the municipalities of San Ildefonso and Dona Remedios Trinidad in Bulacan, and municipalities of Ginatilan and Malabuyoc in Cebu. The balances and movements of mining rights are as follows:

	Note	2020	2019
<b>Cost</b>			
Balance at beginning and end of year		<b>₱194,470,687</b>	₱194,470,687
<b>Accumulated Amortization</b>			
Balance at beginning of year		<b>6,228,673</b>	5,509,557
Amortization	10	<b>719,116</b>	719,116
Balance at end of year		<b>6,947,789</b>	6,228,673
<b>Carrying Amount</b>		<b>₱187,522,898</b>	₱188,242,014

The Group assigns to the lenders under TLFSA its rights and interest under MPSA No. 181-2002-III (see Note 16).

### **Computer Software**

This account pertains to Enterprise Resource Planning (ERP) system acquired by the Group which is still under development as at December 31, 2020.

### **Goodwill**

Goodwill amounting to ₱3.8 million was recognized as a result of the acquisition by the Parent Company of 100% ownership in SWCC on December 23, 2016. Total net cash outflow of the Parent Company from acquiring SWCC amounted to ₱385.1 million (net of cash acquired from SWCC amounting to ₱64.9 million).

No impairment loss on intangible assets was recognized in 2020, 2019, and 2018.

## **14. Other Noncurrent Assets**

This account consists of:

	Note	2020	2019
Deposit on asset purchase		<b>₱1,453,042,846</b>	₱1,643,721,441
Deposit for future investment		<b>717,000,000</b>	500,000,000
Long-term placements		<b>650,000,000</b>	650,000,000
Refundable deposits		<b>55,912,004</b>	65,162,604
Deposit in escrow		<b>42,083,752</b>	44,708,495
Deferred exploration and evaluation costs		<b>36,790,105</b>	29,628,420
Restricted cash		<b>28,232,093</b>	27,428,594
Deferred input VAT - net of current portion		<b>13,734,807</b>	44,507,174
Finance lease receivables - net of current portion	25	<b>850,596</b>	7,730,639
Others		<b>11,345,452</b>	11,697,531
		<b>₱3,008,991,655</b>	₱3,024,584,898

#### **Deposit on Asset Purchase**

Deposit on asset purchase amounting to ₱ 1,453.0 million and ₱ 1,643.7 million as at December 31, 2020 and 2019, respectively, represents advance payments for the acquisition of machinery and equipment and long-term deposit for inventory acquisition.

As at December 31, 2020 and 2019, deposit on asset purchase amounting to ₱150.6 million and ₱107.9 million have been applied for acquisitions of property, plant and equipment (see Note 10). Further, in 2020, deposit on asset purchase amounting to ₱130.6 million was applied against deliveries of inventories. These transactions are considered as noncash financial information in the consolidated statements of cash flows.

#### **Deposit for Future Investment**

Deposit for future investment amounting to ₱ 717.0 million and ₱ 500.0 million as at December 31, 2020 and 2019, respectively, pertains to deposit made for future subscription to the common shares of stock of a business entity the Group is planning to venture.

#### **Long-term Placements**

Long-term placements amounting to ₱650.0 million represent a 5-year investment in time deposits bearing an annual average interest of 5.68%. Interest income on long-term placements amounted to ₱31.8 million and ₱37.6 million in 2020 and 2019, respectively (see Note 4).

#### **Refundable Deposits**

Refundable deposits include bill deposits for electric charges of the Group's manufacturing plant which are refundable upon termination of service, and rental deposits related to long-term rentals of office space.

#### **Deposit in Escrow**

Deposit in escrow amounting to ₱42.1 million and ₱44.7 million as at December 31, 2020 and 2019, respectively, pertains to cash in escrow account related to a pending legal case.

#### **Deferred Exploration and Evaluation Costs**

Deferred exploration and evaluation costs pertain to costs incurred for the exploration and development in the Mining Property of the Group.

The balance and movement in the account are as follows:

	2020	2019
Balance at beginning of year	<b>₱29,628,420</b>	₱14,255,710
Additions	<b>7,161,685</b>	15,372,710
Balance at end of year	<b>₱36,790,105</b>	₱29,628,420

Additions to deferred exploration and evaluation costs pertain to costs incurred in drilling, hauling and other ongoing exploration activities. No impairment loss was recognized in 2020, 2019, and 2018.

The assets, expenses, and operating and investing cash flows from the deferred exploration and evaluation costs are as follows:

	2020	2019
Total assets	<b>₱36,790,105</b>	₱29,628,420
Total liabilities	<b>382,447,437</b>	302,735,938
Expenses	<b>7,184,304</b>	6,527,447
Net cash used in operating activities	<b>4,770,541</b>	7,559,358
Net cash used in investing activities	<b>2,478,315</b>	2,464,440

#### **Restricted Cash**

Restricted cash pertains to rehabilitation funds established by the Group and deposited with a local bank for compliance with the Department of Environment and Natural Resources Administrative Order No. 2005-07 for environmental protection and enhancement.

### **15. Trade and Other Payables**

This account consists of:

	Note	2020	2019
Trade:			
Third parties		<b>₱1,269,959,145</b>	₱1,578,043,585
Related parties	19	<b>765,818,446</b>	514,440,591
Accruals for:			
Sales rebates		<b>239,462,478</b>	320,039,049
Utilities	19	<b>201,229,504</b>	164,303,491
Personnel costs		<b>96,389,432</b>	57,473,897
Interests		<b>27,869,348</b>	32,621,107
Outside services		<b>3,070,515</b>	2,835,254
Advances from customers		<b>292,164,095</b>	290,624,867
Retention payable		<b>186,325,792</b>	210,583,594
Advances from a related party	19	<b>65,246,173</b>	10,000,000
Output VAT payable		<b>61,280,938</b>	68,779,302
Dividends payable	18	<b>–</b>	45,000,000
Withholding taxes payable		<b>25,716,254</b>	24,098,098
Others		<b>49,283,817</b>	51,784,809
		<b>₱3,283,815,937</b>	₱3,370,627,644

Trade payables are noninterest-bearing, and are generally settled in varying periods, within one year, depending on the arrangements with suppliers.

Accrual for sales rebates pertains to accrued monthly sales volume incentives granted to customers.

Advances from customers are collections received for inventory purchases to be delivered by the Group within 30 days after collection date.

Retention payable represents retention fees of contractors and is normally settled within one year.

Other payables are noninterest-bearing, and are normally settled within one year.



## 16. Loans Payable

This account consists of:

	2020	2019
Principal	<b>₱6,319,000,000</b>	₱7,387,000,000
Less unamortized debt issuance costs	<b>23,363,718</b>	32,700,609
	<b>6,295,636,282</b>	7,354,299,391
Less current portion	<b>1,060,127,446</b>	1,058,663,109
Noncurrent portion	<b>₱5,235,508,836</b>	₱6,295,636,282

Debt issuance costs on loan availments are recognized as discount on loans. Amortization of debt issuance costs charged to "Finance costs" account in the consolidated statements of comprehensive income amounted to ₱9.3 million, ₱10.7 million, and ₱11.8 million in 2020, 2019, and 2018, respectively.

The loans are payable in 32 quarterly installments commencing on the 9<sup>th</sup> quarter from availment and will be fully paid on March 2, 2026.

Details of the drawdowns under the TLFSA are as follows:

Date	Drawdown	Effective Interest Rates	Nominal Interest Rates
February 3, 2016	₱6,000.0 million	5.81%	5.68%
January 11, 2017	2,150.0 million	6.36%	6.21%
April 5, 2017	750.0 million	5.89%	5.74%

The terms and conditions of the TLFSA are as follows:

*Mortgage Trust Indenture (MTI).* Under the MTI, land, building and machinery and equipment with appraised value of ₱20,397.2 million and carrying amount of ₱14,539.2 million as at December 31, 2020 are held as collateral to secure the loans payable.

*DSRA.* The Group is required to maintain a DSRA equal to the interest and principal due on the immediately succeeding payment date. As at December 31, 2020 and 2019, the DSRA maintained for TLFSA amounted to ₱347.4 million and ₱362.8 million, respectively. The DSRA is presented under "Other current assets" account in the consolidated statements of financial position (see Note 8).

*Assignment of the MPSA.* The Group assigns to the lenders its rights and interest under MPSA No. 181-2002-III (see Note 13).

The schedule of maturities of the loans of the Group as at December 31, 2020 is summarized as follows:

Year	Amount
2021	₱1,068,000,000
2022	1,201,500,000
2023	1,246,000,000
2024	2,803,500,000
	<b>₱6,319,000,000</b>

### **Finance Costs**

Details of finance costs charged to consolidated statements of comprehensive income are as follows:

	Note	2020	2019	2018
Interest expense on loans payable		<b>₱416,942,783</b>	₱479,276,268	₱524,854,323
Bank charges		<b>8,556,904</b>	10,994,754	5,175,034
Interest expense on lease liabilities	25	<b>3,832,489</b>	4,110,138	—
Accretion of provision for mine rehabilitation and decommissioning	17	<b>1,363,871</b>	1,304,314	1,247,360
		<b>430,696,047</b>	495,685,474	531,276,717
Less capitalized borrowing costs		—	—	165,490,442
		<b>₱430,696,047</b>	<b>₱495,685,474</b>	<b>₱365,786,275</b>

In 2018, capitalized borrowing costs on the construction of the third production line of the Group's cement manufacturing plant amounted to ₱165.5 million. The rates used to determine the capitalizable borrowing cost range from 5.81% to 6.36%. This transaction is considered as a noncash financial information in the 2018 consolidated statements of cash flows.

### **Debt Covenants**

The Group's debt instruments contain restrictive covenants which include, among others, use of proceeds, changes in the Group's nature of business and ownership structure, disposition of assets, material advances to stockholders and officers, entering into mergers and consolidations, incurrence of additional debt, and maintenance of certain financial ratios.

Further, the Group is required to maintain a debt-to-equity ratio of not greater than 2.50 and a debt service coverage ratio greater than 1.50 with respect to the next reporting period. As at December 31, 2020, the Group is in compliance with all the requirements of its debt covenants.

### **Reconciliation of Loans Payable**

The table below details changes in the Group's loans payable, including both cash and noncash changes.

	2020	2019
Balance at beginning of year	<b>₱7,354,299,391</b>	₱8,322,574,321
Payments of principal	<b>(1,068,000,000)</b>	(979,000,000)
Amortization of debt issuance cost	<b>9,336,891</b>	10,725,070
Balance at end of year	<b>₱6,295,636,282</b>	₱7,354,299,391

## 17. Provision for Mine Rehabilitation and Decommissioning

The Group is required under its Environmental Compliance Certificate to perform rehabilitation and decommissioning of its cement manufacturing plant and quarry operation sites. Accordingly, the Group recognized its estimated liability for site rehabilitation and decommissioning. The provision is calculated based on the Group's estimate of expected costs to be incurred to rehabilitate and decommission the sites and is measured at its present value using 4.60% discount rate.

The balance and movements in this account is as follows:

	Note	2020	2019
Balance at beginning of year		<b>₱29,869,882</b>	₱28,565,568
Accretion	16	<b>1,363,871</b>	1,304,314
Balance at end of year		<b>₱31,233,753</b>	₱29,869,882

## 18. Equity

### Capital Stock

The capital stock of the Parent Company as at December 31, 2020 and 2019 is as follows:

Common stock - ₱1 par value	₱5,000,000,005
Preferred stock - ₱1 par value	3,000,000,000
	<b>₱8,000,000,005</b>

### *Common Stock*

Details of the Parent Company's common stock at ₱1.00 par value are as follows:

	2020		2019		2018	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized</b>						
Balance at beginning and end of year	<b>₱5,500,000,000</b>	<b>₱5,500,000,000</b>	₱5,500,000,000	₱5,500,000,000	5,500,000,000	₱5,500,000,000
<b>Issued</b>						
Balance at end of year	<b>₱5,000,000,005</b>	<b>₱5,000,000,005</b>	₱5,000,000,005	₱5,000,000,005	5,000,000,005	₱5,000,000,005

On April 20, 2017, the SEC resolved to render effective the Registration Statement of the Parent Company for the registration of up to five billion capital stock. On May 10, 2017, the PSE approved the Parent Company's application for the initial listing of such shares under the Main Board of the PSE. On May 15, 2017, the SEC issued in favor of the Parent Company a Certificate of Permit to Offer Securities for Sale of the Five Hundred Million (500,000,000) common stock with an Oversubscription Option of up to Seventy-Five Million (75,000,000) common stock at an offer price of fifteen pesos (₱15.00) per share. The Offer Period was from May 16, 2017 to May 22, 2017. On May 29, 2017, the shares of the Parent Company commenced trading in the PSE.

### Preferred Stock

Details of the Parent Company's preferred stock at ₱1.00 par value are as follows:

	2020		2019		2018	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized</b>						
Balance at beginning and end of year	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000
<b>Issued</b>						
Balance at beginning of year	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Redemption	(3,000,000,000)	(3,000,000,000)	—	—	—	—
Balance at end of year	—	₱—	3,000,000,000	₱3,000,000,000	3,000,000,000	₱3,000,000,000

Preferred stock is cumulative, non-participating, non-voting, not convertible to common stock and redeemable at the option of the Parent Company at the end of fifth year from the issue date, at the price of issue value plus all accumulated and unpaid dividends. Subject to the availability of unrestricted retained earnings of the Parent Company, the preferred stockholders shall be paid a cash dividend of 6.00% per annum or such rate as may be fixed by its BOD.

As at December 31, 2019 and 2018, there is no dividend in arrears related to the preferred stock.

On March 13, 2020, the Parent Company's BOD approved the redemption of its preferred stocks amounting to ₱3,000.0 million on June 2, 2020, with a redemption price of ₱3,000.0 million, to be paid upon submission and surrender of the original stock certificates by the preferred shareholders.

### Dividend Declaration

The Parent Company's BOD authorized the declaration of the following cash dividends in 2020, 2019 and 2018:

#### 2020

In June 2020, the Parent Company paid ₱46.5 million dividends to its preferred shareholders upon redemption of the preferred stocks. Dividend per share amounted to ₱0.0155.

#### 2019

Type	Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount
Preferred	February 28, 2019	February 28, 2019	April 22, 2019	₱0.015	₱45,000,000
Preferred	February 28, 2019	February 28, 2019	July 22, 2019	0.015	45,000,000
Preferred	February 28, 2019	February 28, 2019	October 21, 2019	0.015	45,000,000
Preferred	February 28, 2019	February 28, 2019	January 20, 2020	0.015	45,000,000
Common	June 18, 2019	July 12, 2019	July 31, 2019	0.26	1,300,000,001
					₱1,480,000,001

#### 2018

Type	Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount
Preferred	March 15, 2018	March 15, 2018	April 23, 2018	₱0.015	₱45,000,000
Preferred	March 15, 2018	March 15, 2018	July 23, 2018	0.015	45,000,000
Preferred	March 15, 2018	March 15, 2018	October 22, 2018	0.015	45,000,000
Preferred	March 15, 2018	March 15, 2018	January 24, 2019	0.015	45,000,000
Common	May 3, 2018	May 31, 2018	June 26, 2018	0.23	1,155,115,516
					₱1,335,115,516

### **Appropriation of Retained Earnings**

Details of appropriated retained earnings as at December 31, 2020 are as follows:

Year of Appropriation	Amount	Project Completion
2020	₱8,500,000,000	To be completed in 2023
2018	5,000,000,000	To be completed in 2023
2016	2,500,000,000	To be completed in 2023
	<b>₱16,000,000,000</b>	

On November 6, 2020, the Parent Company's BOD approved the appropriation of ₱8,500.0 million unrestricted retained earnings to supplement the funding of the fourth manufacturing line in Cebu and other future expansion which is expected to be completed in 2023.

The Parent Company's BOD also approved the appropriation of unrestricted retained earnings amounting to ₱5,000.0 million and ₱2,500.0 million on March 15, 2018 and December 22, 2016, respectively, to supplement the funding of the construction of its production facility in Cebu that is expected to be completed in 2023.

### **Other Equity Reserves**

Details of the Group's other equity reserves are as follows:

	Note	2020	2019
Revaluation surplus (net of deferred tax)	10	<b>₱2,319,467,358</b>	₱1,325,088,000
Cumulative remeasurement gains (losses) on net retirement benefit liability (net of deferred tax)	26	<b>23,330,422</b>	(19,008,975)
Cumulative unrealized gains on financial assets at FVOCI	9	<b>3,067,050</b>	1,066,800
		<b>₱2,345,864,830</b>	₱1,307,145,825

## **19. Related Party Transactions**

The Group has transactions with its related parties in the ordinary course of business. The outstanding balances and amount of transactions with related parties as at and for the years ended December 31, 2020 and 2019 are as follows:

Nature of Relationship	Nature of Transactions	2020		2019	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Cash and Cash Equivalents					
Entities under common key management with ECC	Cash deposits and investment in short-term placements	₱40,580,613	₱509,891,847	₱1,880,179	₱469,311,234
Unquoted Equity Securities at FVPL (see Note 5)					
Entity under common key management with ECC	Investment in unquoted redeemable perpetual security	₱4,000,000,000	₱4,000,000,000	₱—	₱—
Trade Receivables (see Note 6)					
Entities under common key management with ECC	Sale of inventories	₱27,605,222	₱4,395,639	₱25,322,622	₱1,776,754

		2020		2019	
Nature of Relationship	Nature of Transactions	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
<b>Dividends Receivable</b> (see Note 6)					
Entities under common key management with ECC	Dividends earned	₱106,808,051	₱51,702,013	₱6,808,051	₱1,702,013
<b>Advances to Officers</b>					
Key management personnel	Cash advances	₱396,399	₱189,135	₱880,130	₱342,973
<b>Advances to Related Parties</b> (see Note 6)					
Ultimate Parent Company	Working capital advances	₱—	₱—	₱—	₱5,000,000
<b>Advances to Suppliers</b>					
Subsidiaries of Ultimate Parent Company	Deposit for inventory acquisition and purchase of services	₱—	₱937,369,570	₱—	₱1,029,268,144
Associate	Deposit for inventory acquisition	—	184,496,290	250,000,000	250,000,000
Entities under common key management with ECC	Purchase of services	448,869	29,472,517	9,972,571	31,988,219
Subsidiaries of Ultimate Parent Company	Purchase of services and equipment	808,430	5,464,053	—	4,655,622
			₱1,156,802,430		₱1,315,911,985
<b>Financial Assets at FVOCI</b> (see Note 9)					
Entities under common key management with ECC	Investments in quoted equity instruments	₱—	₱103,079,550	₱—	₱101,079,300
<b>Refundable Deposits</b>					
Entities under common key management with ECC	Supply of services	₱—	₱54,190,018	₱51,457,542	₱54,190,018
<b>Trade Payables</b> (see Note 15)					
Entities under common key management with ECC	Purchase of raw materials and outside services	₱437,669,566	₱344,368,477	₱709,467,894	₱115,773,952
Subsidiaries of Ultimate Parent Company	Hauling, rental and other services	966,526,064	332,315,115	1,403,492,878	326,471,153
Associate Company	Purchase of goods	427,881,423	89,134,854	389,451,834	72,195,486
			₱765,818,446		₱514,440,591
<b>Accrued Expenses</b> (see Note 15)					
Entity under common key management	Purchase of services	₱1,937,101,529	₱201,229,504	₱2,730,167,121	₱163,766,819
<b>Advances from A Related Party</b> (see Note 15)					
Ultimate Parent Company	Capital expenditure	₱65,246,173	₱65,246,173	₱62,018	₱10,000,000
<b>Loans Payable</b>					
Entity under common key management	Purchase of services	₱66,463,774	₱1,274,247,309	₱76,342,837	₱1,483,759,164
<b>Retirement Benefit Plan</b>					
	Contribution	₱—	₱23,525,414	₱—	₱24,611,175
<b>Personnel Costs</b>					
Key management personnel	Salaries and other employee benefits	₱70,301,991	₱6,832,682	₱63,837,483	₱15,111,150
	Net retirement benefit liability	18,231,928	45,879,468	2,938,744	22,540,557
			₱52,712,150		₱37,651,707

### **Terms and Conditions of Transactions and Balances with Related Parties**

Trade receivables, trade payables, and advances to and from related parties are unsecured, noninterest-bearing, generally settled in cash, and are collectible or payable on demand. No allowance for impairment losses was provided for trade and other receivables from related parties.

Advances to suppliers, including deposits for inventories, are settled upon delivery of the asset purchased.

## **20. Net Sales**

This account consists of:

	2020	2019	2018
Sales	<b>₱14,345,714,589</b>	₱20,478,373,304	₱17,028,418,668
Rebates	<b>(439,575,207)</b>	(653,921,223)	(506,372,359)
	<b>₱13,906,139,382</b>	₱19,824,452,081	₱16,522,046,309

For the years ended December 31, 2020, 2019, and 2018, all sales of the Group pertain to cement products within Luzon area. All sales are recognized upon delivery to customers or at a point at which the Group has no more obligation that could affect the acceptance of goods by the customers.

Rebates are incentives granted to customers depending on their level of purchases at each reporting period. This is not considered as a variable consideration as defined in PFRS 15.

## **21. Cost of Goods Sold**

This account consists of:

	Note	2020	2019	2018
Cost of inventories	7	<b>₱4,332,874,496</b>	₱6,371,790,319	₱5,112,930,070
Utilities		<b>1,586,689,375</b>	2,439,322,673	2,122,400,230
Depreciation and amortization	10	<b>914,067,157</b>	843,584,896	635,591,933
Repairs and maintenance		<b>464,463,621</b>	610,853,098	435,535,146
Personnel costs	24	<b>432,396,334</b>	365,736,282	348,739,193
Taxes and licenses		<b>290,833,695</b>	197,199,536	204,409,210
Fuel and oil		<b>83,110,343</b>	171,693,465	181,397,380
Rental	25	<b>62,095,485</b>	104,144,154	224,568,896
Insurance		<b>39,782,426</b>	40,395,966	34,622,600
Others		<b>2,617,202</b>	8,304,154	10,754,180
		<b>₱8,208,930,134</b>	₱11,153,024,543	₱9,310,948,838

## 22. Operating Expenses

This account consists of:

	Note	2020	2019	2018
Freight, trucking, and handling		<b>₱744,213,444</b>	₱1,104,463,869	₱911,200,908
Personnel costs	24	<b>225,361,571</b>	255,341,914	192,304,093
Depreciation and amortization	10	<b>133,016,810</b>	109,113,526	74,556,601
Taxes and licenses		<b>101,491,270</b>	18,000,441	21,504,816
Warehousing fees		<b>63,054,998</b>	81,234,244	50,869,134
Advertising		<b>57,583,819</b>	66,351,860	71,684,892
Corporate social responsibility		<b>41,284,740</b>	354,546	5,038,084
Professional fees		<b>40,365,686</b>	43,622,715	44,272,317
Outside services		<b>38,286,867</b>	49,545,796	42,762,956
Repairs and maintenance		<b>20,536,341</b>	29,330,474	30,274,639
Rental	25	<b>18,030,821</b>	13,413,060	24,611,787
Communication		<b>14,642,205</b>	6,010,684	5,035,647
Transportation and travel		<b>8,632,194</b>	12,635,103	30,354,006
Supplies		<b>8,609,768</b>	10,482,683	12,981,476
Utilities		<b>6,026,698</b>	9,252,853	5,752,239
Representation		<b>1,057,289</b>	3,445,204	2,972,510
Others		<b>63,747,238</b>	59,382,728	42,092,178
		<b>₱1,585,941,759</b>	₱1,871,981,700	₱1,568,268,283

## 23. Other Income - Net

This account consists of:

	Note	2020	2019	2018
Fair value changes in investment properties	11	<b>₱262,000,000</b>	₱111,216,000	₱435,811,000
Dividend income	5	<b>134,753,962</b>	13,065,644	12,874,199
Foreign exchange gains (losses) - net		<b>(20,589,531)</b>	(8,079,105)	16,048,690
Trading gains (losses) on financial assets at FVPL	5	<b>20,077,980</b>	63,663,740	(19,596,342)
Gain (loss) on sale of property, plant and equipment		<b>5,976,932</b>	(4,586,716)	2,997,477
Loss on cancellation of finance lease contracts	25	—	(5,021,149)	(6,164,277)
Others		<b>10,566,999</b>	9,514,384	27,635,701
		<b>₱412,786,342</b>	₱179,772,798	₱469,606,448



## 24. Personnel Costs

This account consists of:

	Note	2020	2019	2018
Salaries and wages		<b>₱492,168,921</b>	₱450,525,945	₱398,059,973
Retirement benefit costs	26	<b>34,239,322</b>	21,510,627	14,853,861
Other short-term employee benefits		<b>165,635,398</b>	176,689,472	143,607,115
		<b>₱692,043,641</b>	₱648,726,044	₱556,520,949
<hr/>				
	Note	2020	2019	2018
Included in profit or loss:				
Cost of goods sold	21	<b>₱432,396,334</b>	₱365,736,282	₱348,739,193
Operating expenses	22	<b>225,361,571</b>	255,341,914	192,304,093
		<b>657,757,905</b>	621,078,196	541,043,286
Recognized as component of inventories		<b>34,285,736</b>	27,647,848	15,477,663
		<b>₱692,043,641</b>	₱648,726,044	₱556,520,949

## 25. Leases

### Group as a Lessee

The Group has various lease contracts for its office space, warehouses and heavy equipment with lease terms ranging from two (2) to eight (8) years. The terms of some lease contracts include extension options and variable lease payments.

The carrying amount of the ROU assets (included as component of property, plant and equipment) is as follows (see Note 10):

	2020	2019
Balance at beginning of year	<b>₱49,709,592</b>	₱—
Initial recognition	—	59,726,112
Amortization	<b>(9,696,552)</b>	(10,016,520)
Balance at end of year	<b>₱40,013,040</b>	₱49,709,592

The carrying amount of lease liabilities and the movements during the year are as follows:

	2020	2019
Balance at beginning of year	<b>₱51,942,519</b>	₱—
Initial recognition	—	59,726,112
Accretion	<b>3,832,489</b>	4,110,138
Payments	<b>(11,569,276)</b>	(11,893,731)
Balance at end of year	<b>₱44,205,732</b>	₱51,942,519
Current	<b>₱7,648,720</b>	₱8,061,837
Non-current	<b>36,557,012</b>	43,880,682
	<b>₱44,205,732</b>	₱51,942,519

The Group recognized the following lease-related expenses:

	Note	2020	2019	2018
Variable lease payments		<b>₱77,830,855</b>	₱118,871,259	₱–
Amortization of ROU assets	10	<b>9,696,552</b>	10,016,520	–
Expense related to short-term leases		<b>7,033,529</b>	6,121,117	–
Interest expense on lease liabilities	16	<b>3,832,489</b>	4,110,138	–
Rent expense – PAS 17		–	–	259,162,148
		<b>₱98,393,425</b>	₱139,119,034	₱259,162,148

Consequently, the Group's lease-related expenses are distributed as follows:

	Note	2020	2019	2018
Included in profit or loss:				
Cost of goods sold	21	<b>₱62,095,485</b>	₱104,144,154	₱224,568,896
Operating expenses - rental	22	<b>18,030,821</b>	13,413,060	24,611,787
Operating expenses - depreciation	10	<b>9,696,552</b>	10,016,520	–
Finance costs	16	<b>3,832,489</b>	4,110,138	–
		<b>93,655,347</b>	131,683,872	249,180,683
Recognized as component of inventories		<b>4,738,078</b>	7,435,162	9,981,465
		<b>₱98,393,425</b>	₱139,119,034	₱259,162,148

The total cash outflows for leases in 2020, 2019 and 2018 amounted to ₱96.4 million, ₱136.8 million and ₱259.2 million, respectively.

#### **Finance Leases - Group as a Lessor**

The Group entered into various lease agreements with its haulers covering certain items of transportation equipment. The lease term is five (5) years and the annual effective interest rates range from 4.26% to 5.29%. The balances and movements of finance lease receivables as at and for the years ended December 31, 2020 and 2019 are as follows:

	Note	2020	2019
<b>Minimum Lease Receivables</b>			
Balance at beginning of year		<b>₱23,531,966</b>	₱45,556,531
Collections		<b>(9,454,619)</b>	(17,800,607)
Reclassification adjustments		<b>(8,652,530)</b>	(5,652,529)
Additions		<b>2,857,143</b>	1,428,571
Balance at end of year		<b>8,281,960</b>	23,531,966
<b>Unearned Interest Income</b>			
Balance at beginning of year		<b>822,353</b>	2,818,451
Accretion	4	<b>(799,848)</b>	(2,140,045)
Additions		<b>213,194</b>	143,947
Balance at end of year		<b>235,699</b>	822,353
		<b>₱8,046,261</b>	₱22,709,613

The accretion of unearned interest income on lease receivable is recorded as part of “Interest income” account in the consolidated statements of comprehensive income.

In 2020, the Group sold, under a finance lease agreement, fully depreciated transportation equipment to a hauler. This resulted to a gain on sale of property, plant and equipment amounting to ₱2.6 million in 2020 (see Note 10). This is considered as a noncash financial information in the consolidated statements of cash flows.

The Group cancelled its finance lease contracts with several haulers and recognized a loss on pretermination amounting to ₱5.0 million in 2019 (see Note 23). The related trucks reacquired were recorded at the deemed cost as at date of termination. This transaction is considered as a noncash financial information in the consolidated statements of cash flows.

Finance lease receivables are classified in the consolidated statements of financial position as at December 31, 2020 and 2019 as follows:

	2020		
	Current	Noncurrent	Total
Gross amount	<b>₱7,412,168</b>	<b>₱869,792</b>	<b>₱8,281,960</b>
Less unearned interest income	<b>216,503</b>	<b>19,196</b>	<b>235,699</b>
	<b>₱7,195,665</b>	<b>₱850,596</b>	<b>₱8,046,261</b>

	2019		
	Current	Noncurrent	Total
Gross amount	<b>₱15,687,472</b>	<b>₱7,844,494</b>	<b>₱23,531,966</b>
Less unearned interest income	<b>708,498</b>	<b>113,855</b>	<b>822,353</b>
	<b>₱14,978,974</b>	<b>₱7,730,639</b>	<b>₱22,709,613</b>

## 26. Net Retirement Benefit Liability

The Group has a funded, noncontributory defined benefit retirement plan covering substantially all of its qualified regular employees. The retirement benefit is based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The benefits to be received by the employees under the Group’s defined benefit retirement plan meet the minimum mandated benefit under R.A. No. 7641. Net retirement benefit liability is based on the actuarial valuation report as at December 31, 2020 and 2019.

The components of retirement benefit costs included under “Personnel costs” account (see Note 24) in the consolidated statements of comprehensive income are as follows:

	2020	2019	2018
Current service cost	<b>₱28,266,771</b>	<b>₱17,281,596</b>	<b>₱13,208,037</b>
Net interest cost	<b>5,972,551</b>	<b>4,229,031</b>	<b>1,645,824</b>
	<b>₱34,239,322</b>	<b>₱21,510,627</b>	<b>₱14,853,861</b>

Retirement benefit costs were distributed as follows:

	2020	2019	2018
Included in profit or loss	<b>₱33,230,449</b>	₱20,778,962	₱14,461,027
Recognized as component of inventories	<b>1,008,873</b>	731,665	392,834
	<b>₱34,239,322</b>	₱21,510,627	₱14,853,861

Movements in net retirement benefit liability recognized in the consolidated statements of financial position are as follows:

	2020	2019
Balance at beginning of year	<b>₱114,190,524</b>	₱56,311,997
Retirement benefit costs	<b>34,239,322</b>	21,510,627
Remeasurement losses (gains)	<b>(60,484,853)</b>	36,367,900
Balance at end of year	<b>₱87,944,993</b>	₱114,190,524

The funded status of the retirement plan as at December 31, 2020 and 2019 are as follows:

	2020	2019
Present Value of Defined Benefits Obligation (PVBO)	<b>₱111,470,407</b>	₱138,801,699
Fair Value of Plan Assets (FVPA)	<b>(23,525,414)</b>	(24,611,175)
Net retirement benefit liability	<b>₱87,944,993</b>	₱114,190,524

The following tables present the changes in the PVBO and FVPA:

*PVBO*

	2020	2019
Balance at beginning of year	<b>₱138,801,699</b>	₱78,728,590
Current service cost	<b>28,266,771</b>	17,281,596
Interest cost	<b>7,203,808</b>	5,912,517
Benefit paid	<b>(1,775,076)</b>	–
Remeasurement losses (gains) recognized in OCI:		
Change in financial assumptions	<b>(55,204,407)</b>	43,561,034
Experience adjustments	<b>(5,822,388)</b>	(6,682,038)
Balance at end of year	<b>₱111,470,407</b>	₱138,801,699

*FVPA*

	2020	2019
Balance at beginning of year	<b>₱24,611,175</b>	₱22,416,593
Benefits paid	<b>(1,775,076)</b>	–
Interest income	<b>1,231,257</b>	1,683,486
Remeasurement gains (losses)	<b>(541,942)</b>	511,096
Balance at end of year	<b>₱23,525,414</b>	₱24,611,175
Actual return on plan assets	<b>₱689,315</b>	₱2,194,582

Plan assets consist of the following:

	2020	2019
Investments in:		
Debt instruments	66.52%	69.72%
Unit investment trust fund	29.61%	26.98%
Cash and cash equivalents	0.21%	0.26%
Others	3.66%	3.04%
	<b>100.00%</b>	<b>100.00%</b>

The principal assumptions used in determining net retirement benefit liability are as follows:

	2020	2019
Discount rate	3.73%	5.19%
Future salary increase	6.00%	10.00%

Sensitivity analyses on net retirement benefit liability as at December 31, 2020 and 2019 are as follows:

		Effect on Net Retirement Benefit Liability	
Change in Assumption		2020	2019
Discount rate	+1.00%	(P15,546,406)	(P21,734,696)
	-1.00%	19,588,371	27,635,127
Salary increase rate	+1.00%	P18,918,562	P26,017,302
	-1.00%	(15,378,523)	(21,059,746)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the end of the reporting period.

The cumulative remeasurement gains (losses) on net retirement benefit liability recognized in the consolidated statements of comprehensive income are as follows:

	2020		
	Cumulative Remeasurement Gains (Losses) on Retirement Benefit Liability	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	(P27,155,679)	P8,146,704	(P19,008,975)
Remeasurement gains	60,484,853	(18,145,456)	42,339,397
Balances at end of year	P33,329,174	(P9,998,752)	P23,330,422

	2019		
	Cumulative Remeasurement Gains (Losses) on Retirement Benefit Liability	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	₱9,212,221	(₱2,763,666)	₱6,448,555
Remeasurement losses	(36,367,900)	10,910,370	(25,457,530)
Balances at end of year	(₱27,155,679)	₱8,146,704	(₱19,008,975)

	2018		
	Cumulative Remeasurement Gains (Losses) on Retirement Benefit Liability	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	₱21,796,244	(₱6,538,873)	₱15,257,371
Remeasurement losses	(12,584,023)	3,775,207	(8,808,816)
Balances at end of year	₱9,212,221	(₱2,763,666)	₱6,448,555

As at December 31, 2020, the maturity analysis of the undiscounted net retirement benefit liability is as follows:

Year	Amount
More than one year to five years	₱30,597,518
More than five years	46,598,895
	₱77,196,413

As at December 31, 2020 and 2019, the average duration of the net retirement benefit liability is 15.8 years and 17.8 years, respectively.

## 27. Registration with the Board of Investments (BOI)

### Luzon Site

On July 31, 2017, the BOI approved the application of the Parent Company as an expanding producer of cement (Line 3) in Bulacan on a nonpioneer status. The Parent Company's registration with the BOI entitled to provide for the following fiscal and nonfiscal incentives:

- Income Tax Holiday (ITH) for income directly attributable to Line 3 for three (3) years from May 2018 or actual start of commercial operations, whichever is earlier;
- Importation of capital equipment, spare parts and accessories at zero duty;
- Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year if the project meets the requirements as stated in the BOI certificate;
- Importation of consigned equipment for a period of 10 years from date of registration, subject to posting of re-export bond;
- Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and supplies and semi-manufactured products used in producing export product and forming part thereof for a period of 10 years from start of commercial operation;

- Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of 10 years from date of registration;
- Employment of foreign nationals which may be allowed in supervisory, technical or advisory positions for five years from the date of registration; and
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In May 2018, the Parent Company started commercial operations of the Third Production Line. The Parent Company availed of ITH incentive of ₱511.1 million and ₱171.5 million in 2019 and 2018, respectively.

On November 4, 2020, the BOI granted the deferment of the Parent Company's ITH availment for the current taxable year up to April 2022 due to the adverse effects of the COVID-19 pandemic. Accordingly, the Parent Company's income tax for the current taxable year is computed based on 30% regular corporate income tax. No ITH incentive was availed in 2020.

#### **Cebu Site**

On August 23, 2017, SWCC was registered with the BOI as a new producer of cement on a non-pioneer status but with pioneer incentives (the project being located in a less-developed area) under the heading "All Qualified Manufacturing Activities including Agro-Processing" of the 2017 Investment Priorities Plan under Executive Order No. 226. The SWCC registration with BOI entitles it to the following fiscal and non-fiscal incentives available to its registered project, among others:

- Income tax holiday (ITH) for six (6) years from May 2020 or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration;
- Importation of capital equipment, spare parts and accessories at zero duty under EO No. 22 and its implementing rules and regulations. Only equipment directly needed and exclusively used in its operation shall be entitled to capital equipment incentives.
- Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board. This may be availed of for the first five years from date of registration but not simultaneously with ITH;
- Importation of consigned equipment for a period of 10 years from the date of registration, subject to posting of re-export bond;
- Tax credit equivalent to the national internal revenue taxes and duties paid on raw materials and suppliers and semi-manufactured products used in producing its export product and forming part thereof for a period of 10 years from start of commercial operations;
- Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of 10 years from date of registration;
- Employment of foreign nationals may be allowed in supervisory, technical or advisory positions for five years from date of registration. The president, general manager and treasurer of foreign-owned registered enterprises or their equivalent shall not subject to the foregoing limitations;
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies; and
- Additional deduction from taxable income equivalent to 100% of expenses incurred in the development of necessary and major infrastructure and facilities.

On August 26, 2020, the BOI approved the request of SWCC for the movement of start of commercial operation and ITH reckoning date of its registered activity from May 2020 to December 2023, due to the delay in the processing of permits in the Cebu site. Accordingly, no tax benefits from ITH incentives have been availed of in 2020.

## 28. Income Taxes

As discussed in Note 27, in 2020, the ITH-registered activity of the Group was subjected to regular corporate income tax (RCIT). The components of income tax as reported in the consolidated statements of comprehensive income are as follows:

	2020	2019	2018
<b>Reported in Profit or Loss</b>			
Current	<b>₱1,032,478,972</b>	₱1,224,911,672	₱1,498,968,804
Deferred	<b>3,232,266</b>	7,702,810	(3,119,463)
	<b>₱1,035,711,238</b>	₱1,232,614,482	₱1,495,849,341
<b>Reported in OCI</b>			
Deferred tax expense (benefit) on:			
Revaluation surplus	<b>₱426,162,581</b>	₱—	₱—
Remeasurement gains (losses) on net retirement benefit liability	<b>18,145,456</b>	(10,910,370)	(3,775,207)
	<b>₱444,308,037</b>	(₱10,910,370)	(₱3,775,207)

The components of the Group's net deferred tax liabilities are as follows:

	2020	2019
Deferred tax assets:		
Net retirement benefit liability	<b>₱26,383,498</b>	₱34,257,158
Provision for mine rehabilitation and decommissioning	<b>9,370,126</b>	8,960,964
Unamortized past service cost	<b>1,471,470</b>	1,839,338
Net unrealized foreign exchange loss	<b>1,390,938</b>	—
Unearned interest income	<b>70,710</b>	246,706
Lease liabilities	—	15,582,756
	<b>38,686,742</b>	60,886,922
Deferred tax liabilities:		
Excess of revalued amount or fair value over cost of property, plant and equipment	<b>994,057,439</b>	567,894,858
Excess of fair value over cost of financial assets at FVPL	<b>20,345,083</b>	14,178,895
Carrying amount of ROU assets	<b>12,003,912</b>	14,912,878
Capitalized mine rehabilitation and decommissioning cost	<b>2,141,529</b>	3,212,294
Unrealized foreign exchange gains	—	3,008,915
	<b>1,028,547,963</b>	603,207,840
Net deferred tax liabilities	<b>₱989,861,221</b>	₱542,320,918



The components of the Group's unrecognized deferred tax assets are as follows:

	2020	2019
Lease liabilities	<b>₱13,261,720</b>	₱–
NOLCO	<b>8,597,999</b>	8,154,632
	<b>₱21,859,719</b>	<b>₱8,154,632</b>

The rollforward analysis of NOLCO as at December 31, 2020 is as follows:

Year Incurred	Amount	Applied/Expired	Balance	Expiry Date
2020	₱7,862,877	₱–	₱7,862,877	2025
2019	7,178,833	–	7,178,833	2022
2018	13,618,285	–	13,618,285	2021
2017	6,384,990	6,384,990	–	2020
	<b>₱35,044,985</b>	<b>₱6,384,990</b>	<b>₱28,659,995</b>	

In accordance with Revenue Regulations (RR) No. 25-2020 which implements R.A. No. 11494, “Bayanihan to Recover as One Act”, net operating losses for taxable years 2020 and 2021 are allowed to be carried over for the next five (5) consecutive taxable years immediately following the year of such loss.

The reconciliation between the income tax expense based on statutory income tax rate and effective income tax rate is as follows:

	2020	2019	2018
Income tax at statutory tax rate	<b>₱1,328,131,138</b>	₱2,174,254,612	₱1,888,257,719
Increase (decrease) in income tax resulting from:			
Difference arising from the use of optional standard deduction	<b>(144,593,834)</b>	(261,892,230)	–
Interest income subjected to final tax	<b>(99,883,850)</b>	(228,552,711)	(163,503,579)
Nontaxable income	<b>(78,600,000)</b>	(33,364,800)	(130,743,300)
Nondeductible expenses	<b>55,320,595</b>	97,508,304	69,615,714
Dividend income exempt from income tax	<b>(40,426,189)</b>	(3,919,693)	(3,862,260)
Expired NOLCO	<b>1,915,497</b>	1,661,807	1,133,852
Trading gains (losses) on financial assets at FVPL	<b>142,794</b>	(2,488,682)	3,425,643
Taxable income subject to income tax holiday	–	(511,083,968)	(171,472,607)
Change in unrecognized deferred tax assets	<b>13,705,087</b>	491,843	2,998,159
Income tax at effective tax rate	<b>₱1,035,711,238</b>	₱1,232,614,482	₱1,495,849,341

#### **Impact of Corporate Recovery and Tax Incentives for Enterprises Act**

On March 26, 2020, RA No. 11534 or the “Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act” was signed into law by the President of the Philippines. Under the CREATE Act, the Group's RCIT is subjected to 25% instead of 30% income tax rate. In addition, the minimum corporate income tax (MCIT) is subjected to 1% instead of 2% of gross income for a period of three (3) years. The changes in the income tax rates shall be effective beginning July 1, 2020.

The enactment of CREATE Act is not considered as an adjusting subsequent event in the consolidated financial statements. Accordingly, the Group still used the rate of 30% in the computation of its RCIT.

The table below summarizes the financial impact of the change in income tax rates to the Group's financial statements had CREATE Act been effected in the current and deferred income tax computation as at December 31, 2020:

	Audited Balances (Based on Old Income Tax Rate)	Pro-forma Balances (Based on Revised Income Tax Rate)	Financial Impact Increase (Decrease)
Income tax payable	₱211,879,633	₱125,839,719	(₱86,039,914)
Net deferred tax liability	989,861,221	824,884,351	(164,976,870)
Current tax expense	1,032,478,972	946,439,058	(86,039,914)
Deferred tax expense	3,232,266	5,598,094	2,365,828

## 29. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of cash and cash equivalents, financial assets at FVPL, trade and other receivables (excluding advances to officers and employees), finance lease receivables, DSRA, financial assets at FVOCI, long-term placements, deposit in escrow, restricted cash, refundable deposits, trade and other payables (excluding advances from customers and statutory payables), lease liabilities, and loans payable.

The main financial risks arising from the Group's use of financial instruments include market risks, credit risk and liquidity risk. The Group's BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

### **Market Risks**

The Group is exposed to market risks, primarily those related to foreign currency risk, equity price risk and interest rate risk. Management actively monitors these exposures, as follows:

*Foreign Currency Risk.* Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's foreign exchange risk results primarily from movements of the Philippine Peso against the US Dollar and Euro with respect to foreign currency-denominated monetary financial assets and liability.

The following table shows the Group's US dollar-denominated financial assets and liability and their Philippine Peso equivalent:

	2020		2019	
	US Dollar	Philippine Peso	US Dollar	Philippine Peso
Financial assets:				
Cash and cash equivalents	<b>\$7,588,499</b>	<b>₱368,042,196</b>	\$387,763	₱19,632,441
Deposit in escrow	<b>867,706</b>	<b>42,083,752</b>	883,044	44,708,495
	<b>8,456,205</b>	<b>410,125,948</b>	1,270,807	64,340,936
Financial liability -				
Trade and other payables	<b>120,018</b>	<b>5,820,858</b>	1,295,821	65,607,417
Net US Dollar-denominated financial assets (liability)	<b>\$8,336,187</b>	<b>₱404,305,090</b>	(\$25,014)	(₱1,266,481)

The following table shows the Group's Euro-denominated monetary financial asset and liability and their Philippine Peso equivalent:

	2020		2019	
	Euro	Philippine Peso	Euro	Philippine Peso
Financial asset -				
Cash in banks	<b>€7,674</b>	<b>₱436,727</b>	€8,798	₱494,712
Financial liability -				
Trade and other payables	<b>606</b>	<b>34,487</b>	1,124,437	63,227,093
Net Euro-denominated financial asset (liability)	<b>€7,068</b>	<b>₱402,240</b>	(€1,115,639)	(₱62,732,381)

For purposes of translating the outstanding balances of the Group's financial assets and liability denominated in a foreign currency, the exchange rates applied were ₱48.50 per US \$1 and ₱56.91 per €1 as at December 31, 2020 and ₱50.63 per US \$1 and ₱56.23 per €1 as at December 31, 2019.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's income before tax. There is no other impact on the Group's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Effect on Income before Tax
<b>December 31, 2020</b>	<b>+0.89</b>	<b>₱7,419,207</b>
	<b>-0.89</b>	<b>(7,419,207)</b>
December 31, 2019	+0.64	(₱16,009)
	-0.64	16,009

The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate, with all other variables held constant, of the Group's income before tax. There is no other impact on the Group's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Effect on Income before Tax
<b>December 31, 2020</b>	<b>+0.99</b>	<b>₱6,997</b>
	<b>-0.99</b>	<b>(6,997)</b>
December 31, 2019	+1.18	(₱1,316,454)
	-1.18	1,316,454

*Equity Price Risk.* Equity price risk is the risk that the Group will incur economic losses due to adverse changes in a particular stock or stock index. The Group's equity price risk arises from its financial assets at FVPL and financial assets at FVOCI.

The Group's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The table below sets forth the impact of changes in PSE index (PSEi) in the Group's unrealized gain or loss on its financial assets at FVPL and financial assets at FVOCI in 2020 and 2019:

	2020		2019	
Changes in PSEi	<b>33.21%</b>	<b>(33.21%)</b>	14.59%	(14.59%)
Financial assets at FVPL in				
Property industry	<b>₱1,802,814</b>	<b>(₱1,802,814)</b>	₱3,730,498	(₱3,730,498)
Food and beverage industry	<b>5,483,753</b>	<b>(5,483,753)</b>	3,472,008	(3,472,008)
Financial assets at FVOCI in				
Holding firms industry	<b>₱23,791,055</b>	<b>(₱23,791,055)</b>	₱10,248,733	(₱10,248,733)

*Interest Rate Risk.* The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's interest-bearing loans payable to local financial institutions with fixed interest rates; however, exposure of the Group to changes in the interest rates is not significant.

### **Credit Risk**

The Group's exposure to credit risk arises from the failure of its counterparty to fulfill its financial commitments to the Group under the prevailing contractual terms. Financial instruments that potentially subject the Group to credit risk consist primarily of trade receivables and other financial assets at amortized cost.

The carrying amounts of financial assets at amortized costs represent its maximum credit exposure.

### *Trade Receivables*

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms, and conditions are offered. The Group's credit policy includes available external ratings, financial statements, credit agency information, industry information and, in some cases, bank references. Credit limits are established for each customer and reviewed on a regular basis. Any sales on credit exceeding those limits require specific approval from upper level of management.

The Group limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. The Group provides credit limits to all its accredited customers to manage credit risk concentrations. Further, as a policy, the Group revenue transactions are significantly entered into on a cash basis to manage its credit risk exposure. The Group's cash sales account for an average of 81% of the total revenues for the past three years. Historically, trade receivables are substantially collected within one (1) year and the Group has no experience of writing-off or impairing its trade receivables due to the effectiveness of its collection. In monitoring customer credit risk, the Group classifies its receivables as major term customers, related parties, and other regular term customers.

At December 31, 2020 and 2019, the exposure to credit risk for trade receivables by type of counterparty are as follows:

	2020		
	Neither Past due nor Impaired	Past Due but not Impaired	Total
Major term customers	₱174,239,058	₱131,032,400	₱305,271,458
Related parties	–	4,395,639	4,395,639
Others	42,488,672	8,673,472	51,162,144
	<b>₱216,727,730</b>	<b>₱144,101,511</b>	<b>₱360,829,241</b>

	2019		
	Neither Past due nor Impaired	Past Due but not Impaired	Total
Major term customers	₱181,482,717	₱213,801,733	₱395,284,450
Related parties	–	1,776,754	1,776,754
Others	23,684,212	7,855,468	31,539,680
	<b>₱205,166,929</b>	<b>₱223,433,955</b>	<b>₱428,600,884</b>

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment (i.e., gross national income from real estate and construction industry). At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

*Aging Analysis of Trade Receivables that are Past Due but not Impaired*

Days Past Due	2020	2019
1 to 30 Days	<b>₱82,074,104</b>	₱150,009,064
31 to 90 Days	<b>52,117,016</b>	64,985,457
91 to 365 Days	<b>9,799,828</b>	7,347,936
366 days or more	<b>110,563</b>	1,091,498
Total	<b>₱144,101,511</b>	<b>₱223,433,955</b>

Trade receivables that are past due for over 30 days were not considered in default since it was demonstrated that the non-payment was due to administrative oversight rather than resulting from financial difficulty of the borrower.

#### *Other Financial Assets at Amortized Cost*

The Group's other financial assets at amortized cost are mostly composed of cash and placements in various banks such as DSRA, deposit in escrow, restricted cash, and long-term placements. The Group limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For finance lease receivables, credit risk is reduced by the net settling arrangements embodied in the contract. For refundable deposits, credit risk is low since the Group only transacts with reputable companies.

It is the Group's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arises from administrative oversight rather than resulting from financial difficulty of the borrower.

#### *Financial Assets at FVPL*

The entity is also exposed to credit risk in relation to debt securities that are measured at FVPL. Debt securities measured at FVPL are entered into with counterparties that have high credit ratings. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

	2020				
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired		
Cash in banks and cash equivalents	₱11,465,131,641	₱—	₱—	₱—	₱11,465,131,641
Finance lease receivables	—	8,046,261	—	—	8,046,261
Long-term placements	650,000,000	—	—	—	650,000,000
DSRA	347,425,003	—	—	—	347,425,003
Other receivables*	88,602,974	22,165,263	—	—	110,768,237
Refundable deposits	55,912,004	—	—	—	55,912,004
Deposit in escrow	42,083,752	—	—	—	42,083,752
Restricted cash	28,232,093	—	—	—	28,232,093
Debt securities at FVPL	—	—	—	644,079,707	644,079,707
	₱12,677,387,467	₱30,211,524	₱—	₱644,079,707	₱13,351,678,698

\*Includes interest receivable, receivable from contractors, advances to related parties, dividends receivable and other receivables

2019					
	Financial Assets at Amortized Cost			Financial Assets at FVPL	Total
	12-month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired		
Cash in banks and cash equivalents	P16,937,743,033	P—	P—	P—	P16,937,743,033
Finance lease receivables	—	22,709,613	—	—	22,709,613
Long-term placements	650,000,000	—	—	—	650,000,000
DSRA	362,765,125	—	—	—	362,765,125
Refundable deposits	65,162,604	—	—	—	65,162,604
Deposit in escrow	44,708,495	—	—	—	44,708,495
Restricted cash	27,428,594	—	—	—	27,428,594
Other receivables*	84,049,200	25,764,868	—	—	109,814,068
Debt securities at FVPL	—	—	—	623,525,747	623,525,747
	P18,171,857,051	P48,474,481	P—	P623,525,747	P18,843,857,279

\*Includes interest receivable, receivable from contractors, advances to related parties, dividends receivable and other receivables

### **Liquidity Risk**

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Group's objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The tables below present the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted obligations or on the estimated timing of net cash flows as at December 31, 2020 and 2019:

2020						
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Trade and other payables*	P1,132,569,760	P696,517,730	P1,075,567,160	P—	P—	P2,904,654,650
Lease liabilities	—	2,719,603	8,158,808	36,652,074	6,947,358	54,477,843
Loans payable	—	359,558,214	1,056,147,604	5,635,396,243	316,078,693	7,367,180,754
	P1,132,569,760	P1,058,795,547	P2,139,873,572	P5,672,048,317	P323,026,051	P10,326,313,247

\*Excluding nonfinancial and statutory liabilities amounting to P379.2 million as at December 31, 2020.

2019						
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Trade and other payables*	P1,196,794,131	P298,124,529	P1,492,206,717	P—	P—	P2,987,125,377
Lease liabilities	—	2,978,158	8,591,122	39,512,165	14,965,678	66,047,123
Loans payable	—	376,310,623	1,103,044,439	5,740,981,187	1,626,199,567	8,846,535,816
	P1,196,794,131	P677,413,310	P2,603,842,278	P5,780,493,352	P1,641,165,245	P11,899,708,316

\*Excluding nonfinancial and statutory liabilities amounting to P383.5 million as at December 31, 2019.

### **Capital Management**

The primary objective of the Group's capital management is to secure ongoing financial needs of the Group to continue as a going concern as well as to maintain a strong credit standing and healthy capital ratio in order to support the business and maximize stockholder value.

The Group considers equity contributions from stockholders and retained earnings as its capital totaling P36,368.7 million and P36,023.8 million as at December 31, 2020 and 2019, respectively. The Group manages the capital structure and makes adjustments when there are changes in economic conditions, business activities, expansion programs, and the risk characteristics of the underlying assets. In order to manage the capital structure, the Group may adjust its borrowings, adjust dividend payment to shareholders, or raise equity.

The Group is not subjected to externally-imposed capital requirements.

No changes were made in the capital management objectives, policies, or processes in 2020 and 2019.

### 30. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Group's assets measured at fair value and asset and liability for which fair value is disclosed and the corresponding fair value hierarchy:

2020					
			Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note	Carrying Amount			
<b>Assets Measured at Fair Value:</b>					
Land	10	₱4,104,370,220	₱—	₱—	₱4,104,370,220
Investment properties (excluding construction in progress)	11	1,565,404,431	—	—	1,565,404,431
Quoted financial assets at FVPL	5	703,019,162	703,019,162		
Financial assets at FVOCI	9	103,079,550	103,079,550	—	—
<b>Asset for which Fair Value is Disclosed -</b>					
Finance lease receivables	25	8,046,261	—	10,829,596	—
		₱6,483,919,624	₱806,098,712	₱10,829,596	₱5,669,774,651
<b>Liability for which Fair Value is Disclosed</b>					
Financial liabilities at amortized cost -					
Loans payable	16	₱6,295,636,282	₱—	₱6,895,854,154	₱—
2019					
			Fair Value		
			Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note	Carrying Amount			
<b>Assets Measured at Fair Value:</b>					
Quoted financial assets at FVPL	5	₱717,831,517	₱717,831,517	₱—	₱—
Financial assets at FVOCI	9	101,079,300	101,079,300	—	—
Land	10	2,683,828,281	—	—	2,683,828,281
Investment properties	11	1,299,237,000	—	—	1,299,237,000
<b>Asset for which Fair Value is Disclosed -</b>					
Finance lease receivables	25	22,709,613	—	23,853,965	—
		₱4,824,685,711	₱818,910,817	₱23,853,965	₱3,983,065,281
<b>Liability for which Fair Value is Disclosed</b>					
Financial liabilities at amortized cost -					
Loans payable	16	₱7,354,299,391	₱—	₱7,780,786,865	₱—

The Group used the following techniques to determine fair value measurements:

- *Quoted Financial Assets at FVPL and Financial Assets at FVOCI.* The Group's quoted financial assets at FVPL and financial assets at FVOCI as at December 31, 2020 and 2019 are carried at fair values based on quoted market prices from active markets classified under the Level 1 category.



- *Land.* The fair value of land was estimated based on appraisals performed by an independent, professionally-qualified property appraiser and was determined with reference to the latest transacted prices for identical or similar properties. The fair valuation is classified under Level 3 category.

The significant unobservable inputs used in the fair value measurement of the Group's land (included under "Property, plant and equipment" account) are the estimated net price per square meter and various factors such as size, location, and utility, among others. Significant increases (decreases) in the estimated net price per square meter in isolation would result in a significantly higher (lower) fair value measurement. Further, choosing comparables with different inputs would result in a significantly different fair value measurement.

The Group has determined that the current use of the land classified as property, plant and equipment as at December 31, 2020 is its highest and best use.

- *Investment Properties (excluding construction in progress).* The fair value of investment properties was estimated based on appraisals performed by an independent, professionally-qualified property appraiser and was determined with reference to the latest transacted prices for identical or similar properties. The fair valuation is classified under Level 3 category.

The significant unobservable inputs used in the fair value measurement of the Group's land (included under "Investment properties" account) are the estimated net price per square meter and various factors such as size, location, and utility, among others. Significant increases (decreases) in the estimated net price per square meter in isolation would result in a significantly higher (lower) fair value measurement. Further, choosing comparables with different inputs would result in a significantly different fair value measurement.

The highest and best use of the land classified as investment properties as at December 31, 2020 would be to use it for construction of building to be held for rental. As at December 31, 2020, the Group has not yet started any development in the property.

- *Finance Lease Receivable.* The fair value of the finance lease receivables was determined as the sum of all the future cash flows discounted using the prevailing market rates of instruments with similar maturities. The discount rates used are ranging from 3.49% to 3.86% in 2020 and 2019. The fair valuation is classified under Level 2 category.
- *Loans Payable.* The fair value of loans payable is estimated as the sum of all the future cash flows, discounted using the prevailing market rates of interest for instruments with similar maturities. The discount rate used is 4.20% as at December 31, 2020 and 2019. The fair valuation is classified under Level 2 category.

There were no transfers between Level 1, Level 2, and Level 3 fair value measurements in 2020 and 2019.

The table below presents the financial assets and liability whose carrying amounts approximate their fair values as at December 31, 2020 and 2019:

	2020	2019
Financial assets at amortized cost:		
Cash and cash equivalents	<b>₱11,466,255,207</b>	₱16,938,492,092
Long-term placements	<b>650,000,000</b>	650,000,000
Trade and other receivables*	<b>471,597,478</b>	538,414,952
DSRA	<b>347,425,003</b>	362,765,125
Refundable deposits	<b>55,912,004</b>	65,162,604
Deposit in escrow	<b>42,083,752</b>	44,708,495
Restricted cash	<b>28,232,093</b>	27,428,594
Financial asset at FVPL -		
Unquoted redeemable perpetual security	<b>4,000,000,000</b>	—
	<b>₱17,061,505,537</b>	₱18,626,971,862

Financial liability at amortized cost -		
Trade and other payables**	<b>₱2,904,654,650</b>	₱2,987,125,377

\*Excluding nonfinancial assets and current portion of finance lease receivables aggregating ₱9.9 million and ₱7.2 million as at December 31, 2020 and ₱7.7 million and ₱15.0 million as at December 31, 2019.

\*\*Excluding nonfinancial liabilities amounting to ₱379.2 million and ₱383.5 million as at December 31, 2020 and 2019, respectively.

**Current Financial Assets and Liability.** The carrying amounts of cash and cash equivalents, trade and other receivables, DSRA and trade and other payables approximate their fair values due to the short-term nature of these financial instruments.

**Other Noncurrent Assets.** The carrying amount of long-term placements, deposit in escrow, restricted cash, and refundable deposits approximate fair value. Management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is insignificant.

**Unquoted Financial Asset at FVPL.** The unquoted redeemable perpetual security is carried at cost as this represents the approximate estimate of fair value as at December 31, 2020.

### 31. Commitments and Contingencies

#### **MPSA**

The Group has the following key commitments under its MPSA:

- Payment to the Philippine Government of 4% excise tax of the market value of the minerals or mineral products extracted from the area and annual occupation fee based on the rate provided in the existing rules and regulations.

Excise taxes paid to the Philippine Government amounted to ₱13.1 million, ₱20.2 million and ₱22.8 million in 2020, 2019 and 2018, respectively.

- Allotment of a minimum of 1% of the direct drilling and milling costs necessary to implement the activities for community development.

Pursuant to Administrative Order No. 2010-21: "Revised Implementing Rules and Regulations of RA No. 7942, otherwise known as the Philippine Mining Act of 1995," the allotment for community development activities was revised to 1.5% of the operating costs.

As at December 31, 2020, 2019 and 2018, the Group is compliant with the foregoing commitments and obligations.

#### **Finance Lease Commitments - Group as a Lessor**

The Group entered into various lease agreements with its haulers covering certain items of transportation equipment. The lease term is five (5) years and the annual effective interest rates range from 4.26% to 5.29%.

As at December 31, 2020 and 2019, the gross amount of the future minimum rental receivables under the lease contracts is as follows:

	2020	2019
Within one year	<b>₱7,728,389</b>	₱15,687,472
After one year but not more than five years	<b>553,571</b>	7,844,494
	<b>₱8,281,960</b>	₱23,531,966

#### **Operating Lease Commitments - Group as a Lessee**

The Group has various operating lease agreements primarily for its office space, warehouse and heavy equipment with periods ranging from one (1) year to 10 years. Future minimum lease commitments under noncancellable operating leases as at December 31, 2020 and 2019 are as follows:

	2020	2019
Within one year	<b>₱10,878,411</b>	₱11,929,281
After one year but not more than five years	<b>36,552,074</b>	39,512,165
More than five years	<b>6,947,358</b>	14,965,678
	<b>₱54,377,843</b>	₱66,407,124

#### **Legal Claims**

The Group is either a defendant or plaintiff in several civil cases primarily involving claims for damages. The outcomes of the legal proceedings for various cases are not presently determinable. Accordingly, no provision for any liability has been made in the consolidated financial statements.

In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's consolidated financial position and results of operations.

### 32. EPS

Basic and diluted EPS are calculated as follows:

	2020	2019	2018
Net income	<b>₱3,391,392,558</b>	₱6,014,901,093	₱4,798,343,056
Less dividends for cumulative preferred stock required for the year, net of tax	–	174,342,857	174,342,857
Net income attributable to common stockholders of the Parent Company	<b>₱3,391,392,558</b>	₱5,840,558,236	₱4,624,000,199
Weighted average number of common shares outstanding	<b>5,000,000,005</b>	5,000,000,005	5,000,000,005
Per share amounts: Basic and diluted EPS	<b>₱0.68</b>	₱1.17	₱0.92

Diluted earnings per share is equal to the basic earnings per share since the Group does not have potential dilutive shares.

### 33. Segment Reporting

The Group is organized into one reportable segment which is the quarrying, manufacturing and sale and distribution of cement products. KSHI, the Parent Company's wholly-owned subsidiary that will be engaged in property leasing has not yet started its commercial operations. The Group also has one geographical segment and derives all its revenues from domestic operations. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial information about the sole business segment is equivalent to the consolidated financial statements of the Group.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR FILING WITH THE  
SECURITIES AND EXCHANGE COMMISSION**

The Stockholders and the Board of Directors  
Eagle Cement Corporation and Subsidiaries  
2/F SMITS Corporate Center  
155 EDSA Barangay Wack-Wack  
Mandaluyong City

We have audited the accompanying consolidated financial statements of Eagle Cement Corporation (the Company) and Subsidiaries as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, on which we have rendered our report dated April 7, 2021.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has 30 stockholders owning at least 100 or more shares each.

**REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782; Valid until August 15, 2021

SEC Accreditation No. 1778-A

Valid until September 23, 2022

BIR Accreditation No. 08-005144-011-2020

Valid until January 1, 2023

PTR No. 8534278

Issued January 5, 2021, Makati City

April 7, 2021  
Makati City, Metro Manila

## REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
Eagle Cement Corporation and Subsidiaries  
2/F SMITS Corporate Center  
155 EDSA Barangay Wack-Wack  
Mandaluyong City

We have audited in accordance with the Philippine Standards on Auditing, the consolidated financial statements of Eagle Cement Corporation and Subsidiaries (the Group) as at and for the years ended December 31, 2020 and 2019 and have issued our report dated April 7, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Financial Assets
- Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders
- Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements
- Intangible Assets - Other Assets
- Long-term Debt
- Indebtedness to Related Parties
- Guarantees of Securities and Other Issuers
- Capital Stock
- Reconciliation of Retained Earnings Available for Dividend Declaration
- Use of IPO Proceeds
- Map of the Conglomerate



The supplementary schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. The supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

**REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN

Partner

CPA Certificate No. 102884

Tax Identification No. 210-181-965-000

BOA Accreditation No. 4782; Valid until August 15, 2021

SEC Accreditation No. 1778-A

Valid until September 23, 2022

BIR Accreditation No. 08-005144-011-2020

Valid until January 1, 2023

PTR No. 8534278

Issued January 5, 2021, Makati City

April 7, 2021

Makati City, Metro Manila

# EAGLE CEMENT CORPORATION AND SUBSIDIARIES

## SCHEDULE A FINANCIAL ASSETS DECEMBER 31, 2020

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
<b>Cash equivalents:</b>			
Philippine National Bank	—	₱6,962,317,527	₱41,311,372
United Coconut Planters Bank	—	2,056,000,000	71,363,916
East West Banking corporation	—	362,341,915	2,680,275
China Banking Corporation	—	—	68,994,175
Rizal Commercial Banking Corporation	—	—	59,968,476
Sterling Bank of Asia	—	—	15,807,053
Bank of Commerce	—	—	3,087,479
Union Bank of the Philippines	—	—	1,172,248
		₱9,380,659,442	₱264,384,994
<b>Cash in banks:</b>			
Bank of Commerce	—	₱509,891,847	₱296,706
Banco de Oro	—	399,999,884	415,136
United Coconut Planters Bank	—	377,450,817	932,314
Metro Bank Trust Corporation	—	256,019,600	530,320
Rizal Commercial Banking Corporation	—	152,892,092	188,729
Philippine National Bank	—	124,305,745	55,783
China Banking Corporation	—	76,025,296	40,682
East West Bank	—	71,503,214	35,530
Security Bank Corporation	—	54,253,966	122,282
Philippine Bank of Communications	—	27,166,689	54,750
Union Bank of the Philippines	—	16,851,495	35,530
Asia United Bank	—	8,627,078	367,588
Sterling Bank of Asia	—	8,333,798	14,051
Standard Chartered Bank	—	1,029,366	9,406
Development Bank of the Philippines	—	121,312	98
		₱2,084,472,199	₱3,098,905
<b>DSRA</b>			
Asia United Bank	—	₱347,425,003	₱5,564,112
<b>Deposit in escrow</b>			
Bank of Commerce	—	₱42,083,752	₱—
<b>Restricted cash</b>			
Landbank of the Philippines	—	28,232,093	₱—
<b>Long-term placements</b>			
United Coconut Planters Bank	—	₱500,000,000	23,547,173
Rizal Commercial Banking Corporation	—	150,000,000	8,250,000
		₱650,000,000	₱31,797,173
<b>Financial assets at fair value through profit or loss (FVPL)</b>			
Redeemable Perpetual Securities	4,000,000,000	₱4,000,000,000	₱100,000,000
RTB 5-12	500,000,000	566,813,124	25,000,000
SM Prime Holdings, Inc.	75,000,000	77,266,583	3,100,980
Cebu Landmaster, Inc.	2,159,100	10,903,455	2,244,269
Preferred Shares-Del Monte Pacific Ltd.	100,000	48,036,000	3,201,642
		₱4,703,019,162	₱133,546,891
<b>Financial assets at fair value through other comprehensive income (FVOCI)</b>			
Preferred Shares-San Miguel Corporation	1,333,500	₱103,079,550	₱6,808,051



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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SCHEDULE B**  
**AMOUNTS RECEIVABLE FROM**  
**DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES**  
**AND PRINCIPAL STOCKHOLDERS**  
**DECEMBER 31, 2020**

<b>Name and Designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amounts collected</b>	<b>Amounts written off</b>	<b>Current</b>	<b>Non current</b>	<b>Balance at end of period</b>
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

\*Total aggregate receivables from directors, officers, employees, related parties and principal stockholders does not exceed 1% of Total Assets or ₱1.0 million as shown in the Consolidated Statements of Financial Position as at December 31, 2020.

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SCHEDULE C****AMOUNTS RECEIVABLE FROM  
RELATED PARTIES WHICH ARE ELIMINATED DURING  
CONSOLIDATION OF FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

<b>Name and Designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amounts Collected</b>	<b>Amounts written off</b>	<b>Current</b>	<b>Non current</b>	<b>Balance at end of period</b>
KB Space Holdings, Inc.	₱—	₱3,860,075	₱—	₱—	₱3,860,075	₱—	₱3,860,075

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SCHEDULE D**  
**INTANGIBLE ASSETS - OTHER ASSETS**  
**DECEMBER 31, 2020**

<b>Description</b>	<b>Beginning balance</b>	<b>Additions at cost</b>	<b>Charged to cost and expenses</b>	<b>Charged to other accounts</b>	<b>Other changes, additions (deductions)</b>	<b>Ending balance</b>
Mining rights	<b>₱188,242,014</b>	<b>₱-</b>	<b>₱719,116</b>	<b>₱-</b>	<b>₱-</b>	<b>₱187,522,898</b>
Computer software	<b>-</b>	<b>132,059,137</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,059,137</b>
Goodwill	<b>3,806,518</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,806,518</b>
<b>Total</b>	<b>₱192,048,532</b>	<b>₱132,059,137</b>	<b>₱719,116</b>	<b>₱-</b>	<b>₱-</b>	<b>₱323,388,553</b>

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# EAGLE CEMENT CORPORATION AND SUBSIDIARIES

## SCHEDULE E LONG-TERM DEBT DECEMBER 31, 2020

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of loans payable" in related balance sheet	Amount shown under caption "Loans Payable - net of current portion" in related balance sheet	Interest rate	Maturity dates
Term Loan Facility and Security Agreement (TLFSA), Face amount	₱4,260,000,000	₱720,000,000	₱3,540,000,000	5.68% Nominal interest	Payable in 32 quarterly installments commencing on the 9 <sup>th</sup> quarter of availment
Less: Unamortized debt issuance costs	(14,927,500)	(4,632,347)	(10,295,153)		
TLFSA, Face amount	1,526,500,000	258,000,000	1,268,500,000	6.21% Nominal interest	Payable in 32 quarterly installments commencing on the 9 <sup>th</sup> quarter of availment
Less: Unamortized debt issuance costs	(6,185,440)	(2,541,869)	(3,643,571)		
TLFSA, Face amount	532,500,000	90,000,000	442,500,000	5.74% Nominal interest	Payable in 32 quarterly installments commencing on the 9 <sup>th</sup> quarter of availment
Less: Unamortized debt issuance costs	(2,250,778)	(698,338)	(1,552,440)		
	₱6,295,636,282	₱1,060,127,446	₱5,235,508,836		

## **EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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### **SCHEDULE F INDEBTEDNESS TO RELATED PARTIES DECEMBER 31, 2020**

<b>Name of related party</b>	<b>Balance at beginning of period</b>	<b>Balance at end of period</b>
Not Applicable	Not Applicable	Not Applicable

\*Total indebtedness to related parties does not exceed 5% of Total Assets as shown in the Consolidated Statements of Financial Position as at December 31, 2020 or as at December 31, 2020.

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SCHEDULE G****GUARANTEES OF SECURITIES AND OTHER ISSUERS****DECEMBER 31, 2020**

<b>Name of issuing entity of securities guaranteed by the company for which this statement is filed</b>	<b>Title of issue of each class of securities guaranteed</b>	<b>Total amount guaranteed and outstanding</b>	<b>Amount owned by person for which statement is filed</b>	<b>Nature of guarantee</b>
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SCHEDULE H  
CAPITAL STOCK  
DECEMBER 31, 2020**

<b>Title of issue</b>	<b>Number of shares authorized</b>	<b>Number of shares issued and outstanding as shown under related balance sheet caption</b>	<b>Number of shares reserved for options, warrants, conversion and other rights</b>	<b>Number of shares held by related parties</b>	<b>Directors, officers and employees</b>	<b>Others</b>
Common stock	5,500,000,005	5,000,000,005	—	3,010,714,288	1,414,285,717	575,000,000

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION OF THE PARENT COMPANY  
DECEMBER 31, 2020**

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Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning		₱13,335,042,525
Add: Net income actually earned/realized during the year		
Net income based on the face of audited separate financial statements	3,137,257,198	
Less: Fair value adjustment of financial asset at FVPL	(18,320,962)	
Add: Movement of deferred tax asset	3,232,266	
Realization of foreign exchange gains	2,673,866	3,124,842,368
Unappropriated retained earnings available for dividend declaration, ending		16,459,884,893
Adjustments:		
Appropriation during the year	8,500,000,000	
Declaration of cash dividends	46,500,000	8,546,500,000
Unappropriated retained earnings available for dividend declaration, ending		₱7,913,384,893

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**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SUPPLEMENTARY SCHEDULE OF FINANCIAL  
SOUNDNESS INDICATORS UNDER THE  
REVISED SECURITIES AND REGULATIONS CODE RULE 68  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>Current/liquidity ratio</b>	<b>4.14</b>	<b>4.40</b>
Current assets	₱18,914,078,356	₱20,659,162,999
Current liabilities	4,563,471,736	4,698,577,915
<b>Solvency ratio</b>	<b>0.41</b>	<b>0.59</b>
Net income before depreciation and amortization	₱4,438,476,525	₱6,967,599,515
Total liabilities	10,944,577,551	11,724,476,203
<b>Debt-to-equity ratio</b>	<b>0.28</b>	<b>0.31</b>
Total liabilities	₱10,944,577,551	₱11,724,476,203
Total equity	38,714,574,589	37,330,963,026
<b>Asset-to-equity ratio</b>	<b>1.28</b>	<b>1.31</b>
Total assets	₱49,659,152,140	₱49,055,439,229
Total equity	38,714,574,589	37,330,963,026
<b>Interest Rate Coverage Ratio</b>	<b>11.28</b>	<b>15.62</b>
Net income before interest expense and taxes	₱4,857,799,843	₱7,743,201,049
Interest expense	430,696,047	495,685,474
<b>Return on asset ratio</b>	<b>0.08</b>	<b>0.14</b>
Net income before interest expense after-tax	₱3,822,088,605	₱6,510,586,567
Average total assets	49,357,295,685	47,259,510,693
<b>Return on equity ratio</b>	<b>0.09</b>	<b>0.17</b>
Net income	₱3,391,392,558	₱6,014,901,093
Average total equity	38,022,768,808	35,075,707,845

**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

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**SUPPLEMENTARY SCHEDULE ON USE OF IPO PROCEEDS UNDER**  
**THE REVISED SECURITIES REGULATION CODE RULE 68**  
**DECEMBER 31, 2020**

	Prospectus	Actual
Gross proceeds (₱15 per share)	₱7,500,000,000	₱7,500,000,000
IPO expenses:		
IPO tax	320,000,000	300,000,000
Gross underwriting fees	215,053,763	178,706,671
PSE listing fee	53,200,000	45,052,525
SEC registration	3,968,750	3,968,750
Documentary stamp taxes paid	2,500,000	2,500,000
Legal and other professional fee	8,000,000	1,295,294
Other expenses	12,278,088	122,417
	615,000,601	531,645,657
Construction of fourth manufacturing plant in Cebu	6,884,999,399	58,977,400
	7,500,000,000	590,623,057
Net proceeds	₱-	₱6,909,376,943

## **REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Eagle Cement Corporation and Subsidiaries  
2/F SMITS Corporate Center  
155 EDSA Barangay Wack-Wack  
Mandaluyong City

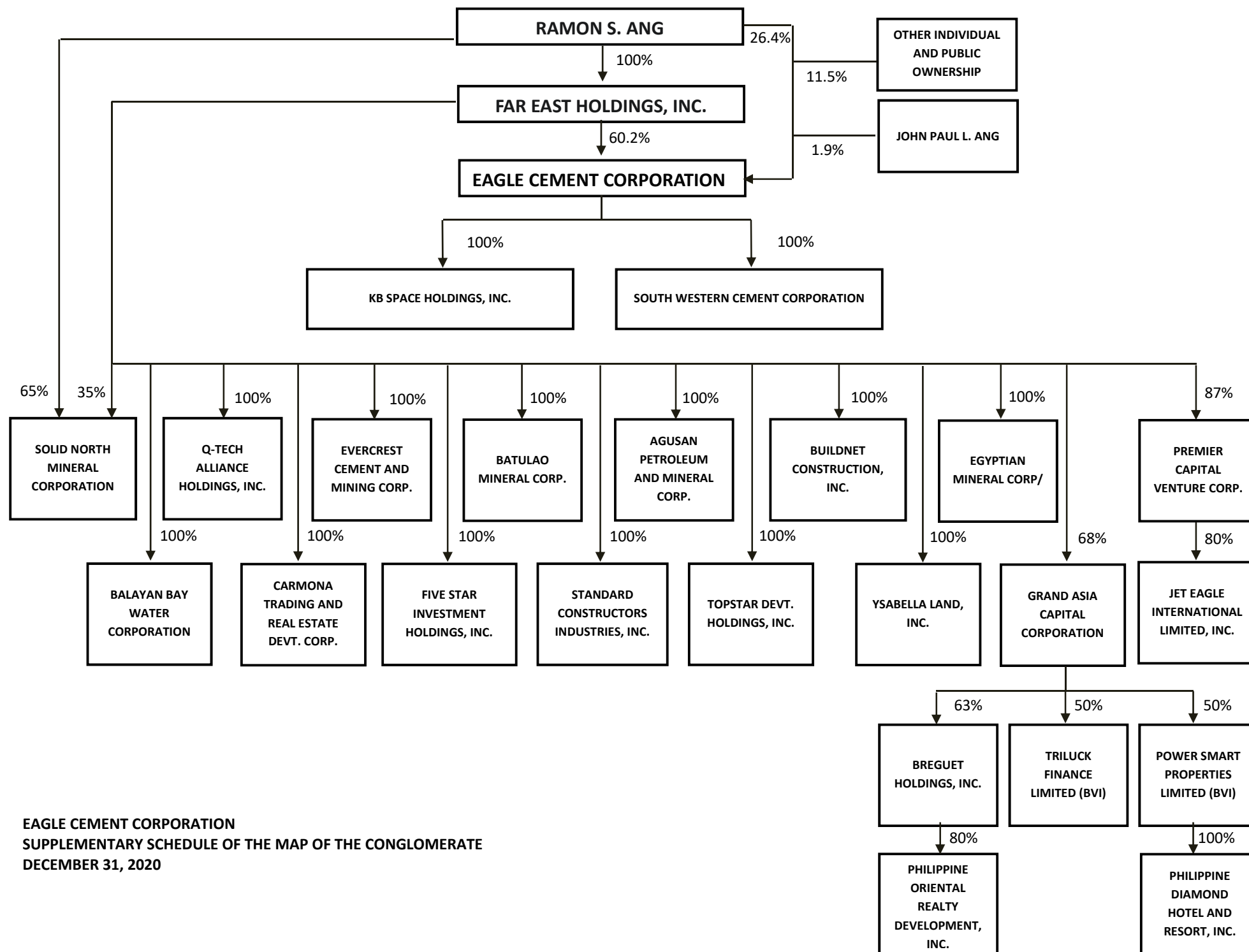
We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Eagle Cement Corporation and Subsidiaries (the Group) as at and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated April 7, 2021. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole.

The supplementary schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. Except for the average total assets in 2019, the components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at and for the years ended December 31, 2020 and 2019 and no material exceptions were noted.

### **REYES TACANDONG & Co.**

JOSEPH C. BILANGBILIN  
Partner  
CPA Certificate No. 102884  
Tax Identification No. 210-181-965-000  
BOA Accreditation No. 4782; Valid until August 15, 2021  
SEC Accreditation No. 1778-A  
Valid until September 23, 2022  
BIR Accreditation No. 08-005144-011-2020  
Valid until January 1, 2023  
PTR No. 8534278  
Issued January 5, 2021, Makati City

April 7, 2021  
Makati City, Metro Manila



**EAGLE CEMENT CORPORATION**  
**SUPPLEMENTARY SCHEDULE OF THE MAP OF THE CONGLOMERATE**  
**DECEMBER 31, 2020**

**APPENDIX C**  
**List of Properties of the Company**

<b>EAGLE CEMENT CORPORATION</b>								
No.	Address/Location	Rented/Owned	Mortgage	Monthly Rental (in PhP, unless otherwise indicated)	Expiry of Lease Contract	Terms of Renewal/Options	TCT/Tax Dec./Etc.	Area (sqm)
1	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243281	6,047.00
2	Brgt Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 240122	20,000.00
3	Brgay Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 239939	35,489.00
4	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265028	13,207.00
5	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265091	20,000.00
6	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265094	9,673.00
7	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265095	15,000.00
8	Brgy Aklan, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 239938	60,000.00
9	Brgy Aklan, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 239937	60,000.00
10	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 259294	60,000.00
11	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243280	43,786.00
12	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273622	59,801.00
13	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 155510	54,179.00
14	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 229935	32,686.00
15	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265100	15,677.00
16	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 252073	4,410.00
17	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 247034	8,736.00

18	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 247036	8,736.00
19	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 247040	12,628.00
20	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 229933	5,825.00
21	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 229934	8,487.00
22	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 155509	49,306.00
23	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 240123	8,741.00
24	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 247038	26,904.00
25	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243289	25,190.00
26	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243279	41,712.00
27	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 96989	10,748.00
28	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265097	11,361.00
29	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 252072	7,147.00
30	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 247035	8,937.00
31	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 252071	400.00
32	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 259651	400.00
33	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 252070	11,521.00
34	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 252069	11,074.00
35	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 246816	73,679.00
36	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 259649	25,913.00
37	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273586	84,026.00
38	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273580	19,529.00
39	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265102	60,000.00

40	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265098	60,000.00
41	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265101	60,000.00
42	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 256099	60,000.00
43	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265103	60,000.00
44	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 155511	60,000.00
45	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243283	60,004.00
46	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243278	65,913.00
47	Brgy Bulusukan, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243282	10,206.00
48	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 243284	354,097.00
49	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265035	37,003.00
50	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265029	36,693.00
51	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265036	37,874.00
52	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265038	36,998.00
53	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265030	37,024.00
54	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265031	36,997.00
55	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265034	36,948.00
56	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265032	37,006.00
57	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265033	36,941.00
58	Talbak, DRT, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 265037	37,017.00
59	Brgy Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273584	32,202.00
60	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 282637	60,000.00
61	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T-282636	38,429.00
62	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 263427	8,711.00
63	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 280598	14,915.00
64	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273582	400.00

65	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 259650	1,118.00
66	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273581	1,257.00
67	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT- T 94482	60,000.00
68	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT- T 94480	60,000.00
69	Brgy akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 275614	19,574.00
70	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 275615	60,000.00
71	Brgy. Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 289653	66,962.00
72	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T-289654	10,089.00
73	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 282154	8,000.00
74	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273623	15,923.00
75	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273585	1,361.00
76	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T 273583	1,505.00
77	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	CLOA-T-5982 (previous)	15,020.00
78	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	CLOA-5993 (previous)	13,926.00
79	Brgy Alagao, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	T-240022 (previous)	16,426.00
80	Brgy Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	CLOA-T-525 (previous)	57,646.00
81	Brgy Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	RT-48198 (T-223981) (previous)	12,661.00
82	Brgy Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	DAR Certificate (previous)	60,000.00
83	Brgy Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	CLOA-T-7344 (previous)	60,000.00
84	Brgy Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	CLOA-T-9813 (previous)	14,650.00
85	Brgy Bohol na Mangga, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016001040	113,888.00



86	Brgy. Kalawakan, DRT, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016013751	21,317.00
87	Brgy. Kalawakan, DRT, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016013752	38,843.00
88	Brgy. Talbak, DRT, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016013748	36,466.00
89	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000719	9,790.00
90	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000710	8,402.00
91	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000720	36,343.00
92	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000715	28,796.00
93	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000718	25,028.00
94	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000717	21,569.00
95	Brgy. Akle, San Ildefonso, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2017000721	25,555.00
96	Brgy. Talbak, DRT, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016015011	43,481.00
97	Brgy. Talbak, DRT, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016013750	20,419.00
98	Brgy. Talbak, DRT, Bulacan	Owned		N/A	N/A	N/A	TCT-039-2016013749	25,552.00
99	Brgy. Alagao, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-039-2016015017	45,077.00
100	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	TCT-T-287357	15,847.00
101		Owned	Yes	N/A	N/A	N/A	TCT-039-2011001084	30,000.00
102		Owned	Yes	N/A	N/A	N/A	TCT-039-2010000196	20,000.00
103		Owned	Yes	N/A	N/A	N/A	TCT-039-2011001047	17,369.00

104	Brgy Akle, San Ildefonso, Bulacan	Owned	Yes	N/A	N/A	N/A	T-294511	12,943.00
105		Owned	Yes	N/A	N/A	N/A	TCT-039-2010001504	51,887.00
106		Owned	Yes	N/A	N/A	N/A	TCT-039-2011000786	316,351.00
107	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	039-2017007783	7,385.00
108	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	039-2018005694	41,390.00
109	Brgy. Biak na Bato, San Miguel, Bulacan	Owned	No	N/A	N/A	N/A	039-2018011772	46,308.00
110	Brgy. Talbak, DRT, Bulacan	Owned	No	N/A	N/A	N/A	039-2018013730	38,143.00
111	San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-67167	5,531.00
112	San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-69272	15,301.00
113	San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	T-137077	60,000.00
114	Brgy. Caingin, San Rafael, Bulacan	Owned	No	N/A	N/A	N/A	039-2018002675	7,120.00
115	Brgy. Caingin, San Rafael, Bulacan	Owned	No	N/A	N/A	N/A	039-2018004593	7,119.00
116	Brgy. Caingin, San Rafael, Bulacan	Owned	No	N/A	N/A	N/A	039-2018002669	7,119.00
117	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18379(T-290425) - LOT NO. 4140	79,401.00
118	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18379(T-290425) - LOT NO. 4350	1,436.00
119	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18379(T-290425) - LOT NO. 4353	37,650.00

120	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18378(T-290424) - LOT NO. 4352	23,225.00
121	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18378(T-290424) - LOT NO. 4351	14,618.00
122	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18377(T-291301) - LOT NO. 4141	42,949.00
123	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18380(T-290423) - LOT NO. 4355	7,978.00
124	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	RT-18380(T-290423) - LOT NO. 4354	48,197.00
125	Brgy. Alagao, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	039-2017015444	62,451.00
126	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	039-2017007601	60,000.00
127	Brgy. Alagao, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	039-2017017201	45,868.00
128	Brgy. Alagao, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	Lot No. 4239	43,057.00
129	Brgy. Alagao, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	039-2017007784	31,324.00
130	Plaridel, Bulacan	Owned	No	N/A	N/A	N/A	Lot No. 461-B	610.00
131	Brgy. Talbak, DRT, Bulacan	Owned	No	N/A	N/A	N/A	P-2449	49,949.00
132	Brgy Akle, San ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	Lot No. 1892-E-A	190,087.00
133	Brgy Akle, San ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	CLOA-T-1160	21,985.00
134	Brgy. Talbak, DRT, Bulacan	Owned	No	N/A	N/A	N/A	P-4687	41,013.00

135	Brgy. Talbak, DRT, Bulacan	Owned	No	N/A	N/A	N/A	P-5520	38,436.00
136	Brgy. Akle, San Ildefonso, Bulacan	Owned	No	N/A	N/A	N/A	Lot No. 3163 TD under Gregorio Illescas	3,706.00
137	Brgy. Talbak, DRT, Bulacan	Owned	No	N/A	N/A	N/A	TD No. 2018-08008-00453 Lot No. 3826	52,966.00
138	Brgy. Lamao, Limay, Bataan	Owned	No	N/A	N/A	N/A	T-268310	36,003.00

<b>KB SPACE HOLDINGS, INC.</b>								
No	Address/Location	Rented/Owned	Mortgage	Monthly Rental (in PhP, unless otherwise indicated)	Expiry of Lease Contract	Terms of Renewal / Options	TCT/Tax Dec./Etc.	Area (sqm)
1	Harvard St., Wack-Wack Village, Mandaluyong City	Owned		N/A	N/A	N/A	TCT 8622	562.00
2	Harvard St., Wack-Wack Village, Mandaluyong City	Owned		N/A	N/A	N/A	TCT 8623	559.50
3	Harvard St., Wack-Wack Village, Mandaluyong City	Owned		N/A	N/A	N/A	TCT 8624	620.50
4	Harvard St., Wack-Wack Village, Mandaluyong City	Owned		N/A	N/A	N/A	TCT 8625	623.00
5	Harvard St., Wack-Wack Village, Mandaluyong City	Owned		N/A	N/A	N/A	TCT 14500	2,450.00
6	165 Edsa, Wack-Wack Mandaluyong City	Owned		N/A	N/A	N/A	TCT 008-2017000819	2,354.00

<b>SOUTH WESTERN CEMENT CORPORATION</b>								
No.	Address/Location	Rented/Owned	Mortgage	Monthly Rental (in PhP, unless	Expiry of Lease Contract	Terms of Renewal/Options	TCT/Tax Dec./Etc.	Area (sqm)

				otherwise indicated)				
1	Sto. Nino, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32547 (previous)	1,596.00
2	Sto. Nino, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32548	1,809.00
3	Sto. Nino, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32551	64.00
4	Sto. Nino, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32552	1,281.00
5	Sto. Nino, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32549	4,981.00
6	Sto. Nino, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32610	2,050.00
7	Ginatilan, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32611	5,680.00
8	Ginatilan, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32613	2,372.00
9	Ginatilan, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32562	743.00
10	Ginatilan, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32563	1,354.00
11	Ginatilan, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32553	1,745.00
12	Ginatilan, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32556	1,241.00
13	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32612	690.00
14	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32558	6,165.00
15	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32554	2,309.00
16	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32559 (previous)	2,750.00
17	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32555 (previous)	2,754.00
18	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32557 (previous)	2,856.00
19	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32560 (previous)	1,075.00
20	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32561 (previous)	957.00
21	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32550	1,304.00
22	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32608	743.00

23	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32609	516.00
24	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TCT TP-32614	1,094.00
25	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13031	2,625.00
26	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13032	910.00
27	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13033	16,458.80
28	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13034	4,207.00
29	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13035	2,357.96
30	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 10060	4,306.04
31	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06767	2,734.00
32	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06768	700.00
33	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06769	667.00
34	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06770	666.00
35	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06771	1,000.00
36	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06772	250.00
37	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13066	5,600.00
38	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13067	942.00
39	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13068	2,000.00
40	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13087	8,400.00
41	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13095	3,400.00
42	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05821	22,200.00
43	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05822	24,400.00
44	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05823	3,300.00
45	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05824	15,400.00
46	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05825	8,000.00
47	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05830	43,863.34
48	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05833	4,000.00

49	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05842	3,000.00
50	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05861	1,686.00
51	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05865	616.00
52	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05866	617.00
53	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05868	3,333.33
54	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05910	333.00
55	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05911	500.00
56	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 11613	36,859.00
57	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05784	5,000.00
58	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13052	6,300.00
59	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13098	5,700.00
60	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13099	4,000.00
61	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05382	2,200.00
62	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05919	1,143.00
63	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05920	2,200.00
64	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05921	2,300.00
65	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05922	238.50
66	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05923	2,020.00
67	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05924	467.00
68	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05925	5,185.00
69	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05926	3,881.00
70	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05928	2,325.00
71	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05929	4,000.00
72	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05931	9,260.00
73	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06109	4,496.00
74	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13036	804.00

75	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13037	2,964.00
76	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13038	2,014.00
77	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13039	1,966.00
78	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13040	2,200.00
79	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13041	2,400.00
80	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13042	2,200.00
81	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13043	5,900.00
82	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13044	8,400.00
83	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13045	2,500.00
84	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13046	10,316.00
85	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13047	10,900.00
86	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13048	24,000.00
87	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13049	3,300.00
88	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13050	2,000.00
89	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13051	12,562.00
90	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13054	944.00
91	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13055	942.00
92	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13056	1,100.00
93	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13057	3,300.00
94	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13058	1,600.00
95	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13059	8,000.00
96	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13060	2,250.00
97	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13061	1,250.00
98	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13062	2,000.00
99	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13063	16,500.00
100	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13064	4,000.00



101	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13065	2,200.00
102	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13069	1,508.00
103	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13070	1,300.00
104	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13071	1,200.00
105	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13072	3,800.00
106	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13073	2,000.00
107	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13074	16,000.00
108	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13075	2,000.00
109	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13076	1,200.00
110	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13077	12,700.00
111	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13078	13,294.00
112	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13079	4,500.00
113	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13080	1,680.00
114	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13081	4,000.00
115	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13082	5,960.00
116	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13083	6,290.00
117	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13084	1,100.00
118	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13085	942.00
119	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13086	1,500.00
120	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13088	1,650.00
121	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13089	825.00
122	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13090	322.00
123	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13092	942.00
124	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13093	1,067.00
125	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13094	3,429.00
126	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13096	1,313.00

127	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13097	3,593.00
128	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13100	11,000.00
129	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13101	6,382.00
130	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13102	5,300.00
131	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13103	4,600.00
132	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13104	5,000.00
133	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13105	10,590.00
134	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13106	3,200.00
135	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13107	4,400.00
136	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13108	4,000.00
137	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13109	11,400.00
138	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13110	4,500.00
139	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13111	2,400.00
140	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13112	10,500.00
141	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13113	14,000.00
142	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13114	3,500.00
143	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13115	1,250.00
144	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13116	3,310.00
145	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 13117	9,400.00
146	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05211	5,020.00
147	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05212	6,168.00
148	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05213	1,596.00
149	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05214	147.30
150	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05358	700.00
151	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05359	1,010.00
152	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05360	1,809.00

153	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05361	64.00
154	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05362	1,281.00
155	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05363	4,981.00
156	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05364	390.00
157	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05365	1,304.00
158	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05366	5,667.00
159	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05367	21,379.00
160	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05368	1,450.00
161	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05374	92.00
162	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05375	6,188.00
163	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05376	5,460.00
164	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05377	6,934.00
165	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05378	10,000.00
166	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05379	2,523.00
167	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05380	1,100.00
168	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05381	1,437.00
169	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05383	616.00
170	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05384	617.00
171	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05385	138.00
172	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05721	944.00
173	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05722	671.00
174	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05723	903.00
175	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05724	4,483.00
176	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05725	4,643.00
177	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05726	500.00
178	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05729	500.00

179	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05730	10,907.00
180	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05732	1,316.00
181	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05733	5,473.00
182	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05734	1,055.00
183	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05735	468.00
184	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05736	3,674.00
185	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05737	3,674.00
186	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05738	2,618.00
187	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05739	2,050.00
188	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05740	3,011.00
189	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05741	1,000.00
190	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05742	477.00
191	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05743	533.00
192	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05744	2,837.00
193	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05745	6,680.00
194	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05746	3,241.00
195	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05747	723.00
196	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05748	1,186.00
197	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05749	1,186.00
198	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05750	1,991.00
199	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05751	1,991.00
200	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05752	4,496.00
201	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05753	2,319.00
202	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05768	708.00
203	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05769	1,313.00
204	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05770	2,281.00

205	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05771	922.00
206	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05772	3,000.00
207	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05773	25,000.00
208	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05774	1,831.00
209	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05775	35,000.00
210	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05776	4,900.00
211	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05777	3,100.00
212	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05778	10,600.00
213	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05779	6,000.00
214	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05780	16,800.00
215	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05781	3,450.00
216	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05782	4,000.00
217	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05783	2,250.00
218	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05785	1,683.00
219	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05786	2,500.00
220	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05787	2,295.00
221	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05788	4,000.00
222	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05789	5,000.00
223	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05790	3,000.00
224	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05791	6,500.00
225	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05792	1,400.00
226	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05793	4,000.00
227	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05794	4,000.00
228	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05795	2,000.00
229	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05796	12,000.00
230	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05797	11,500.00

231	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05798	3,200.00
232	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05799	30,000.00
233	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05800	23,000.00
234	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05801	3,000.00
235	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05802	3,000.00
236	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05803	600.00
237	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05804	500.00
238	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05805	1,000.00
239	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05806	8,000.00
240	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05807	3,300.00
241	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05808	1,000.00
242	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05809	4,500.00
243	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05810	2,100.00
244	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05811	10,000.00
245	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05812	10,340.00
246	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05813	2,200.00
247	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05814	5,000.00
248	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05815	4,500.00
249	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05816	14,000.00
250	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05817	14,500.00
251	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05818	3,000.00
252	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05819	550.00
253	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05820	2,336.00
254	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05826	19,970.00
255	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05827	3,873.00
256	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05828	2,995.00

257	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05829	14,503.00
258	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05831	2,000.00
259	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05832	5,000.00
260	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05834	2,900.00
261	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05835	2,150.00
262	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05836	1,750.00
263	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05837	750.00
264	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05838	3,000.00
265	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05839	3,920.00
266	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05840	9,244.00
267	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05841	1,200.00
268	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05843	6,500.00
269	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05844	2,150.00
270	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05845	1,000.00
271	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05846	2,100.00
272	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05847	1,195.00
273	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05848	2,150.00
274	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05849	1,750.00
275	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05850	6,600.00
276	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05851	1,683.00
277	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05852	1,920.00
278	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05853	34,500.00
279	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05854	1,683.00
280	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05855	1,683.00
281	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05856	3,000.00
282	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05857	825.00

283	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05858	2,000.00
284	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05859	700.00
285	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05860	3,000.00
286	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05862	1,200.00
287	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05863	800.00
288	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05864	217.00
289	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05867	2,500.00
290	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05869	3,500.00
291	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05870	717.00
292	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05871	717.00
293	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05872	716.00
294	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05873	2,930.00
295	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05875	2,600.00
296	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05876	2,502.00
297	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05878	743.00
298	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05879	594.00
299	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05880	3,840.00
300	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05881	2,547.00
301	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05882	1,094.00
302	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05883	1,354.00
303	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05884	1,745.00
304	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05885	358.00
305	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05886	1,241.00
306	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05887	690.00
307	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05888	188.00
308	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05889	366.00



309	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05890	1,922.00
310	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05891	333.00
311	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05892	993.00
312	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05893	2,627.00
313	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05894	6,165.00
314	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05895	3,729.00
315	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05897	2,900.00
316	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05898	2,175.00
317	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05899	115.00
318	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05900	10,108.00
319	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05901	603.00
320	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05902	7,500.00
321	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05903	7,500.00
322	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05904	1,764.00
323	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05905	859.00
324	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05906	493.00
325	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05907	809.00
326	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05908	616.00
327	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05909	333.00
328	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05912	1,267.00
329	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05913	500.00
330	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05914	2,005.00
331	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05915	2,541.75
332	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05916	2,004.00
333	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05917	2,004.60
334	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05918	334.00

335	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 05930	840.00
336	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06104	2,309.00
337	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06105	2,050.00
338	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06106	2,965.00
339	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06107	2,750.00
340	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06108	1,404.00
341	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06110	2,754.00
342	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06111	554.00
343	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06112	378.00
344	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06113	2,856.00
345	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06114	6,606.00
346	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06115	1,075.00
347	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06116	178.00
348	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06117	957.00
349	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06118	3,188.00
350	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06120	2,605.00
351	Looc, Malabuyoc, Cebu	Owned		N/A	N/A	N/A	TD 06121	2,698.00

PROPERTIES BOUGHT FROM APC GROUP								
No.	Address/Location	Rented/Owned	Mortgage	Monthly Rental (in PhP, unless otherwise indicated)	Expiry of Lease Contract	Terms of Renewal/Options	TCT/Tax Dec./Etc.	Area (sqm)
1	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30667) 23-0003-02126	2,840
2	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30668) 23-0003-02127	7,989
3	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30669) 23-0003-02128	3,720
4	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30670) 23-0003-02129	5,208
5	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30671) 23-0003-02130	3,963
6	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30672) 23-0003-02131	3,000
7	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30674) 23-0003-02133	21,500
8	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30675) 23-0003-02134	7,000
9	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30676) 23-0003-02135	21,500
10	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30677) 23-0003-02136	5,205
11	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30678) 23-0003-02137	16,898
12	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30679) 23-0003-02138	3,002
13	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30680) 23-0003-02139	3,000

14	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30681) 23-0003-02140	3,002
15	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30682) 23-0003-02141	16,000
16	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30684) 23-0003-02143	10,000
17	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30685) 23-0003-02144	16,250
18	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30686) 23-0003-02145	16,250
19	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30687) 23-0003-02146	8,748
20	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30688) 23-0003-02147	2,750
21	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30689) 23-0003-02148	2,000
22	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30690) 23-0003-02149	5,000
23	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30691) 23-0003-02150	5,455
24	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30692) 23-0003-02151	250
25	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30693) 23-0003-02152	750
26	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30694) 23-0003-02153	750
27	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30695) 23-0003-02154	2,960
28	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30696) 23-0003-02155	4,000
29	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30698) 23-0003-02157	4,000

30	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30699) 23-0003-02158	690
31	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30700) 23-0003-02159	3,215
32	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30701) 23-0003-02160	3,215
33	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30703) 23-0003-02162	3,709
34	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30704) 23-0003-02163	2,355
35	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30705) 23-0003-02164	4,000
36	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30707) 23-0003-02166	3,500
37	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30708) 23-0003-02167	1,500
38	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30709) 23-0003-02168	1,416
39	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30710) 23-0003-02169	2,212
40	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31550) 23-0003-02170	1,416
41	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30712) 23-0003-02171	1,417
42	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30713) 23-0003-02172	1,417
43	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30714) 23-0003-02173	2,000
44	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30715) 23-0003-02174	4,250
45	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30716) 23-0003-02175	1,417

46	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30717) 23-0003-02176	9,850
47	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30718) 23-0003-02177	1,875
48	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30720) 23-0003-02179	1,500
49	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30721) 23-0003-02180	9,340
50	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30724) 23-0003-02183	1,417
51	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30725) 23-0003-02184	1,250
52	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30726) 23-0003-02185	7,440
53	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30727) 23-0003-02186	1,000
54	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30728) 23-0003-02187	3,234
55	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30729) 23-0003-02188	7,755
56	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30730) 23-0003-02189	7,755
57	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30731) 23-0003-02190	935
58	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30732) 23-0003-02191	4,000
59	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30733) 23-0003-02192	3,000
60	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30734) 23-0003-02193	2,805
61	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30735) 23-0003-02194	1,845

62	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30736) 23-0003-02195	1,000
63	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30737) 23-0003-02196	6,620
64	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30738) 23-0003-02197	1,118
65	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30739) 23-0003-02198	2,813
66	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30740) 23-0003-02199	341
67	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30741) 23-0003-02200	341
68	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30742) 23-0003-02201	1,875
69	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30743) 23-0003-02202	4,000
70	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30744) 23-0003-02203	1,118
71	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30745) 23-0003-02204	1,416
72	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28035) 23-0006-04291	3,211
73	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28037) 23-0006-04293	6,904
74	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28038) 23-0006-04294	3,452
75	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28039) 23-0006-04295	13,210
76	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30505) 23-0008-05433	1,442
77	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29847) 23-0008-05429	12,484

78	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29848) 23-0008-05430	3,588
79	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29849) 23-0008-05431	1,678
80	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29850) 23-0008-05432	3,500
81	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29852) 23-0008-05438	1,355
82	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29853) 23-0008-05439	1,008
83	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29854) 23-0008-05440	2,593
84	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29855) 23-0008-05441	2,277
85	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29856) 23-0008-05442	1,036
86	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29857) 23-0008-05443	1,951
87	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29858) 23-0008-05444	3,201
88	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29859) 23-0008-05445	294
89	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29860) 23-0008-05446	295
90	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29862) 23-0008-05448	746
91	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29863) 23-0008-05449	3,262
92	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29864) 23-0008-05450	1,585
93	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29866) 23-0008-05452	1,280



94	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29867) 23-0008-05453	4,346
95	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29868) 23-0008-05454	3,641
96	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29869) 23-0008-05455	3,302
97	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29870) 23-0008-05456	2,150
98	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29872) 23-0008-05458	882
99	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29873) 23-0008-05460	625
100	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29874) 23-0008-05461	880
101	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29875) 23-0008-05462	250
102	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29877) 23-0008-05464	427
103	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29878) 23-0008-05465	531
104	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29879) 23-0008-05466	3,532
105	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29881) 23-0008-05468	3,658
106	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29882) 23-0008-05469	1,000
107	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29883) 23-0008-05470	1,262
108	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29884) 23-0008-05471	4,500
109	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29885) 23-0008-05472	2,970

110	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29887) 23-0008-05474	1,615
111	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29888) 23-0008-05475	1,072
112	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29892) 23-0008-05479	1,407
113	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29893) 23-0008-05480	1,465
114	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29896) 23-0008-05483	1,000
115	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29901) 23-0008-05488	3,432
116	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29905) 23-0008-05492	1,100
117	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29907) 23-0008-05494	1,210
118	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29909) 23-0008-05496	3,253
119	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29910) 23-0008-05497	4,150
120	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29913) 23-0008-05498	3,385
121	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29915) 23-0008-05499	3,449
122	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29923) 23-0008-05500	1,124
123	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29927) 23-0008-05501	2,453
124	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29930) 23-0008-05502	1,206
125	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29931) 23-0008-05503	353

126	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29933) 23-0008-05504	706
127	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29934) 23-0008-05505	1,856
128	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29936) 23-0008-05506	4,061
129	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29937) 23-0008-05507	1,542
130	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29938) 23-0008-05508	7,100
131	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29939) 23-0008-05509	2,500
132	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29940) 23-0008-05510	1,280
133	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29942) 23-0008-05511	1,259
134	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29944) 23-0008-05512	2,807
135	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29945) 23-0008-05513	2,886
136	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29947) 23-0008-05514	2,896
137	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29949) 23-0008-05515	3,388
138	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29950) 23-0008-05516	1,657
139	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29952) 23-0008-05517	430
140	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29956) 23-0008-05521	3,081
141	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29958) 23-0008-05522	3,300

142	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29962) 23-0008-05524	992
143	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30580) 23-0008-05436	2,468
144	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29966) 23-0008-05526	1,620
145	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29970) 23-0008-05527	5,070
146	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29971) 23-0008-05528	1,732
147	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29973) 23-0008-05529	1,732
148	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29974) 23-0008-05530	12,656
149	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29975) 23-0008-05531	10,738
150	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29976) 23-0008-05532	4,192
151	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29977) 23-0008-05533	1,548
152	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29978) 23-0008-05534	756
153	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29979) 23-0008-05535	1,548
154	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29980) 23-0008-05536	241
155	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29983) 23-0008-05537	2,898
156	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29985) 23-0008-05538	3,659
157	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29987) 23-0008-05539	3,659

158	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29989) 23-0008-05540	6,756
159	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29995) 23-0008-05542	977
160	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29998) 23-0008-05543	977
161	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30000) 23-0008-05544	3,108
162	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30001) 23-0008-05545	2,990
163	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30002) 23-0008-05546	1,554
164	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30003) 23-0008-05547	2,997
165	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30006) 23-0008-05548	2,600
166	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30581) 23-0008-05435	1,135
167	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30008) 23-0008-05549	1,796
168	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30010) 23-0008-05550	646
169	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30013) 23-0008-05552	3,234
170	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30015) 23-0008-05553	1,091
171	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30017) 23-0008-05554	1,100
172	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30018) 23-0008-05555	3,700
173	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30019) 23-0008-05556	2,112

174	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30020) 23-0008-05557	1,790
175	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30022) 23-0008-05559	3,174
176	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30023) 23-0008-05560	10,914
177	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30504) 23-0008-05434	3,757
178	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30024) 23-0008-05561	756
179	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30025) 23-0008-05562	2,016
180	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30027) 23-0008-05563	245
181	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30028) 23-0008-05564	640
182	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30029) 23-0008-05565	2,555
183	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30032) 23-0008-05566	3,483
184	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30033) 23-0008-05567	586
185	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30034) 23-0008-05568	5,234
186	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30035) 23-0008-05569	3,655
187	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30036) 23-0008-05570	6,716
188	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30037) 23-0008-05571	1,260
189	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30588) 23-0008-05572	1,215

190	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30042) 23-0008-05573	3,266
191	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30043) 23-0008-05574	2,784
192	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30045) 23-0008-05576	4,000
193	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30045) 23-0008-05577	9,441
194	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30047) 23-0008-05578	5,138
195	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30048) 23-0008-05579	5,864
196	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30615) 23-0008-05580	3,850
197	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30618) 23-0008-05581	2,347
198	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30619) 23-0008-05582	4,386
199	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30620) 23-0008-05583	2,753
200	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30625) 23-0008-05584	5,436
201	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30626) 23-0008-05585	4,319
202	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31778) 23-0009-06233	3,750
203	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31780) 23-0009-06234	7,000
204	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31781) 23-0009-06235	668
205	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31783) 23-0009-06236	4,750

206	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31786) 23-0009-06237	6,000
207	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31787) 23-0009-06238	12,244
208	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31788) 23-0009-06239	8,465
209	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31789) 23-0009-06240	4,000
210	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31790) 23-0009-06241	8,800
211	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31791) 23-0009-06242	1,600
212	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31792) 23-0009-06243	3,000
213	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31793) 23-0009-06244	4,824
214	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31794) 23-0009-06245	9,710
215	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31795) 23-0009-06246	1,200
216	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31796) 23-0009-06247	1,000
217	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31797) 23-0009-06248	1,000
218	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31798) 23-0009-06249	1,000
219	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31800) 23-0009-06250	2,735
220	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31801) 23-0009-06251	400
221	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31802) 23-0009-06252	1,000



222	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31803) 23-0009-06253	19,900
223	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31804) 23-0009-06254	5,000
224	Looc, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(31809) 23-0009-06255	1,500
225	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29236) 23-0010-06870	5,634
226	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29237) 23-0010-06871	3,910
227	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29238) 23-0010-06872	1,053
228	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29239) 23-0010-06873	7,117
229	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29240) 23-0010-06874	1,770
230	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29241) 23-0010-06875	4,815
231	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29242) 23-0010-06876	2,876
232	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29243) 23-0010-06877	1,040
233	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29244) 23-0010-06878	6,429
234	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29245) 23-0010-06879	2,694
235	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29246) 23-0010-06880	3,061
236	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29247) 23-0010-06881	713
237	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29248) 23-0010-06882	2,011

238	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29249) 23-0010-06883	2,000
239	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29250) 23-0010-06884	7,150
240	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29251) 23-0010-06885	2,928
241	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29252) 23-0010-06886	4,644
242	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29253) 23-0010-06887	6,982
243	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29260) 23-0010-06888	6,326
244	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29262) 23-0010-06889	2,299
245	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29264) 23-0010-06890	2,699
246	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29266) 23-0010-06891	2,160
247	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29267) 23-0010-06892	3,760
248	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29269) 23-0010-06893	1,067
249	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29271) 23-0010-06894	2,133
250	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29273) 23-0010-06895	826
251	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29274) 23-0010-06896	2,036
252	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29276) 23-0010-06897	5,000
253	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29277) 23-0010-06898	700

254	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29279) 23-0010-06899	7,743
255	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29280) 23-0010-06900	900
256	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29281) 23-0010-06901	998
257	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29282) 23-0010-06902	5,000
258	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29283) 23-0010-06903	1,843
259	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29284) 23-0010-06904	5,000
260	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29285) 23-0010-06905	14,741
261	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29287) 23-0010-06907	1,362
262	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29288) 23-0010-06908	3,000
263	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29289) 23-0010-06909	7,408
264	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29290) 23-0010-06910	800
265	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29291) 23-0010-06911	5,025
266	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29292) 23-0010-06912	13,888
267	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29293) 23-0010-06913	1,596
268	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29294) 23-0010-06914	2,917
269	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29295) 23-0010-06915	4,998

270	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29296) 23-0010-06916	1,000
271	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29297) 23-0010-06917	6,429
272	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29298) 23-0010-06918	9,090
273	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29299) 23-0010-06919	2,472
274	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29300) 23-0010-06920	725
275	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29301) 23-0010-06921	3,300
276	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29302) 23-0010-06922	1,918
277	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29303) 23-0010-06923	2,432
278	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29304) 23-0010-06924	4,866
279	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29305) 23-0010-06925	1,781
280	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29306) 23-0010-06926	1,781
281	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29311) 23-0010-06931	767
282	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29312) 23-0010-06932	3,150
283	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29313) 23-0010-06933	2,559
284	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29314) 23-0010-06934	858
285	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29315) 23-0010-06935	7,650

286	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29316) 23-0010-06936	1,619
287	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29319) 23-0010-06937	179
288	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29320) 23-0010-06938	1,788
289	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29322) 23-0010-06939	5,000
290	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29323) 23-0010-06940	234
291	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29324) 23-0010-06941	4,644
292	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29325) 23-0010-06942	2,465
293	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29326) 23-0010-06943	990
294	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29329) 23-0010-06944	4,437
295	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29330) 23-0010-06945	3,662
296	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29331) 23-0010-06946	3,699
297	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29332) 23-0010-06947	6,085
298	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29333) 23-0010-06948	8,968
299	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29334) 23-0010-06949	3,484
300	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37031) 23-0001-00033	400
301	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37032) 23-0001-00034	440

302	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37033) 23-0001-00035	780
303	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37035) 23-0001-00037	5,550
304	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37036) 23-0001-00038	6,961
305	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37037) 23-0001-00039	4,420
306	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37038) 23-0001-00040	3,600
307	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37040) 23-0001-00042	583
308	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37041) 23-0001-00043	583
309	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37042) 23-0001-00044	583
310	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37043) 23-0001-00045	1,393
311	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37048) 23-0001-00050	4,228
312	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37050) 23-0001-00052	4,331
313	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(38051) 23-0001-00059	3,400
314	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29960) 23-0008-05523	2,950
315	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29990) 23-0008-05541	6,756
316	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30011) 23-0008-05551	2,425
317	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30021) 23-0008-05558	430

318	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28042) 23-0006-04300	7,532
319	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28200) 23-0006 -04469	7,105
320	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30053) 23-0008-05594	1,500
321	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30158) 23-0008-05693 & (30159) 23-0008-05694	2,797
322	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30450) 23-0008-06190	2,222
323	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30440) 23-0008-06178	4,060
324	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30374) 23-0008-06073	1,554
325	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30598) 23-0008-05586	969
326	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30621) 23-0008-05795	6,689
327	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30404) 23-0008-06124	4,576
328	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30278) 23-0008-05951	2,252
329	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30114) 23-0008-05661	2,364
330	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30116) 23-0008-05662	1,544
331	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30307) 23-0008-05986	4,308
332	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30253) 23-0008-05914	943

333	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30251) 23-0008-05912	3,270
334	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30252) 23-0008-5913	2,390
335	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30140) 23-0008-05676	6,034
336	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30192) 23-0008-05731	4,755
337	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30058) 23-0008-05599	2,459
338	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30105) 23-0008-05849	5,446
339	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30247) 23-0008-05908 & (30248)23-0008-05909	2,556
340	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30269) 23-0008-05935	3,200
341	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30425) 23-0008-06150	1,382
342	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30452) 23-0008-06192	1,648
343	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30439) 23-0008-06176	624
344	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30285) 23-0008-05959	5,612
345	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30179) 23-0008-05717	2,032
346	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29842) 23-0008-05425	2,844
347	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29219) 23-0010-06861	5,137



348	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29606) 23-0010-07127	934
349	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29557) 23-0010-07092	4,299
350	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29559) 23-0010-07093	2,000
351	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29693) 23-0003-07459	8,316
352	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	862 Part	1,864
353	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	917	605
354	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A		3,750
355	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A		21,500
356	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	870 Part old / 877 part new	900
357	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	866 old/872 new	1,018
358	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	863 old/874 new	717
359	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	882 Part	700
360	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	1111	1,294
361	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	781	1,985
362	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	907 Part	1,107
363	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	928	1,902
364	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	929	1,902
365	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	889	923
366	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	895	805
367	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	911	1,109
368	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	866	3,362
369	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	897	418

370	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	898	519
371	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	894	3,347
372	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	913	4,015
373	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	899	910
374	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A		3,200
375	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30697) 23-0003-02156	2,250
376	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30706) 23-0003-02165	4,000
377	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28034) 23-0006-04290	543
378	Campisong, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(28036) 23-0006-04292	116
379	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29871) 23-0008-05457	1,653
380	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30589) 23-0008-05459	1,203
381	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29876) 23-0008-05463	1,099
382	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29880) 23-0008-05467	4,000
383	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29886) 23-0008-05473	540
384	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29889) 23-0008-05476	1,943
385	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29890) 23-0008-05477	2,475
386	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29891) 23-0008-05478	1,474
387	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29894) 23-0008-05481	2,450

388	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29895) 23-0008-05482	2,432
389	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29897) 23-0008-05484	5,526
390	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29898) 23-0008-05485	3,894
391	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29899) 23-0008-05486	6,024
392	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29900) 23-0008-05487	150
393	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29902) 23-0008-05489	17,952
394	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29903) 23-0008-05490	5,980
395	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29904) 23-0008-05491	2,940
396	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29906) 23-0008-05493	910
397	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29908) 23-0008-05495	336
398	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29953) 23-0008-05518	1,020
399	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29954) 23-0008-05519	2,296
400	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29955) 23-0008-05520	2,476
401	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29965) 23-0008-05525	1,971
402	Cagsing, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30683) 23-0003-02142	10,000
403	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29851) 23-0008-05437	1,226

404	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29861) 23-0008-05447	1,897
405	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29865) 23-0008-05451	1,502
406	Guiwanon, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(30044) 23-0008-05575	4,374
407	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29234) 23-0010-06869	2,377
408	Malatbo, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(29286) 23-0010-06906	2,500
409	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37034) 23-0001-00036	3,000
410	Poblacion, Ginatilan, Cebu	Owned		N/A	N/A	N/A	(37039) 23-0001-00041	513
411	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2017010177	1,067
412	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2017008156	444
413	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2018010590	600
414	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2018004755	510
415	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2018004771	511
416	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2017010498	511
417	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2017010178	510
418	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2019004393	9,453
419	Mabalas-balas, San Rafael	Owned		N/A	N/A	N/A	039-2019004394	1,221

420	Talbak, Dona, Remedios Trinidad	Owned		N/A	N/A	N/A	P-2449	45,949
421	Akle, San Ildefonso Bulacan	Owned		N/A	N/A	N/A	2018-20002-00115	3,706
422	Akle, San Ildefonso Bulacan	Owned		N/A	N/A	N/A	CLOA-T-2168	14,922
423	Talbak, Dona, Remedios Trinidad	Owned		N/A	N/A	N/A	OCT-P-4807	36,229
424	Akle, San Ildefonso Bulacan	Owned		N/A	N/A	N/A	CLOA-T-9298	21,378
425	Alagao, San Ildefonso Bulacan	Owned		N/A	N/A	N/A	T-27779 (Lot 4241 & 4242)	24,953
426	Alagao, San Ildefonso Bulacan	Owned		N/A	N/A	N/A	T-37365 (Lot 4241 & 4242)	20,926
427	Talbak, Dona, Remedios Trinidad	Owned		N/A	N/A	N/A	OCT-039-P-4808	36,877

**APPENDIX D****Schedule of Material Permits and Licenses of the Company**

	Permit	Issuing Agency	Date Issued	Expiry Date	Remarks
1	Environmental Protection and Enhancement Program	Mines and Geosciences Bureau	11 October 2004	N/A	
2	Annual Environmental Protection and Enhancement Program	Mines and Geosciences Bureau- Region 3	27 April 2020	April 26, 2021	2021-2022 AEPEP submitted for approval on 27 November 2020
3	Permit to Operate- Line 1 & 2	Environmental Management Bureau- Region 3	16 March 2020	31 March 2021	Renewal filed on 20 February 2021
	Permit to Operate- Line 3		15 January 2021	15 January 2022	
	Permit to Operate- CM 3&4		15 January 2021	15 January 2022	
4	Discharge Permit - Akle	Environmental Management Bureau- Region 3	07 April 2020	April 6, 2021	Renewal filed on 23 February 2021
5	Permit to Operate - Limay	Environmental Management Bureau- Region 3	04 September 2020	04 August 2025	
6	Discharge Permit - Limay	Environmental Management Bureau- Region 3	31 August 2020	30 June 2021	
7	Waste Generators Registration Certificate	Environmental Management Bureau- Region 3	02 May 2011	N/A	
8	Pollution Control Certificate of Accreditation	Environmental Management Bureau- Region 3	28 February 2020	28 February 2023	
9	Certificate of Compliance	Energy Regulatory Commission	9 September 2016	9 September 2021	
10	Water Permit (Deep Well 1)	National Water Resources Board	11 May 2011	N/A	
	Water Permit (Deep Well 2)	National Water Resources Board	14 September 2014	N/A	
11	Product license for type-1 portland cement	Department of Trade and Industry- Bureau of Philippine Standards	29 August 2020	21 May 2023	

	Product license for type-1P blended cement	Department of Trade and Industry- Bureau of Philippine Standards	14 July 2020	21 May 2023	
12	TM 42008006759	Intellectual Property Office	13 October 2008	13 October 2023	
13	TM 42009010863	Intellectual Property Office	11 February 2010	11 February 2030	For filing of Declaration of Actual Use
14	TM 42009012374	Intellectual Property Office	13 May 2010	13 May 2021	
15	TM 42013010042	Intellectual Property Office	31 August 2018	31 August 2028	
16	TM 42013010043	Intellectual Property Office	31 August 2018	31 August 2028	
17	TM 42013010044	Intellectual Property Office	31 August 2018	31 August 2028	
18	TM 42013010045	Intellectual Property Office	27 February 2014	27 February 2024	
19	TM 42015003734	Intellectual Property Office	29 July 2017	29 July 2027	
20	TM 42015006465	Intellectual Property Office	29 September 2017	29 September 2027	
21	TM 42015006466	Intellectual Property Office	29 September 2017	29 September 2027	
22	TM 42020003446	Intellectual Property Office	17 July 2020	17 July 2030	
23	TM 42020003449	Intellectual Property Office	17 July 2020	17 July 2030	
24	TM 42020003447	Intellectual Property Office	17 July 2020	17 July 2030	
25	TM 42020003448	Intellectual Property Office	12 July 2020	12 July 2030	
26	TM 42020003451	Intellectual Property Office	17 July 2020	17 July 2030	
27	TM 42020003450	Intellectual Property Office	17 July 2020	17 July 2030	
28	Import License	Bureau of Customs	11 September 2020	11 September 2021	
29	Certificate of Registration as Coal End- User	Department of Energy	28 August 2012	27 August 2022	
30	BIR's Manufacturer's Bond	Bureau of Internal Revenue	01 October 2020	01 October 2021	

31	Mayor's Permit	Municipality of San Ildefonso, Bulacan	18 January 2021	31 December 2021	
32	Sanitary Permit to Operate	Municipality of San Ildefonso, Bulacan	18 January 2021	31 December 2021	
33	Barangay Business Permit	Brgy. Akle, San Ildefonso, Bulacan	18 January 2021	31 December 2021	
34	Mayor's Permit	City of Mandaluyong, MM	15 January 2021	31 December 2021	
35	Sanitary Permit to Operate	City of Mandaluyong, MM	15 January 2021	31 December 2021	
36	Barangay Business Clearance	Brgy. Wack, Wack, City of Mandaluyong, MM	15 January 2021	31 December 2021	
37	Mayor's Permit	Municipality of Imus, Cavite	15 January 2021	31 December 2021	
38	Sanitary Permit to Operate	Municipality of Imus, Cavite	15 January 2021	31 December 2021	
39	Barangay Business Permit	Brgy. Buhay na Tubig, Imus City, Cavite	15 January 2021	31 December 2021	
40	Mayor's Permit	City of Parañaque, MM	25 January 2021	31 December 2021	
41	Sanitary Permit to Operate	City of Parañaque, MM	25 January 2021	31 December 2021	
42	Barangay Business Permit	City of Parañaque, MM	25 January 2021	31 December 2021	
43	Mayor's Permit	Municipality of Sual, Pangasinan	21 January 2021	31 December 2021	
44	Sanitary Permit to Operate	Municipality of Sual, Pangasinan	21 January 2021	31 December 2021	
45	Barangay Business Permit	Municipality of Sual, Pangasinan	21 January 2021	31 December 2021	
46	Mayor's Permit	Municipality of Ibaan, Batangas	16 January 2021	31 December 2021	
47	Sanitary Permit to Operate	Municipality of Ibaan, Batangas	16 January 2021	31 December 2021	
48	Barangay Business Permit	Municipality of Ibaan, Batangas	16 January 2021	31 December 2021	
49	Mayor's Permit	Municipality of Limay, Bataan	20 January 2021	31 December 2021	
50	Sanitary Permit to Operate	Municipality of Ibaan, Batangas	20 January 2021	31 December 2021	



51	Barangay Business Permit	Municipality of Ibaan, Batangas	20 January 2021	31 December 2021	
52	Mayor's Permit	City of Mandaluyong, MM	15 January 2021	31 December 2021	
53	Barangay Business Permit	City of Mandaluyong, MM	15 January 2021	31 December 2021	
54	Mayor's Permit	City of Pasig, MM	10 February 2021	31 December 2021	
55	Barangay Business Permit	City of Pasig, MM	10 February 2021	31 December 2021	
56	Mayor's Permit	City of Quezon MM	28 January 2021	31 December 2021	



**SEC FORM 17-Q  
QUARTERLY REPORT  
FOR THE QUARTERLY PERIOD  
ENDED 31 MARCH 2021  
(ANNEX C)**



## **EAGLE CEMENT CORPORATION**

Head Office: 2/F Smits Corporate Center, 155 Brgy. Wack Wack, EDSA  
Mandaluyong City, Philippines  
Plant: Bgy. Akle, San Ildefonso Bulacan, Philippines  
Tel. No.: (+632) 5-301-3453  
[www.eaglecement.com.ph](http://www.eaglecement.com.ph)

14 May 2021

### **SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City, 1307

Attention: Dir. Vicente Graciano P. Felizmenio Jr.  
Markets and Securities Regulation Department

### **THE PHILIPPINE STOCK EXCHANGE, INC.**

6th Floor, PSE Tower  
28th Street corner 5th Avenue  
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Subject: Eagle Cement Corporation: **SEC Form 17-Q (Quarterly Report) – 31 March 2021**

Gentlemen:

Please see attached SEC Form 17-Q (Quarterly Report) of Eagle Cement Corporation for the period ended 31 March 2021.

Kindly acknowledge receipt.

Thank you.

Very truly yours,

ATTY. FABIOLA B. VILLA  
Compliance Officer

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, 2021**
2. Commission identification number **ASO95-005885** 3. BIR Tax Identification No. **004-731-637-000**
4. Exact name of issuer as specified in its charter  
**EAGLE CEMENT CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization  
**Mandaluyong, Philippines**
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office Postal Code  
**2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong City**  
**1554**
8. Issuer's telephone number, including area code  
**(632) 5301-3453**
9. Former name, former address and former fiscal year, if changed since last report  
N.A.

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
<b>Common (Outstanding)</b>	<b>5,000,000,005</b>

\* The total issued and outstanding shares as at March 31, 2021 are:  
Common 5,000,000,005

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

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the classes of securities listed therein:

**Philippine Stock Exchange (PSE)** **Common Shares**

\* The Company's common shares were listed in the PSE on May 29, 2017 through an initial public offering (IPO).

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 Section 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 12 months (or for such shorter period the registrant was required to file such reports)

Yes ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒ No ☐

**APPLICABLE ONLY TO REGISTRANTS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

13. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☒ This item is not applicable to the Company.

**SIGNATURES**

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

Issuer:

**EAGLE CEMENT CORPORATION**

By:

  
**JOHN PAUL L. ANG**  
President/Chief Executive Officer  
Date: 14 May 2021

  
**MONICA L. ANG**  
Treasurer/Chief Finance Officer  
Date: 14 May 2021

## **PART I--FINANCIAL INFORMATION**

### **Financial Statements**

Page No.

1. Unaudited Interim Consolidated Statement of Financial Position as at March 31, 2021 and Audited Consolidated Statement of Financial Position as at December 31, 2020
2. Unaudited Interim Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2021 and 2020
3. Unaudited Interim Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2021 and 2020
4. Unaudited Interim Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2021 and 2020
5. Notes to Unaudited Interim Consolidated Financial Statements

### **Management's Discussion and Analysis of Financial Condition and Results of Operations**

## **Item 1. Financial Statements**

The audited consolidated statement of financial position as at December 31, 2020, and the unaudited interim consolidated financial statements as at March 31, 2021 and for the three months ended March 31, 2021 and 2020 and selected notes to the unaudited interim consolidated financial statements of Eagle Cement Corporation (Eagle Cement or the Parent Company) and its subsidiaries (collectively referred to as the “Group”) are filed as part of this Form 17-Q.

Eagle Cement is a fully integrated Company primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products. The Company is the fourth largest player in the Philippine cement industry based on sales volume, with the fastest growing market share among all competitors in the industry since it started its commercial operations in 2010. The Company was incorporated and registered with the Securities and Exchange Commission (SEC) on June 21, 1995.

The Parent Company currently employs 501 individuals for its existing lines and business operations in Luzon. Neither Eagle Cement nor any of its subsidiaries has experienced a work stoppage as a result of labor disagreements. None of the employees of the Company belong to a union since its incorporation in 1995.

On May 29, 2017, the Parent Company’s initial public offering (IPO) of 500,000,000 common shares at ₱15.00 per share by way of primary offer with optional shares of up to 75,000,000 common shares by way of secondary offer culminated with the listing and trading under the Main Board of the Philippine Stock Exchange (PSE).



**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**  
**(With Comparative Audited Figures as at December 31, 2020)**

	Note	March 31, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	₱13,236,951,262	₱11,466,255,207
Financial assets at fair value through profit or loss (FVPL)	6	4,678,440,511	4,703,019,162
Trade and other receivables	7	1,413,324,868	488,698,028
Inventories	8	1,310,442,591	1,405,696,412
Other current assets	9	896,017,540	850,409,547
Total Current Assets		21,535,176,772	18,914,078,356
<b>Noncurrent Assets</b>			
Investment in an associate		75,000,000	75,000,000
Financial assets at fair value through other comprehensive income (FVOCI)		105,279,825	103,079,550
Property, plant and equipment	10	25,653,437,919	25,603,963,422
Investment properties		1,630,650,604	1,630,650,604
Intangible assets		365,945,094	323,388,553
Other noncurrent assets	11	2,101,127,919	3,008,991,655
Total Noncurrent Assets		29,931,441,361	30,745,073,784
		₱51,466,618,133	₱49,659,152,140
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	₱3,502,773,806	₱3,283,815,937
Current portion of loans payable	13	1,060,482,066	1,060,127,446
Current portion of lease liabilities		7,866,918	7,648,720
Income tax payable		342,717,468	211,879,633
Total Current Liabilities		4,913,840,258	4,563,471,736
<b>Noncurrent Liabilities</b>			
Loans payable - net of current portion	13	4,970,229,429	5,235,508,836
Lease liability - net of current portion		34,481,093	36,557,012
Net retirement benefit liability		97,180,643	87,944,993
Provision for mine rehabilitation and decommissioning		31,590,290	31,233,753
Net deferred tax liabilities	16	818,287,631	989,861,221
Total Noncurrent Liabilities		5,951,769,086	6,381,105,815
Total Liabilities		10,865,609,344	10,944,577,551
<b>Equity</b>			
	15		
Capital stock		8,000,000,005	8,000,000,005
Additional paid-in capital		6,525,506,098	6,525,506,098
Retained earnings:			
Appropriated		16,000,000,000	16,000,000,000
Unappropriated		10,560,094,883	8,843,203,656
Treasury stock		(3,000,000,000)	(3,000,000,000)
Other equity reserves		2,515,407,803	2,345,864,830
Total Equity		40,601,008,789	38,714,574,589
		₱51,466,618,133	₱49,659,152,140





# **EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

## **UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**

	Note	2021	2020
<b>NET SALES</b>		<b>₱5,266,956,826</b>	<b>₱4,523,761,785</b>
<b>COST OF GOODS SOLD</b>		<b>2,928,404,284</b>	<b>2,546,324,103</b>
<b>GROSS PROFIT</b>		<b>2,338,552,542</b>	<b>1,977,437,682</b>
<b>OPERATING EXPENSES</b>		<b>504,013,501</b>	<b>487,012,194</b>
<b>INCOME FROM OPERATIONS</b>		<b>1,834,539,041</b>	<b>1,490,425,488</b>
<b>FINANCE COSTS</b>		<b>(95,343,291)</b>	<b>(113,285,405)</b>
<b>INTEREST INCOME</b>		<b>68,661,244</b>	<b>133,467,139</b>
<b>OTHER INCOME (LOSS) - Net</b>		<b>50,542,791</b>	<b>(31,295,663)</b>
<b>INCOME BEFORE INCOME TAX</b>		<b>1,858,399,785</b>	<b>1,479,311,559</b>
<b>INCOME TAX EXPENSE (BENEFIT)</b>	16		
Current		<b>145,739,450</b>	<b>289,546,729</b>
Deferred		<b>(4,230,892)</b>	<b>432,514</b>
		<b>141,508,558</b>	<b>289,979,243</b>
<b>NET INCOME</b>		<b>1,716,891,227</b>	<b>1,189,332,316</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Not to be reclassified to profit or loss in subsequent periods</i>			
Reversal of deferred tax on:			
Revaluation surplus		<b>165,676,240</b>	<b>—</b>
Remeasurement gains on net retirement benefits liability		<b>1,666,458</b>	<b>—</b>
Unrealized gain (loss) on financial assets at FVOCI		<b>2,200,275</b>	<b>(1,733,550)</b>
		<b>169,542,973</b>	<b>(1,733,550)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>₱1,886,434,200</b>	<b>₱1,187,598,766</b>
<b>Basic/Diluted Earnings Per Share</b>	17	<b>₱0.34</b>	<b>₱0.23</b>



EAGLE CEMENT CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

Other Equity Reserves											
		Capital Stock - ₱1 par value		Additional Paid in Capital	Retained Earnings		Deferred Tax) (Net of Revaluation Surplus	Deferred Tax) (Net of Remeasurement Gains (Losses) on Net Retirement Benefits Liability	Assets at FVOCI Financial	Treasury Stock	Total Equity
	Note	Common Stock	Preferred Stock		Appropriated	Unappropriated					
Balances as at December 31, 2020		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱8,843,203,656	₱2,319,467,358	₱23,330,422	₱3,067,050	(₱3,000,000,000)	₱38,714,574,589
Net income		-	-	-	-	1,716,891,227	-	-	-	-	1,716,891,227
Other comprehensive income		-	-	-	-	-	165,676,240	1,666,458	2,200,275	-	169,542,973
Balances as at March 31, 2021		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱10,560,094,883	₱2,485,143,598	₱24,996,880	₱5,267,325	(₱3,000,000,000)	₱40,601,008,789
Balances as at December 31, 2019		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱7,500,000,000	₱13,998,311,098	₱1,325,088,000	(₱19,008,975)	₱1,066,800	₱-	₱37,330,963,026
Net income		-	-	-	-	1,189,332,316	-	-	-	-	1,189,332,316
Other comprehensive loss		-	-	-	-	-	-	-	(1,733,550)	-	(1,733,550)
Cash dividends declared	15	-	-	-	-	(45,000,000)	-	-	-	-	(45,000,000)
Balances as at March 31, 2020		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱7,500,000,000	₱15,142,643,414	₱1,325,088,000	(₱19,008,975)	(₱666,750)	₱-	₱38,473,561,792



**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**  
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱1,858,399,785	₱1,479,311,559
Adjustments for:		
Depreciation and amortization	319,644,799	275,912,405
Finance costs	95,343,291	113,285,405
Interest income	(68,661,244)	(133,467,139)
Dividend income	(53,304,250)	(5,644,971)
Trading loss on financial assets at FVPL	13,447,693	28,334,524
Retirement benefit costs	8,239,529	4,740,931
Unrealized foreign exchange losses	287,832	6,482,317
Gain on sale of equipment	–	(252,611)
Operating income before working capital changes	2,173,397,435	1,768,702,420
Decrease (increase) in:		
Trade and other receivables	(181,598,575)	18,837,700
Inventories	93,395,691	10,564,421
Other current assets	(45,607,993)	(62,567,803)
Other noncurrent assets	5,391,562	6,957,644
Increase (decrease) in trade and other payables	221,206,138	(302,926,155)
Net cash generated from operations	2,266,184,258	1,439,568,227
Interest received	42,821,092	167,400,384
Income taxes paid	(14,901,615)	(15,782,383)
Net cash provided by operating activities	2,294,103,735	1,591,186,228
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to:		
Property, plant and equipment	(180,901,870)	(645,504,402)
Intangible assets	(42,736,320)	–
Deposit for future investment	–	(100,000,000)
Deposit on asset purchase	–	(73,324,094)
Dividends received	51,698,814	1,699,389
Proceeds from sale of:		
Financial assets at FVPL	11,130,958	–
Property, plant and equipment	–	398,963
Collection of finance lease receivable	1,706,101	4,453,530
Net cash used in investing activities	(159,102,317)	(812,276,614)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Loans	(267,000,000)	(267,000,000)
Interest	(94,297,928)	(112,685,048)
Lease liability	(2,719,603)	(2,014,460)
Dividends	–	(45,000,000)
Net cash used in financing activities	(364,017,531)	(426,699,508)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,770,983,887	352,210,106
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(287,832)	(6,482,317)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	11,466,255,207	16,938,492,092
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	₱13,236,951,262	₱17,284,219,881



**EAGLE CEMENT CORPORATION AND SUBSIDIARIES**

**AGING OF TRADE AND OTHER RECEIVABLES  
AS AT MARCH 31, 2021**

	Total	Current	1- 30 Days	31- 60 Days	61-90 Days	91-365 Days	365 Days or More
Trade	₱548,205,238	₱29,420,792	₱49,310,695	₱115,916,547	₱102,560,260	₱250,829,611	₱167,333
Nontrade	838,692,318	801,942,568	3,179,871	884,256	312,738	10,171,707	22,201,178
Others	26,427,312	192,158	–	–	94,162	275,779	25,865,213
Total	₱1,413,324,868	₱831,555,518	₱52,490,566	₱116,800,803	₱102,967,160	₱261,277,097	₱48,233,724

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## EAGLE CEMENT CORPORATION AND SUBSIDIARIES

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### NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2021

(With Comparative Information for 2020)

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#### 1. General Information

##### **Corporate Information**

Eagle Cement Corporation (ECC or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 21, 1995. The Parent Company and its wholly-owned subsidiaries, South Western Cement Corporation (SWCC) and KB Space Holdings, Inc. (KSHI) are collectively referred to herein as “the Group”. SWCC and KSHI are also incorporated in the Philippines and registered with the SEC.

The Parent Company is a 60.21%-owned subsidiary of Far East Holdings, Inc. (the Ultimate Parent Company), an entity incorporated and domiciled in the Philippines. The Parent Company and SWCC are primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products. SWCC is still under development stage as at March 31, 2021. KSHI will be engaged in property leasing. KSHI has not yet started commercial operations as at March 31, 2021.

The registered office address of the Parent Company is 2/F SMITS Corporate Center, 155 EDSA Barangay Wack-Wack, Mandaluyong City.

##### **Status of Operations**

The Group has the following Mineral Production Sharing Agreements (MPSA) granted by the Philippine Government through the Mines and Geosciences Bureau (MGB) either through direct grant or through deed of assignment.

Grantee/Assignee	MPSA No.	Location	Date of Issuance
<b><u>Luzon sites:</u></b>			
ECC	245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007
ECC	181-2002-III	Akle, San Ildefonso, Bulacan	December 9, 2002
<b><u>Cebu sites:</u></b>			
ECC	100-97-VII	Ginatilan, Cebu	December 29, 1997
ECC	101-97-VII	Ginatilan and Malabuyoc, Cebu	December 29, 1997
SWCC	059-96-VII	Lo-oc, Malabuyoc, Cebu	November 18, 1996
SWCC	060-96-VII	Lo-oc, Malabuyoc, Cebu	November 18, 1996

These MPSAs have a term of 25 years from the issuance date and may be renewed thereafter for another term not exceeding 25 years. The Group started the commercial operations of the Luzon sites in 2010 while the Cebu sites are still under exploration and development stage as at March 31, 2021.

On August 6, 2020, the MGB approved the extension of the terms of the MPSAs 059-96-VII and 060-96-VII from Cebu sites for a period of nine (9) years until November 18, 2030.

2. Summary of Significant Accounting Policies

**Basis of Preparation**

The unaudited interim consolidated financial statements of the Group as at and for the three (3) months ended March 31, 2021 have been prepared in accordance with the Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting* and in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, PAS and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC) and SEC provisions.

**Measurement Bases**

The unaudited interim consolidated financial statements are presented in Philippine Peso, the Group’s functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The unaudited interim consolidated financial statements of the Group have been prepared on the historical cost basis, except for the following:

	Measurement Bases
Financial assets at fair value through profit or loss (FVPL)	Fair Value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair Value
Land, included as part of “Property, plant and equipment”	Revalued Amount
Investment properties	Fair Value

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses market observable data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

- Level 1 - Quoted (unadjusted) market prices in active market for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at March 31, 2021 and have not been applied in preparing the financial statements, are summarized below:

Effective January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* – The amendments replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendment included an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement would ensure that the liabilities recognized in a business combination would remain the same as those recognized applying the current requirements in PFRS 3. The amendment also added an explicit statement that contingent assets acquired in a business combination should not be recognized by an acquirer. The amendments should be applied prospectively.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applies the amendment.
- Annual Improvements to PFRS 2018 to 2020 Cycle:
  - Amendments to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendments apply to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendments. Earlier application is permitted.
  - Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

Effective January 1, 2023 -

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

Deferred effectivity –

- Amendment to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the unaudited interim consolidated financial statements of the Group. Additional disclosures will be included in the notes to the unaudited interim consolidated financial statements, as applicable.

#### **Basis of Consolidation**

The unaudited interim consolidated financial statements comprise of the unaudited interim financial statements of the Parent Company and its wholly-owned subsidiaries.

A subsidiary is an entity in which the Parent Company has control. The Parent Company controls a subsidiary if it is exposed, or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control, the Parent Company takes into consideration potential voting rights that are currently exercisable. Subsidiaries are consolidated from the date on which control is transferred to the Parent Company. Subsidiaries are deconsolidated from the date the Parent Company ceases to have control.

All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full. The financial statements of the subsidiaries are prepared for the same reporting year using uniform accounting policies as that of the Parent Company.

A change in ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

If there is a loss of control, the Group derecognizes the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognized in profit or loss. Any investment retained is recognized at fair value.



*Goodwill.* Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the fair value of the net assets acquired, including the amount recognized for non-controlling interest, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

After initial recognition, goodwill included under the “Intangible assets” account in the unaudited interim consolidated statements of financial position, is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

### **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity or a financial liability or equity instrument of another entity.

*Date of Recognition.* The Group recognizes a financial asset or a financial liability in the unaudited interim consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*“Day 1” Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss. In cases where there is no observable data at inception date, the Group deems the transaction price as the best estimate of fair value and recognizes “Day 1” difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

### **Financial Assets**

*Initial Recognition and Measurement.* Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial assets, except for those designated at FVPL, includes transaction cost.

*Classification.* The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Group’s business model for managing the asset and its contractual cash flow characteristics.

*Financial Assets at Amortized Cost.* Financial assets are measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at March 31, 2021 and December 31, 2020, the Group's cash and cash equivalents, trade and other receivables (except advances to officers and employees), finance lease receivables, Debt Service Reserve Account (DSRA), long-term placements, refundable deposits, deposit in escrow, and restricted cash are classified under this category.

Cash and cash equivalents include cash on hand, cash in banks, and short-term placements. Short-term placements are highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

*Financial Assets at FVOCI.* For equity instruments that are not held for trading, the Group may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, *Financial Instruments: Presentation*. This option is available and made on an instrument by instrument basis.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the unaudited interim consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings.

As at March 31, 2021 and December 31, 2020, the Group irrevocably designated certain quoted investments in equity securities as financial assets at FVOCI because the Group considers these investments to be strategic in nature.

*Financial Assets at FVPL.* Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Group may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Group had not irrevocably elected to classify at FVOCI at initial recognition.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at March 31, 2021 and December 31, 2020, the Group’s investments in listed debt and equity securities and investment in unquoted redeemable perpetual securities are classified under this category.

*Reclassification.* The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new carrying amount.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new carrying amount.

*Impairment of Financial Assets at Amortized Cost.* The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset’s original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other debt instruments measured at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Group also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition.

The Group considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Derecognition.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset has expired;
- The Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- The Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group’s continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

## **Financial Liabilities**

*Initial Recognition and Measurement.* Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized costs, the initial measurement is net of any directly attributable transaction costs.

*Classification.* The Group classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at March 31, 2021 and December 31, 2020, the Group does not have financial liabilities at FVPL.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at March 31, 2021 and December 31, 2020, the Group's trade and other payables (except advances from customers and statutory payables), loans payable and lease liabilities are classified under this category.

*Derecognition.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the unaudited interim consolidated statements of comprehensive income.

*Classification of Financial Instrument between Liability and Equity.* Redeemable preferred shares are classified as equity if it does not exhibit the following contractual obligations to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. Redeemable preferred shares that exhibit characteristics of a liability are recognized at fair value, net of transaction costs, at inception date and presented as a liability in the unaudited interim consolidated statements of financial position.

### **Inventories**

Inventories are valued at the lower of cost and net realizable value (NRV). The cost of raw materials is calculated based on moving average method while the cost of goods in process and finished goods are calculated based on standard costing method. Standard cost is adjusted to reflect actual cost which is principally determined using the moving average method. The cost of finished goods and goods in process comprise raw materials, direct labor and other direct costs and related production overheads. The NRV of raw materials, goods in process and finished goods is the estimated selling price in the ordinary course of business, less the estimated costs of completion and of marketing and distribution.

Cost is determined using the moving average method for spare parts and supplies. The NRV of spare parts and supplies are their current replacement costs. Spare parts are carried as inventory and recognized in profit or loss as consumed. However, major spare parts and stand-by equipment are recorded under “Property, plant and equipment” account in the unaudited interim consolidated statements of financial position when the Group expects to use these for more than one year or if these can be used only in connection with an item of property, plant and equipment.

#### **Other Nonfinancial Current Assets**

Other nonfinancial current assets include prepayments and advances to suppliers.

*Prepayments.* Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized within 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

*Advances to Suppliers.* Advances to suppliers are amounts paid in advance for the purchase of goods and services. These are carried at face amount in the unaudited interim consolidated statements of financial position and are recognized to appropriate asset account or in profit or loss when the services or materials for which the advances were made are received and delivered. Advances to suppliers wherein the related assets to which the advances were made will be used primarily for the purpose of trading are classified as current assets. Otherwise, these are classified as noncurrent assets.

#### **Property, Plant and Equipment**

Land is accounted for using the revaluation model.

Under the revaluation model, land is initially recorded at cost and subsequently measured at fair value less impairment losses, if any. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recorded initially in OCI and accumulated to the other equity reserves account in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit or loss. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the revaluation surplus.

The following property, plant and equipment are stated at cost less accumulated depreciation, amortization and any impairment value:

- Machinery and equipment
- Building and improvements
- Transportation equipment
- Furniture, fixtures and other office equipment

The initial cost of property, plant and equipment comprises its purchase price, after deducting trade discounts and rebates, including import duties, non-refundable purchase taxes, and any directly attributable costs of bringing the asset in its working condition and location for its intended use. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable in bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property, plant and equipment. The cost of replacing a component of an item of property, plant and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property, plant and equipment have different useful lives, these are accounted for as separate items (major components) of property, plant and equipment.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the property, plant and equipment:

	Number of Years
Machinery and equipment	5 to 30
Building and improvements	10 to 30
Transportation equipment	5
Furniture, fixtures and other office equipment	3 to 5

The estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Construction in progress represents properties under construction and is stated at cost. Cost includes cost of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and ready for operational use.

**Investment Properties**

Investment properties pertain to land which is intended to be used for the construction of a building to be held for rental and construction in progress pertaining to development costs for the building. Investment properties are properties held either to earn rental income or for capital appreciation or both, and properties under construction or redevelopment, but not for sale in the ordinary course of business or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognized in profit or loss in the period in which they arise. The carrying amount excludes the costs of day-to-day servicing of the investment properties.

Investment properties are derecognized when either they have been disposed of or the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

For transfers from investment properties to owner-occupied properties or inventories, the cost for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such in accordance with the policy under property, plant and equipment up to the date of change in use.

**Investment in an Associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group’s investment in an associate is accounted for under equity method. The investment is initially recognized at cost and adjusted to recognize the Group’s share in net assets of the associate since the acquisition date. Dividends received by the Group from the associate will reduce the carrying amount of the investment when the right to receive the dividend is established. The Group recognizes its share in net income or loss of the associate in profit or loss. Any change in OCI of the associate is presented as part of the Group’s OCI. In addition, where there has been change recognized directly in equity of the associate, the Group recognizes its share in any changes, when applicable, in the unaudited interim consolidated statements of changes in equity.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The financial statements of the associate are prepared in the same reporting period as the Group.

**Intangible Assets**

Intangible assets include mining rights, computed software, and goodwill.

Intangible assets are stated at cost, which includes purchase price and other direct costs, less accumulated amortization and any impairment in value. Intangible assets are amortized over their useful lives on a straight-line basis and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible assets with finite useful lives are recognized in profit or loss.

The useful life of an intangible asset arising from contractual or other legal rights should not exceed the period of those rights, but may be shorter depending on the period over which the intangible asset is expected to benefit the Group. The useful lives of the intangible assets are as follows:

	Number of Years
Mining rights	25
Computer software	10



When mining rights are retired or otherwise disposed of, the cost and the related accumulated amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

#### **Other Nonfinancial Noncurrent Assets**

Other nonfinancial noncurrent assets include deposit on asset purchase, deferred exploration and development costs, and deposit for future investment.

*Deposit on Asset Purchase.* Deposit on asset purchase, measured at face amount less any allowance for impairment, represents advance payments for long term supply of raw materials and advance payments for the purchase of property, plant and equipment.

*Deferred Exploration and Development Costs.* Deferred exploration and development costs arising from the Group's exploration and evaluation activities are carried at cost less accumulated impairment losses, if any.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified mineral resource. These include the following:

- Acquisitions of rights to explore;
- Gathering exploration data through geophysical studies;
- Determining and examining the volume and grade of the resource;
- Surveying transportation and infrastructure requirements; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditures are deferred as asset when future economic benefit is more likely than not to be realized. These costs include directly attributable employee remuneration, materials and fuels used, surveying costs, drilling costs and payments made to contractors. The Group capitalizes any further evaluation costs incurred up to the point when a commercial reserve is established.

Deferred exploration and development costs are assessed for impairment before these are reclassified to "Property, plant and equipment" account in the unaudited interim consolidated statements of financial position. Any impairment loss is recognized in profit or loss. If the mining property is found to contain no commercial reserves, the deferred exploration and development costs are charged to profit or loss.

*Deposit for Future Investment.* Deposit for future investment represents funds paid in advance for future acquisition of the investee's capital stocks which is measured at cost less any allowance for impairment.

#### **Impairment of Nonfinancial Assets**

The carrying amounts of property, plant and equipment, intangible assets and other nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

#### **Advances from Customers**

Advances from customers consist of amounts received by the Group from its customers as advance collections for the sale of goods. These are recorded at face amount in the unaudited interim consolidated statements of financial position and recognized as revenue in the unaudited interim consolidated statements of comprehensive income when the goods for which the advances were made are delivered to the customers.

#### **Value-Added Tax (VAT)**

VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee, or lessee of goods, or properties or services.

Revenue, expenses and assets are recognized net of the amount of VAT, except:

- Where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and,
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT payable to the taxation authority is included as part of "Trade and other payables" account in the unaudited interim consolidated statements of financial position.

#### **Deferred Input VAT**

In accordance with Revenue Regulation (RR) No. 16-2005, input VAT on purchases or imports of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed services, including the use or lease of properties.

Deferred input VAT that are expected to be claimed against output VAT within 12 months after the reporting date are classified as current assets. Otherwise, these are classified as noncurrent assets. Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

### **Rebates**

The Group provides rebates to certain customers based on the level of their purchases which may be applied against the amount of their existing or future payables to the Group. The rebates granted by the Group are not considered as a variable consideration as defined in PFRS 15. Accordingly, the Group's sales rebates are accounted for separately from the total consideration of the revenue recognized and measured at the amount expected to be claimed by the customer against future sales transactions.

The Group's accrual for sales rebates is included as part of "Trade and other payables" account in the unaudited interim consolidated statements of financial position.

### **Equity**

*Common Stock.* Common stock is measured at par value for all shares issued.

*Preferred Stock.* Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary. It is measured at par value for all shares issued. Dividends thereon are recognized as distributions within equity upon approval by the Parent Company's Board of Directors (BOD).

*Additional Paid-in Capital (APIC).* Additional paid-in capital represents the proceeds and/or fair value of consideration received in excess of the par value of the shares issued. Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from APIC, net of any tax effects.

*Retained Earnings.* Retained earnings represent the cumulative balance of net income or loss, net of any dividend declaration.

Unappropriated retained earnings pertain to the unrestricted portion available for dividend declaration. Appropriated retained earnings pertain to the restricted portion which is intended for expansion projects and other significant business activities of the Group.

The Parent Company recognizes a liability to make cash or non-cash distributions to its equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Parent Company. A corresponding amount is recognized directly in equity.

*Other Equity Reserves.* Other equity reserves comprise of items of income and expense that are not recognized in profit or loss in accordance with PFRS. Other equity reserves of the Group pertain to revaluation surplus on land, cumulative remeasurement gains or losses on net retirement benefits liability, and cumulative unrealized gains on financial assets at FVOCI.

*Treasury Stock.* Treasury stock represents issued shares repurchased by the Group. The consideration paid, including any directly attributable incremental costs, net of related taxes, is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related taxes, is included in equity attributable to the equity holders of the Group.

### **Revenue Recognition**

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Group perform its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has assessed that it acts as a principal in its revenue arrangements.

Revenue from contracts with customers is recognized as follows:

*Sales.* Sales are recognized at a point in time when control of the goods has transferred, when the products are delivered to the buyer, and the seller has no obligation that could affect the buyer's acceptance of goods.

*Other Income.* Income from other sources is recognized when earned during the period.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15.

*Interest Income.* Interest income is recognized as the interest accrues taking into account the effective yield on the asset.

*Dividend Income.* Dividend income is recognized when the Group's right to receive payment is established.

### **Cost and Expense Recognition**

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

*Cost of Goods Sold.* Cost of goods sold is recognized as expense when the related goods are delivered to and accepted by customers.

*Operating Expenses.* Operating expenses constitute cost of administering the business and cost incurred to sell and market the goods. These include advertising and freight and handling, among others. These are expensed as incurred.

### **Employee Benefits**

*Short-term Benefits.* The Group recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits are measured on an undiscounted basis and is included as part of "Trade and other payables" account in the unaudited interim consolidated statement of financial position.

*Retirement Benefits.* Retirement benefits costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit obligations is performed annually by a qualified actuary. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Group recognizes current service costs and net interest costs or income, in profit or loss.

The Group determines the net interest costs by applying the discount rate to the net defined benefits liability at the beginning of the annual period, taking into account any changes in the net defined benefits liability during the period as a result of contributions and benefit payments.

Remeasurements of the net retirement benefits liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

The net retirement benefits liability recognized by the Group is the aggregate of the present value of the defined benefits obligation reduced by the fair value of plan assets out of which the obligations are to be settled directly. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net retirement benefits liability.

### **Leases**

The Group assesses whether a contract is, or contains a lease, at the inception of a contract. This assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of the asset and whether the Group has the right to direct the use of the asset. The Group recognizes a ROU asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases and leases of low-value assets.

The Group assesses whether the contracts are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- i. the right to obtain substantially all of the economic benefits from use of the identified asset; and,
- ii. the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

*Group as a Lessee.* At the commencement date, the Group recognizes ROU asset and lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

*ROU Assets.* At commencement date of the lease contract, the Group measures ROU assets (presented as part of “Property, plant and equipment” account) at cost. The initial measurement of ROU assets includes the following:

- the amount of the initial measurement of lease liabilities;
- lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs; and
- an estimation of costs to be incurred by the Group in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated amortization and any accumulated impairment losses, and adjusted for any remeasurement of the related lease liabilities. The ROU assets are amortized over the shorter of the lease terms or the useful lives of the underlying assets ranging from two (2) to eight (8) years.

*Lease Liabilities.* At commencement date, the Group measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of a lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable by the lessee under residual value guarantees; and
- iv. the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

A lease liability is subsequently measured at amortized cost. Interest on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

*Group as Lessor.* Finance leases, which transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are recorded at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease receipts are apportioned between the interest income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable. Interest income is recognized in profit or loss.

**Finance Costs**

Finance costs include interest charges and other costs incurred in connection with the borrowing of funds. Finance costs also include any interest expense resulting from adjusting the amortized cost of financial liabilities based on the effective interest method.

All finance costs, other than capitalizable borrowing costs, are recognized in profit or loss in the period they are incurred.

**Foreign Currency-Denominated Transactions**

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

**Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax over the regular corporate income tax and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries and interest in joint ventures.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Related Party Transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to nonrelated parties in an economically comparable market.

**Segment Reporting**

The Group reports separate information about each of its operating segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group) and whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete information is available.

**Provisions and Contingencies**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

*Provision for Mine Rehabilitation and Decommissioning.* Mine rehabilitation costs will be incurred by the Group either while operating or at the end of the operating life of the Group's facilities and mine properties. The Group assesses its provision for mine decommissioning and rehabilitation at each reporting date. The Group recognizes a provision where: it has a legal and constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount of obligation can be made. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closing plant and waste sites, and restoring, reclaiming and revegetating affected areas.

The obligation generally arises when the mining asset is installed, or the ground or environment is disturbed at the mining operation's location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it is incurred as a result of the development or construction of the mine.

Changes in the estimated timing of rehabilitation or changes in the estimated future costs are recognized prospectively as an adjustment to the provision for mine rehabilitation and decommissioning and the related mining asset.

Any decrease in the provision for mine rehabilitation and decommissioning and, therefore, any deduction from the asset may not exceed the carrying amount of the related mining asset. Any excess over the carrying amount is recognized in profit or loss.



If the change in estimate results in an increase in the provision for mine rehabilitation and decommissioning and, therefore, an addition to the carrying amount of the mining asset, the Group considers whether there is an indication of impairment of the asset as a whole. If any such indication exists and when the revised estimate for the mining asset (net of rehabilitation provisions) exceeds the recoverable amount, the increase is recognized as expense.

The discounted provision for mine rehabilitation and decommissioning is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic accretion of the discount is recognized in profit or loss as part of finance cost.

Rehabilitation funds committed for use in satisfying environmental obligations are included in “Other noncurrent assets” account in the unaudited interim consolidated statement of financial position.

*Contingencies.* Contingent liabilities are not recognized in the unaudited interim consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the unaudited interim consolidated financial statements but are disclosed in the notes to unaudited interim consolidated financial statements when an inflow of economic benefits is probable.

#### **Earnings per Share (EPS)**

Basic EPS is calculated by dividing the net income (less preferred dividends net of tax, if any) for the year attributable to common stockholders by the weighted average number of common stocks outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted EPS is computed by dividing net income by the weighted average number of common stocks outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year, and adjusted for the effect of dilutive options.

#### **Events After the Reporting Date**

Post year-end events that provide additional information about the Group’s financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the unaudited consolidated financial statements when material.

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### **3. Significant Judgments, Accounting Estimates and Assumptions**

The preparation of the unaudited interim consolidated financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the unaudited interim consolidated financial statements and related notes. The judgments and accounting estimates used in the unaudited interim consolidated financial statements are based upon management’s evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the significant judgments, accounting estimates and assumptions made by the Group:

### **Judgments**

*Classification of Financial Assets.* Classification and measurement of financial assets depends on the results of the contractual cash flow and the business model tests. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

At initial recognition, the Group irrevocably designated its investments in equity securities either as financial assets at FVOCI or as financial assets at FVPL, and its debt securities and investment in unquoted redeemable perpetual securities as financial assets at FVPL.

Cash and cash equivalents, trade and other receivables (excluding advances to officers and employees), finance lease receivables, DSRA, long-term placements, refundable deposits, deposit in escrow and restricted cash were classified as financial assets at amortized cost since the Group's primary business model in relation to these assets is to hold the financial assets to collect contractual cash flows solely for principal and interest.

*Fair Value Measurement of Financial Instruments.* The fair values of investments that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of business on the reporting date.

In accordance with the amendments to PFRS 7, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the unaudited interim consolidated statement of financial position.

*Assessment of Production Start Date.* The Group assesses the stage of development of the mine site to determine the start of production phase or the substantial completion of mining site development or production. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. The criteria used to identify the production start date include, but are not limited to:

- Level of capital expenditure incurred compared with construction cost estimate;
- Completion of a reasonable period of testing of the property, plant and equipment; and
- Ability to sustain ongoing production of limestone.

When a mine development project moves into the production phase, the capitalization of certain mine development costs ceases and costs are either capitalized as part of the cost of inventory or expensed, except for costs that qualify for capitalization relating to mining asset additions or improvements, mine development, or mineable reserve development. It is also at this point that depreciation or amortization commences.

The Luzon mining sites started their production and commercial operations in 2010. As at March 31, 2021, the Cebu mining sites have not yet started commercial operations.

*Capitalization of Exploration and Evaluation Expenditures.* The Group makes judgments in determining whether there are future economic benefits from either future exploration or sale of mineral reserves to capitalize exploration and evaluation expenditures. The Group further applies estimates and assumptions about future events and circumstances to determine whether an economically viable extraction operation can be established.

Deferred exploration and evaluation costs, presented under “Other noncurrent assets” account in the unaudited interim consolidated statements of financial position, amounted to ₱36.8 million as at March 31, 2021 and December 31, 2020 (see Note 11).

*Determination of Finance Lease Commitments - Group as a Lessor.* The Group has lease agreements with its haulers covering certain transportation equipment. Based on the evaluation of terms and conditions of the arrangements, the Group has determined that the risks and rewards of ownership of the transportation equipment have been transferred to its haulers. Accordingly, the agreements are accounted for as finance leases.

Finance lease receivables amounted to ₱4.1 million and ₱8.0 million as at March 31, 2021 and December 31, 2020, respectively (see Notes 7 and 11).

*Existence of Significant Influence over Armstrong Fly-ash Logistics Company, Inc. (AFLCI).* Significant influence has been established by the Group over the investee as shown from its participation, through its representative in the investee’s BOD, in the decision-making process of the investee’s significant activities. Further, although the Group’s interest is only represented by preference shares, still, a conversion feature gives the Group a potential voting power in the future, which increases its ability to participate in the overall decision-making process of the investee.

Investment in the preference shares of AFALCI amounted to ₱75.0 million as at March 31, 2021 and December 31, 2020.

### **Estimates and Assumptions**

*Assessment for ECL on Trade Receivables.* The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment. The Group regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for ECL on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

The Group has assessed that the ECL on trade receivables is not material because substantial amount of receivables are normally collected within one year while none of remaining balances are written-off or are credit impaired as at reporting date. Accordingly, no provision for ECL on trade receivables was recognized for the three months ended March 31, 2021 and 2020. The carrying amount of trade receivables is ₱548.2 million and ₱360.8 million as at March 31, 2021 and December 31, 2020, respectively (see Note 7).

*Assessment for ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Group only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized in March 31, 2021 and December 31, 2020. The carrying amounts of other financial assets at amortized cost are as follows:

	Note	March 31, 2021	December 31, 2020
Cash in banks and cash equivalents	5	<b>₱13,235,870,703</b>	₱11,465,131,641
Other receivables*	7	<b>851,789,226</b>	110,768,237
Long-term placements	11	<b>650,000,000</b>	650,000,000
DSRA	9	<b>280,418,831</b>	347,425,003
Refundable deposits	11	<b>55,997,004</b>	55,912,004
Deposit in escrow	11	<b>42,083,752</b>	42,083,752
Restricted cash	11	<b>30,547,609</b>	28,232,093
Finance lease receivables	7,11	<b>4,070,254</b>	8,046,261

*\*Includes interest receivable, receivable from contractors, advances to related parties, dividends receivable and other receivables*

*Determination of NRV of Inventories.* The Group writes down the cost of inventories whenever the NRV of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, change in price levels or other causes. The Group reviews the lower of cost and NRV of inventories on a periodic basis. NRV represents the estimated future selling price of the product based on prevailing prices at the end of the reporting period, less estimated costs to complete production and bring the product to sale. NRV test for spare parts and supplies is also performed annually and it represents the current replacement cost. An increase in allowance for inventory obsolescence and market decline would increase recorded operating expense and decrease current assets.

As at March 31, 2021 and December 31, 2020, the cost of inventories is lower than its NRV. The carrying amount of inventories is ₱1,310.4 million and ₱1,405.7 million as at March 31, 2021 and December 31, 2020, respectively (see Note 8).

*Estimation of Mineral and Quarry Reserves.* Mineral and quarry reserves are estimates of the amount of minerals that can be economically and legally extracted from the Group's mining and quarry properties. The Group estimates its mineral and quarry reserves based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of minerals to be mined and processed, the configuration of the mineral body, expected recovery rates of minerals, estimated operating costs, estimated climatic conditions and other factors.

Changes in the mineral reserve or resource estimates may impact the carrying amounts of property, plant and equipment, provision for mine rehabilitation and decommissioning, recognition of deferred tax assets, and amortization charges.

The Group also makes estimates and assumptions regarding a number of economic and technical factors, such as production rates, grades, production, and delivery costs and prices. These economic and technical estimates and assumptions may change depending on the quality and quantity of mineral extracted. The Group reviews and updates estimates annually, to reflect actual production, new exploration data or developments, and changes in other assumptions or parameters.

These estimates will change from time to time to reflect mining and quarrying activities, analyses of new engineering and geological data, changes in reserve and mineral resource holdings, modifications of mining and quarrying plans or methods, changes in mineral prices or production costs, and other factors.

Estimated limestone reserves from the Group's Luzon sites is 572.0 million metric tonnes as at March 31, 2021.

*Estimation of Useful Lives of Property, Plant and Equipment and Mining Rights.* The Group estimates the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental changes, and anticipated use of the assets. In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation, and experience with similar assets. The Group also amortizes mining rights based on the total term of the quarry permit which is 25 years pursuant to Republic Act (R.A.) 7942, the Philippine Mining Act of 1995.

It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and amortization expenses and decrease noncurrent assets.

There is no change in the estimated useful lives of property, plant and equipment and mining rights for the three months ended March 31, 2021 and 2020.

The carrying amount of property, plant and equipment (excluding land and construction in progress) is ₱19,118.6 million and ₱19,259.2 million as at March 31, 2021 and December 31, 2020, respectively (see Note 10). The carrying amount of mining rights (included as component of "Intangible assets" account) is ₱187.3 million and ₱187.5 million as at March 31, 2021 and December 31, 2020, respectively.

*Leases – Estimation of the Incremental Borrowing Rate.* The Group uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using available observable inputs (such as the prevailing BVAL interest rates) adjusted for entity-specific estimates, to reflect the terms and conditions of the lease.

The Group has applied incremental borrowing rates ranging from 7.73% to 7.91% for the computation of lease liabilities and ROU assets. Lease liabilities amounted to ₱42.3 million and ₱44.2 million as at March 31, 2021 and December 31, 2020, respectively. ROU assets amounted to ₱37.8 million and ₱40.0 million as at March 31, 2021 and December 31, 2020, respectively.

*Assessment for Impairment of Nonfinancial Assets.* The Group assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or group of assets may not be recoverable. The relevant factors that the Group considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost of disposal is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on nonfinancial assets was recognized for the three months ended March 31, 2021 and 2020. The carrying amounts of nonfinancial assets are as follows:

	Note	March 31, 2021	December 31, 2020
Property, plant and equipment	10	<b>₱25,653,437,919</b>	₱25,603,963,422
Deposits on asset purchase	11	<b>1,267,859,450</b>	1,453,042,846
Intangible assets		<b>365,945,094</b>	323,388,553
Prepayments	9	<b>208,938,745</b>	211,329,558
Advances to suppliers	9	<b>186,094,689</b>	124,895,339
Deferred input VAT	9,11	<b>122,084,140</b>	151,744,805
Investment in an associate		<b>75,000,000</b>	75,000,000
Deferred exploration and development costs	11	<b>36,790,105</b>	36,790,105
Advances to officers and employees	7	<b>9,821,968</b>	9,904,885
Deposits for future investment	11	–	717,000,000
Others	9,11	<b>115,769,316</b>	40,095,101

*Recognition of Provision for Mine Rehabilitation and Decommissioning.* The ultimate cost of mine rehabilitation and decommissioning is uncertain, and cost estimates can vary in response to many factors including estimates of the extent and costs of rehabilitation activities, changes in the relevant legal requirements, emergence of new restoration techniques or experience, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change in response to changes in quarry reserves or production rates. These uncertainties may result in future actual expenditure different from the amounts currently provided. As a result, there could be significant adjustments in provision for mine rehabilitation and decommissioning, which would affect future financial results.

Provision for mine rehabilitation and decommissioning is based on estimated future costs of rehabilitating the mine site using information available at the reporting date.

Provision for mine rehabilitation and decommissioning amounted to ₱31.6 million and ₱31.2 million as at March 31, 2021 and December 31, 2020, respectively.

*Determination of Retirement Benefits.* The determination of the net retirement benefits liability and expense is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions include, among others, discount rates, salary increase rates and expected rates of return on plan assets. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded liability in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the net retirement benefits liability.

Net retirement benefits liability amounted to ₱97.2 million and ₱87.9 million as at March 31, 2021 and December 31, 2020, respectively.

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#### 4. **Financial Risk Management and Financial Instruments**

The Group's financial instruments consist mainly of cash and cash equivalents, financial assets at FVPL, trade and other receivables (excluding advances to officers and employees), finance lease receivables, DSRA, financial assets at FVOCI, long-term placements, deposit in escrow, restricted cash, refundable deposits, trade and other payables (excluding advances from customers and statutory payables), lease liabilities, and loans payable.

The main financial risk arising from the Group's use of financial instruments includes market risk, credit risk and liquidity risk. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

##### **Market Risks**

The Group is exposed to market risks, primarily those related to foreign currency risk, equity price risk and interest rate risk. Management actively monitors these exposures, as follows:

*Foreign Currency Risk.* Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's foreign exchange risk results primarily from movements of the Philippine Peso against the US Dollar and Euro with respect to foreign currency-denominated financial asset and liability.

The following table shows the Group's US dollar-denominated monetary financial assets, and liability and their Philippine Peso equivalent:

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	US Dollar	Philippine Peso	US Dollar	Philippine Peso
Financial assets:				
Cash in banks	\$7,683,532	₱372,420,774	\$7,588,499	₱368,042,202
Deposit in escrow	868,243	42,083,752	867,706	42,083,752
	8,551,775	414,504,526	8,456,205	410,125,954
Financial liability -				
Trade and other payables	1,367,451	66,280,373	120,018	5,820,857
Net US Dollar-denominated financial assets (liability)	\$7,184,324	₱348,224,153	\$8,336,187	₱404,305,097

The following table shows the Group's Euro-denominated monetary financial asset and liability and their Philippine Peso equivalent:

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Euro	Philippine Peso	Euro	Philippine Peso
Financial asset -				
Cash in banks	€7,541	₱428,272	€7,674	₱436,727
Financial liability -				
Trade and other payables	71,108	4,038,219	606	34,487
Net Euro-denominated financial liability	(€63,567)	(₱3,609,947)	€7,068	₱402,240

For purposes of translating the outstanding balances of the Group's financial assets and liability denominated in a foreign currency, the exchange rates applied were ₱48.47 per US \$1 and ₱56.79 per €1 as at March 31, 2021 and ₱48.50 per US \$1 and ₱56.91 per €1 as at December 31, 2020.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's income before tax for the three months ended March 31, 2021 and for the year ended December 31, 2020. There is no other impact on the Group's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Effect on Income before Tax
March 31, 2021	+0.26	₱1,867,924
	-0.26	(1,867,924)
December 31, 2020	+0.89	₱7,419,206
	-0.89	(7,419,206)



The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate, with all other variables held constant, of the Group's income before tax for the three months ended March 31, 2021 and for the year ended December 31, 2020. There is no other impact on the Group's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate	Effect on Income before Tax
<b>March 31, 2021</b>	<b>+0.52</b>	<b>(P33,055)</b>
	<b>-0.52</b>	<b>33,055</b>
December 31, 2020	+0.99	₱6,997
	-0.99	(6,997)

*Equity Price Risk.* Equity price risk is the risk that the Group will incur economic losses due to adverse changes in a particular stock or stock index. The Group's equity price risk arises from its quoted financial assets at FVOCI and financial assets at FVPL. The Group's equity price risk is minimal.

The Group manages its equity price risk by monitoring the changes in the market price of its quoted financial assets at FVOCI and financial assets at FVPL.

*Interest Rate Risk.* The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's interest-bearing loans payable to local financial institutions with fixed interest rate. Exposure of the Group to changes in the interest rates is not significant.

**Credit Risk**

The Group's exposure to credit risk arises from the failure on the part of its counterparty in fulfilling its financial commitments to the Group under the prevailing contractual terms. Financial instruments that potentially subject the Group to credit risk consist primarily of trade receivables and other financial assets at amortized cost.

The carrying amounts of financial assets at amortized costs represent its maximum credit exposure.

*Trade Receivables*

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms, and conditions are offered. The Group's credit policy includes available external ratings, financial statements, credit agency information, industry information and, in some cases, bank references. Credit limits are established for each customer and reviewed on a regular basis. Any sales on credit exceeding those limits require specific approval from upper level of management.

The Group limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. The Group provides credit limits to all its accredited customers to manage credit risk concentrations. Further, as a policy, the Group revenue transactions are significantly entered into on a cash basis to manage its credit risk exposure. The Group's cash sales account for an average of 78% of the total revenues for the past three years. Historically, trade receivables are substantially collected within one year and it has no experience of writing-off or impairing its trade receivables due to the effectiveness of its collection. In monitoring customer credit risk, the Group classifies its receivables as major term customers, related parties, and other regular term customers.

At March 31, 2021 and December 31, 2020, the exposure to credit risk for trade receivables by type of counterparty are as follows:

	March 31, 2021		
	Neither Past due nor Impaired	Past Due but not Impaired	Total
Major term customers	₱—	₱353,393,904	₱353,393,904
Related parties	6,930,225	29,874,021	36,804,246
Others	22,490,567	135,516,521	158,007,088
	₱29,420,792	₱518,784,446	₱548,205,238

	December 31, 2020		
	Neither Past due nor Impaired	Past Due but not Impaired	Total
Major term customers	₱174,239,058	₱131,032,400	₱305,271,458
Related parties	—	4,395,639	4,395,639
Others	42,488,672	8,673,472	51,162,144
	₱216,727,730	₱144,101,511	₱360,829,241

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The Group adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment (i.e., gross national income from real estate and construction industry). At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

*Aging Analysis of Trade Receivables that are Past Due but not Impaired*

Days Past Due	March 31, 2021	December 31, 2020
1 to 30 Days	₱49,310,695	₱82,074,104
31 to 90 Days	218,476,807	52,117,016
91 to 365 Days	250,829,611	9,799,828
366 days or more	167,333	110,563
Total	₱518,784,446	₱144,101,511

Trade receivables that are past due for over 30 days were not considered in default since it was demonstrated that the non-payment was due to administrative oversight rather than resulting from financial difficulty of the borrower.

*Other Financial Assets at Amortized Cost*

The Group's other financial assets at amortized cost are mostly composed of cash in banks such as cash and cash equivalents, DSRA, deposit in escrow, restricted cash, and long-term placements. The Group limits its exposure to credit risk by investing its cash only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For finance lease receivables, credit risk is reduced by the net settling arrangements embodied in the contract. For refundable deposits, credit risk is low since the Group only transacts with reputable companies with respect to this financial asset.

It is the Group’s policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

*Financial Assets at Fair Value through Profit or Loss*

The entity is also exposed to credit risk in relation to debt securities that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

March 31, 2021					
Financial Assets at Amortized Cost					
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Financial Assets at FVPL	Total
Cash in banks and cash equivalents	₱13,235,870,703	₱–	₱–	₱–	₱13,235,870,703
Finance lease receivables	–	4,070,254	–	–	4,070,254
Long-term placements	650,000,000	–	–	–	650,000,000
DSRA	280,418,831	–	–	–	280,418,831
Deposit in escrow	42,083,752	–	–	–	42,083,752
Refundable deposits	55,997,004	–	–	–	55,997,004
Restricted cash	30,547,609	–	–	–	30,547,609
Other receivables*	828,077,510	23,711,716	–	–	851,789,226
Debt securities at FVPL	–	–	–	630,265,307	630,265,307
	₱15,122,995,409	₱27,781,970	₱–	₱630,265,307	₱15,781,042,686

\*Includes interest receivable, receivable from contractors, advances to related parties, dividends receivable and other receivables.

December 31, 2020					
Financial Assets at Amortized Cost					
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	Financial Assets at FVPL	Total
Cash in banks and cash equivalents	₱11,465,131,641	₱–	₱–	₱–	₱11,465,131,641
Finance lease receivables	–	8,046,261	–	–	8,046,261
Long-term placements	650,000,000	–	–	–	650,000,000
DSRA	347,425,003	–	–	–	347,425,003
Deposit in escrow	42,083,752	–	–	–	42,083,752
Refundable deposits	55,912,004	–	–	–	55,912,004
Restricted cash	28,232,093	–	–	–	28,232,093
Other receivables*	88,602,974	22,165,263	–	–	110,768,237
Debt securities at FVPL	–	–	–	644,079,707	644,079,707
	₱12,677,387,467	₱30,211,524	₱–	₱644,079,707	₱13,351,678,698

\*Includes interest receivable, receivable from contractors, advances to related parties, dividends receivable and other receivables.

**Liquidity Risk**

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Group’s objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The tables below present the maturity profile of the financial liabilities of the Group based on remaining contractual undiscounted obligations or on the estimated timing of net cash flows as at March 31, 2021 and December 31, 2020:

March 31, 2021 (Unaudited)						
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Trade and other payables*	₱1,157,313,943	₱711,735,126	₱1,099,065,961	₱–	₱–	₱2,968,115,030
Lease liabilities	–	2,719,603	8,224,609	33,866,670	6,947,358	51,758,240
Loans payable	–	354,689,341	1,045,430,652	5,607,502,548	–	7,007,622,541
	₱1,157,313,943	₱1,069,144,070	₱2,152,721,222	₱5,641,369,218	₱6,947,358	₱10,027,495,811

\*Excluding nonfinancial and statutory liabilities amounting to ₱534.7 million as at March 31, 2020.

December 31, 2020 (Audited)						
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Trade and other payables*	₱1,132,569,760	₱696,517,730	₱1,075,567,160	₱–	₱–	₱2,904,654,650
Lease liabilities	–	2,719,603	8,158,808	36,652,074	6,947,358	54,477,843
Loans payable	–	359,558,214	1,056,147,604	5,635,396,243	316,078,693	7,367,180,754
	₱1,132,569,760	₱1,058,795,547	₱2,139,873,572	₱5,672,048,317	₱323,026,051	₱10,326,313,247

\*Excluding nonfinancial and statutory liabilities amounting to ₱379.2 million as at December 31, 2020.

**Capital Management**

The primary objective of the Group’s capital management is to secure ongoing financial needs of the Group to continue as a going concern as well as to maintain a strong credit standing and healthy capital ratio in order to support the business and maximize stockholder value.

The Group considers equity contributions from stockholders and retained earnings as its capital. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions, its business activities, expansion programs, and the risk characteristics of the underlying assets. In order to manage the capital structure, the Group may adjust its borrowings or raise equity.

The Company is not subject to externally imposed capital requirements.

**5. Cash and Cash Equivalents**

This account consists of:

	March 31, 2021	December 31, 2020
Cash on hand	₱1,080,559	₱1,123,566
Cash in banks	2,086,857,464	2,084,472,199
Short-term placements	11,149,013,239	9,380,659,442
	₱13,236,951,262	₱11,466,255,207

Cash on hand pertains to petty cash fund and revolving funds. Cash in banks earn interest at prevailing bank deposit rates and are immediately available for use in the current operations.

Short-term placements are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn annual interest at rates ranging from 0.73% to 3.50% for the three months ended March 31, 2021 and 2.75% to 5.50% for the three months ended March 31, 2020.

6. Financial Assets at FVPL

This account consists of:

	March 31, 2021	December 31, 2020
Equity securities	₱4,048,175,204	₱4,058,939,455
Debt securities	630,265,307	644,079,707
	<b>₱4,678,440,511</b>	<b>₱4,703,019,162</b>

Financial assets at FVPL are debt, equity, and unquoted redeemable perpetual securities held by the Group for trading purposes. Debt securities earn annual interest rate of 5.17% to 6.25% in March 31, 2021 and 2020.

On July 1, 2020, the Group subscribed to an unquoted perpetual redeemable securities of a related party amounting to ₱4,000.0 million with a distribution rate of 5.0% per annum to be distributed quarterly starting October 1, 2020 (see Note 14).

7. Trade and Other Receivables

This account consists of:

	March 31,2021	December 31,2020
Trade:		
Third parties	₱511,400,992	₱356,433,602
Related parties	36,804,246	4,395,639
Advances to third party	717,000,000	—
Dividends receivable	53,307,449	51,702,013
Interest receivable	31,342,749	5,580,044
Receivable from contractors	23,711,716	22,165,263
Advances to officers and employees	9,821,968	9,904,885
Current portion of finance lease receivables	3,508,436	7,195,665
Others	26,427,312	31,320,917
	<b>₱1,413,324,868</b>	<b>₱488,698,028</b>

Trade receivables are noninterest-bearing and are generally on a 30-day credit term.

Advances to officers and employees are subject to liquidation within a period of seven (7) days after the transaction occurred or through salary deduction.

Other receivables are normally settled throughout the year.

8. Inventories

This account consists of:

	March 31, 2021	December 31, 2020
Spare parts	₱413,842,259	₱440,416,296
Raw materials	409,684,931	326,940,512
Goods in process	266,032,615	416,690,974
Supplies	197,844,799	188,815,287
Finished goods	23,037,987	32,833,343
	₱1,310,442,591	₱1,405,696,412

Cost of inventories as at March 31, 2021 and December 31, 2020 is lower than its NRV.

9. Other Current Assets

This account consists of:

	March 31, 2021	December 31, 2020
DSRA	₱280,418,831	₱347,425,003
Prepayments for:		
Real property taxes	205,837,114	202,640,975
Insurance	3,101,631	8,688,583
Advances to suppliers	186,094,689	124,895,339
Current portion of deferred input VAT	116,141,411	138,009,998
Others	104,423,864	28,749,649
	₱896,017,540	₱850,409,547

The DSRA represents an account maintained with a certain bank for annual principal and interest payments of the Group’s loans payable in accordance with the provision of the Term Loan Facility and Security Agreement (TLFSA). As a requirement, the Group ensures that the outstanding balance of the DSRA is at least equal to the interest and the principal due on the immediately succeeding payment date. Withdrawals from the DSRA should only be made if the amount outstanding exceeds the required balance, no default is continuing and a written consent of the security agent is obtained.

Advances to suppliers represent advance payments for purchases of inventories that are applied against subsequent deliveries and are outstanding for less than one (1) year from initial recognition.

10. Property, Plant and Equipment

The balances and movements in this account are as follows:

March 31, 2021								
	At Revalued Amount		At Cost					
	Land	ROU Asset	Machinery and Equipment	Building and Improvements	Transportation Equipment	Furniture, Fixtures, and Other Office Equipment	Construction in Progress (CIP)	Total
<b>Cost/Revalued Amount</b>								
Balances at beginning of year	₱4,104,370,220	₱59,726,112	₱21,352,634,998	₱3,600,900,690	₱221,749,489	₱255,601,215	₱2,240,439,426	₱31,835,422,150
Additions	815,742	–	34,953,210	–	9,496,413	3,770,346	270,752,516	319,788,227
Disposals	–	–	–	–	(527,896)	–	–	(527,896)
Settlement of construction in progress	–	–	77,332,281	4,247,484	–	–	(81,579,765)	–
Balances at end of year	4,105,185,962	59,726,112	21,464,920,489	3,605,148,174	230,718,006	259,371,561	2,429,612,177	32,154,682,481
<b>Accumulated Depreciation and Amortization</b>								
Balances at beginning of year	–	19,713,072	4,484,752,231	1,403,516,362	149,303,228	174,173,835	–	6,231,458,728
Depreciation and amortization	–	2,184,160	216,152,463	35,153,068	7,966,093	8,857,946	–	270,313,730
Disposals	–	–	–	–	(527,896)	–	–	(527,896)
Balances at end of year	–	21,897,232	4,700,904,694	1,438,669,430	156,741,425	183,031,781	–	6,501,244,562
Carrying Amounts	₱4,105,185,962	₱37,828,880	₱16,764,015,795	₱2,166,478,744	₱73,976,581	₱76,339,780	₱2,429,612,177	₱25,653,437,919

December 31, 2020								
	At Revalued Amount		At Cost					
	Land	ROU Asset	Machinery and Equipment	Building and Improvements	Transportation Equipment	Furniture, Fixtures, and Other Office Equipment	Construction in Progress (CIP)	Total
<b>Cost/Revalued Amount</b>								
Balances at beginning of year	₱2,683,828,281	₱59,726,112	₱20,712,637,200	₱3,856,434,116	₱211,211,409	₱223,026,748	₱1,151,172,452	₱28,898,036,318
Additions	–	–	254,555,821	52,132,201	26,480,573	35,617,013	1,230,483,421	1,599,269,029
Revaluation	1,420,541,939	–	–	–	–	–	–	1,420,541,939
Disposals	–	–	(63,408,847)	(31,250)	(15,942,493)	(3,042,546)	–	(82,425,136)
Reclassifications	–	–	338,616,408	(338,616,408)	–	–	–	–
Settlement of construction in progress	–	–	110,234,416	30,982,031	–	–	(141,216,447)	–
Balances at end of year	4,104,370,220	59,726,112	21,352,634,998	3,600,900,690	221,749,489	255,601,215	2,240,439,426	31,835,422,150
<b>Accumulated Depreciation and Amortization</b>								
Balances at beginning of year	–	10,016,520	3,518,177,845	1,387,970,587	137,123,417	140,421,449	–	5,193,709,818
Depreciation and amortization	–	9,696,552	892,372,613	153,160,041	28,003,556	36,794,932	–	1,120,027,694
Disposals	–	–	(63,408,847)	(3,646)	(15,823,745)	(3,042,546)	–	(82,278,784)
Reclassifications	–	–	137,610,620	(137,610,620)	–	–	–	–
Balances at end of year	–	19,713,072	4,484,752,231	1,403,516,362	149,303,228	174,173,835	–	6,231,458,728
Carrying Amounts	₱4,104,370,220	₱40,013,040	₱16,867,882,767	₱2,197,384,328	₱72,446,261	₱81,427,380	₱2,240,439,426	₱25,603,963,422

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**11. Other Noncurrent Assets**

This account consists of:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
Deposit on asset purchase	<b>₱1,267,859,450</b>	₱1,453,042,846
Long-term placements	<b>650,000,000</b>	650,000,000
Refundable deposits	<b>55,997,004</b>	55,912,004
Deposit in escrow	<b>42,083,752</b>	42,083,752
Deferred exploration and evaluation costs	<b>36,790,105</b>	36,790,105
Restricted cash	<b>30,547,609</b>	28,232,093
Deferred input VAT - net of current portion	<b>5,942,729</b>	13,734,807
Finance lease receivables - net of current portion	<b>561,818</b>	850,596
Deposit for future investment	<b>—</b>	717,000,000
Others	<b>11,345,452</b>	11,345,452
	<b>₱2,101,127,919</b>	₱3,008,991,655

**Deposit on Asset Purchase**

Deposit on asset purchase amounting to ₱1,267.9 million and ₱1,453.0 million as at March 31, 2021 and December 31, 2020, respectively, represents advance payments for the acquisition of machinery and equipment and long-term deposit for inventory acquisition.

**Long-term Placements**

Long-term placements amounting to ₱650.0 million represent a five (5)-year investment in time deposits bearing an annual average interest of 5.68%.

**Refundable Deposits**

Refundable deposits include bill deposits for electric charges of the Group's manufacturing plant which are refundable upon termination of service, and rental deposits related to long-term rentals of office space.

**Deposit in Escrow**

Deposit in escrow amounting to ₱42.1 million as at March 31, 2021 and December 31, 2020 pertains to cash in escrow account related to a pending legal case.

**Deferred Exploration and Development Costs**

Deferred exploration and evaluation costs pertain to costs incurred for the exploration and development in the Mining Property of the Group.

**Restricted Cash**

Restricted cash pertains to rehabilitation funds established by the Group and deposited with a local bank for compliance with the Department of Environment and Natural Resources Administrative Order No. 2005-07 for environmental protection and enhancement

**Deposit for Future Investment**

Deposit for future investment amounting to ₱717.0 million as at December 31, 2020 pertains to deposit made for future subscription to the common shares of stock of a business entity the Group is planning to venture.



12. Trade and Other Payables

This account consists of:

	March 31, 2021	December 31, 2020
Trade:		
Third parties	₱1,679,534,801	₱1,269,959,145
Related parties	540,416,200	765,818,446
Accruals for:		
Utilities	212,685,507	201,229,504
Sales rebates	156,160,119	239,462,478
Personnel costs	70,188,607	96,389,432
Interests	25,621,079	27,869,348
Outside services	3,429,705	3,070,515
Advances from customers	401,462,534	292,164,095
Retention payable	160,603,789	186,325,792
Output VAT	110,620,977	61,280,938
Advances from a related party	65,246,173	65,246,173
Withholding taxes payable	22,575,265	25,716,254
Others	54,229,050	49,283,817
	₱3,502,773,806	₱3,283,815,937

Trade payables are noninterest-bearing and are generally settled in varying periods, within one year, depending on arrangements with suppliers.

Accrual for sales rebates pertain to accrued monthly sales volume incentives granted to customers.

Advances from customers are collections received for inventory purchases to be delivered by the Group within 30 days after collection date.

Retention payable represents retention fees of contractors and normally settled within one (1) year.

Other payables are noninterest-bearing and normally settled within one (1) year.

13. Loans Payable

This account consists of:

	March 31, 2021	December 31, 2020
Principal	₱6,052,000,000	₱6,319,000,000
Less unamortized debt issuance costs	21,288,505	23,363,718
	6,030,711,495	6,295,636,282
Less current portion	1,060,482,066	1,060,127,446
Noncurrent portion	₱4,970,229,429	₱5,235,508,836

The loans payable pertains to the drawdowns from the TLFSA amounting to ₱11,000.0 million entered into by the Parent Company with various banks as lenders to refinance the aggregate outstanding principal amounts owed by the Parent Company under Note Facility and Security Agreement and Syndicated Loan and Security Agreement, and to finance the construction of the third production line.

As of December 31, 2020, details of the drawdowns under TLFSA are as follows:

Date	Drawdown	Effective Interest Rates	Nominal Interest Rates
February 3, 2016	₱6,000.0 million	5.81%	5.68%
January 11, 2017	2,150.0 million	6.36%	6.21%
April 5, 2017	750.0 million	5.89%	5.74%

In March 2021, the participating banks and the Group agreed to an interest rate repricing, resulting to a new nominal interest rate of 5.50% for the three (3) drawdowns. The new effective interest rate is 5.79%.

Interest expense on loans payable included as component of “Finance costs” account in the unaudited interim consolidated statements of comprehensive income amounted to ₱88.9 million and ₱109.7 million for the three months ended March 31, 2021 and 2020, respectively.

#### 14. Related Party Transactions

The Group has transactions with its related parties in the ordinary course of business. These transactions are from the Group’s recurring business operations. The outstanding balances and amount of transactions with related parties are as follows:

		March 31, 2021		December 31, 2020	
Nature of Relationship	Nature of Transactions	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
<b>Cash and Cash Equivalents</b>					
Entities under common key management with ECC	Cash deposits and investment in short-term placements	<b>₱2,846,512,987</b>	<b>₱224,863,626</b>	₱40,580,613	₱509,891,847
<b>Unquoted Equity Securities at FVPL</b> (see Note 6)					
Entity under common key management with ECC	Investment in unquoted redeemable perpetual security	<b>₱—</b>	<b>₱4,000,000,000</b>	₱4,000,000,000	₱4,000,000,000
<b>Trade Receivables</b> (see Note 7)					
Entities under common key management with ECC	Sale of inventories	<b>₱31,346,813</b>	<b>₱36,804,246</b>	₱27,605,222	₱4,395,639
<b>Dividend Receivables</b>					
Entities under common key management with ECC	Dividends earned	<b>₱51,702,013</b>	<b>₱51,702,013</b>	₱106,808,051	₱51,702,013
<b>Advances to Officers</b>					
Key management personnel	Cash advances	<b>₱4,781</b>	<b>₱146,079</b>	₱396,399	₱189,135
<b>Advances to Suppliers</b>					
Subsidiary of Ultimate Parent Company	Deposit for inventory acquisition and purchase of services	<b>₱—</b>	<b>₱900,993,976</b>	<b>₱—</b>	₱937,369,570
Associate	Deposit for inventory acquisition	<b>—</b>	<b>174,574,845</b>	<b>—</b>	184,496,290
Entities under common key management with ECC	Purchases of services and equipment	<b>—</b>	<b>29,472,517</b>	448,869	29,472,517
Subsidiary of Ultimate Parent Company	Purchases of services and equipment	<b>—</b>	<b>2,752,956</b>	808,430	5,464,053
			<b>₱1,107,794,294</b>		<b>₱1,156,802,430</b>
<b>Financial Assets at FVOCI</b>					
Entities under common key management with ECC	Investments in quoted equity instruments including dividends earned	<b>₱—</b>	<b>₱105,279,825</b>	<b>₱—</b>	₱103,079,550

Nature of Relationship	Nature of Transactions	March 31, 2021		December 31, 2020	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Refundable Deposits					
Entities under common key management with ECC	Supply of services	–	₱54,190,018	₱–	₱54,190,018
Trade Payables (see Note 12)					
Subsidiaries of Ultimate Parent Company	Hauling, rental and other services	₱380,875,000	₱380,535,975	₱966,526,064	₱332,315,115
Entities under common key management with ECC	Purchase of raw materials and outside services	112,096,540	93,270,867	275,697,236	344,368,477
Associate Company	Purchase of goods	103,435,646	66,609,358	427,881,423	89,134,854
			₱540,416,200	₱765,818,446	
Accrued Expenses					
Entity under common key management	Purchase of services	₱657,652,206	₱211,359,095	₱1,937,101,529	₱201,229,504
Advances from a Related Party (see Note 12)					
Ultimate Parent Company	Capital expenditure	₱–	₱65,246,173	₱65,246,173	₱65,246,173
Loans Payable					
Entity under common key management	Syndicated Loan	₱18,316,328	₱1,215,736,593	₱66,463,774	₱1,274,247,309
Retirement Benefit Plan		₱–	₱23,525,414	₱–	₱23,525,414
Personnel Costs					
Key management personnel	Salaries and other employee benefits	₱20,810,442	₱8,882,705	₱70,301,991	₱6,832,682
	Net retirement benefit liability	2,450,853	48,330,321	18,231,928	45,879,468
			₱57,213,026	₱52,712,150	

## 15. Equity

### Capital Stock

The Parent Company's authorized, issued and outstanding capital stock as at March 31, 2021 and December 31, 2020 are as follows:

Common stock - ₱1 par value	₱5,000,000,005
Preferred stock - ₱1 par value	3,000,000,000
	₱8,000,000,005

On March 13, 2020, the Parent Company's BOD approved the redemption of its preferred stocks amounting to ₱3,000.0 million on June 2, 2020, with a redemption price of ₱3,000.0 million, to be paid upon submission and surrender of the original stock certificates by the preferred shareholders.

### Dividend Declaration

In June 2020, the Parent Company paid ₱46.5 million dividends to its preferred shareholders upon redemption of the preferred stocks. Dividend per share amounted to ₱0.0155.

**Appropriations of Retained Earnings**

Details of appropriated retained earnings as at March 31, 2021 and December 31, 2020 are as follows:

Year of Appropriation	Amount	Project Completion
2020	₱8,500,000,000	To be completed in 2023
2018	5,000,000,000	To be completed in 2023
2016	2,500,000,000	To be completed in 2023
	<b>₱16,000,000,000</b>	

On November 6, 2020, the Parent Company's BOD approved the appropriation of ₱8,500.0 million unrestricted retained earnings to supplement the funding of the fourth manufacturing line in Cebu and other future expansion which is expected to be completed in 2023.

The Parent Company's BOD also approved the appropriation of unrestricted retained earnings amounting to ₱5,000.0 million and ₱2,500.0 million on March 15, 2018 and December 22, 2016, respectively, to supplement the funding of the construction of its production facility in Cebu that is expected to be completed in 2023.

**Other Equity Reserves**

Details of the Parent Company's other equity reserves are as follows:

	<b>March 31, 2021</b>	December 31, 2020
Revaluation surplus (net of deferred tax)	<b>₱2,485,143,598</b>	₱2,319,467,358
Cumulative remeasurement losses on net retirement benefit liability (net of deferred tax)	<b>24,996,880</b>	23,330,422
Cumulative unrealized gains (losses) on financial assets at FVOCI	<b>5,267,325</b>	3,067,050
	<b>₱2,515,407,803</b>	₱2,345,864,830

## 16. Income Taxes

The components of income tax as reported in the consolidated statements of comprehensive income are as follows:

	For the Three-Month Periods Ended March 31 (Unaudited)	
	2021	2020
<b>Reported in Profit or Loss</b>		
Current tax expense	<b>₱231,779,364</b>	₱289,546,729
Adjustment for the current tax of previous period due to change in tax rate	<b>(86,039,914)</b>	—
	<b>145,739,450</b>	289,546,729
Deferred tax expense (benefit)	<b>(4,230,892)</b>	432,514
	<b>₱141,508,558</b>	₱289,979,243
<b>Reported in OCI</b>		
Deferred tax expense on:		
Revaluation surplus	<b>₱165,676,240</b>	₱—
Remeasurement gains on net retirement benefit liability	<b>1,666,458</b>	—
	<b>₱167,342,698</b>	₱—

The components of the Group's net deferred tax liabilities are as follows:

	March 31, 2021	December 31, 2020
Deferred tax assets:		
Net retirement benefit liability	<b>₱24,295,161</b>	₱26,383,498
Provision for mine rehabilitation and decommissioning	<b>7,897,573</b>	9,370,126
Unamortized past service cost	<b>1,149,586</b>	1,471,470
Net unrealized foreign exchange loss	<b>1,231,073</b>	1,390,938
Unearned interest income	<b>39,563</b>	70,710
	<b>34,612,956</b>	38,686,742
Deferred tax liabilities:		
Excess of revalued amount or fair value over cost of property, plant and equipment	<b>828,381,199</b>	994,057,439
Excess of fair value over cost of financial assets at FVPL	<b>13,500,636</b>	20,345,083
Carrying amount of ROU assets	<b>9,457,220</b>	12,003,912
Capitalized mine rehabilitation and decommissioning cost	<b>1,561,532</b>	2,141,529
	<b>852,900,587</b>	1,028,547,963
Net deferred tax liabilities	<b>₱818,287,631</b>	₱989,861,221

The components of the Group's unrecognized deferred tax assets are as follows:

	March 31, 2021	December 31, 2020
Lease liabilities	<b>₱10,587,003</b>	₱13,261,720
NOLCO	<b>8,597,999</b>	8,597,999
	<b>₱19,185,002</b>	₱21,859,719

The reconciliation between the income tax expense based on statutory income tax rate and effective income tax rate is as follows:

	<b>For the Three-Month Periods Ended March 31(Unaudited)</b>	
	<b>2021</b>	<b>2020</b>
Income tax at statutory tax rate	<b>₱464,972,348</b>	₱444,209,579
Increase (decrease) in income tax resulting from:		
Taxable income subject to income tax holiday	<b>(197,950,703)</b>	(101,270,386)
Difference arising from the use of optional standard deduction	<b>(19,430,582)</b>	(41,360,684)
Dividend income exempt from income tax	<b>(13,326,063)</b>	(1,693,491)
Interest income subjected to final tax	<b>(12,057,011)</b>	(39,967,919)
Nondeductible expenses	<b>3,530,762</b>	17,217,950
Trading gains (losses) on financial assets at FVPL	<b>(91,677)</b>	2,453,943
Adjustment for the current tax of previous period due to change in tax rate	<b>(86,039,914)</b>	–
Reversal of net deferred tax liabilities due to change	<b>4,576,115</b>	–
Change in unrecognized deferred tax assets	<b>(2,674,717)</b>	10,390,251
<b>Income tax at effective tax rate</b>	<b>₱141,508,558</b>	<b>₱289,979,243</b>

#### **Impact of Corporate Recovery and Tax Incentives for Enterprises Act**

On November 26, 2020, the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Bill was approved by the Senate of the Philippines. Under the CREATE Bill, domestic corporations will be subjected to 25% or 20% income tax depending on the amount of total assets or total amount of taxable income. In addition, minimum corporate income tax (MCIT) shall be computed at 1% of gross income for a period of three (3) years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

President Rodrigo Duterte signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentive systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

Accordingly, the income tax rates used in preparing the financial statements as at and for the year ended December 31, 2020 are 30% and 2% for RCIT and MCIT, respectively.

Applying the provisions of the CREATE Act, the Company would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

Based on the provisions of RR No. 2-2021 dated April 8, 2021 issued by the BIR, the prorated RCIT rate of the Company for the year ended December 31, 2020 is 27.5%. The result is lower provision of current income tax for the year ended December 31, 2020 and lower income tax payable as of December 31, 2020 by an amount of ₱86.0 million. The reduced amounts are reflected in the Company’s 2020 annual income tax return. However, for financial reporting purposes, the changes are recognized in the first quarter of 2021 financial statements.

In addition, the application of CREATE Act resulted to a reduction in net deferred tax liabilities as of December 31, 2020 and higher provision for deferred income tax for the year then ended by ₱4.6 million. The re-valuation is recognized in the first quarter of 2021 financial statements.

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**17. Basic and Diluted Earnings Per Share**

Basic and diluted EPS are calculated as follows:

For the three months ended March 31

	2021	2020
Net income	<b>₱1,716,891,227</b>	₱1,189,332,316
Less dividends for cumulative preferred stock required for the year, net of tax	–	43,585,714
Net income attributable to common stockholders of the Parent Company (a)	<b>₱1,716,891,227</b>	₱1,145,746,602
Weighted average number of common shares outstanding (b)	<b>5,000,000,005</b>	5,000,000,005
Per share amounts: Basic and diluted EPS (a/b)	<b>₱0.34</b>	₱0.23

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**18. Segment Reporting**

The Group is organized into one reportable segment which is the quarrying, manufacturing and sale and distribution of cement products. KSHI, the Parent Company’s wholly-owned subsidiary which will be engaged in property leasing, has not yet started its commercial operations. The Group also has one geographical segment and derives all its revenues from domestic operations. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial information about the sole business segment is equivalent to the unaudited interim consolidated financial statements of the Group.

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

The following discussion and analysis relate to the consolidated financial position and results of operations of the Group and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes. The unaudited interim consolidated financial statements have been prepared in compliance with PAS 34, *Interim Financial Reporting* and in compliance with PFRS issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, PAS and Philippine Interpretations from IFRIC and SEC provisions.

The financial information appearing in this report and in the accompanying unaudited interim consolidated financial statements is presented in Philippine pesos, the Group's functional and presentation currency, as defined under PFRS. All values are rounded to the nearest million pesos, except when otherwise indicated.



## Overview

Eagle Cement Corporation (ECC) is a fully integrated Corporation primarily engaged in the business of manufacturing, marketing, sale and distribution of cement. ECC has the newest, state-of-the-art, and single largest cement manufacturing plant in the Philippines. ECC is the fourth largest player in the Philippine cement industry based on sales volume, with the fastest growing market share amongst all competitors in the industry since it started its commercial operations in 2010.

The competitive strength of ECC is founded on its end-to-end production strategy, which seamlessly integrates critical raw material sourcing with modern manufacturing technology resulting to one of the most efficient cement manufacturing operations in the country. ECC has the single largest integrated plant production capacity in terms of annual cement output in the Philippines through its primary cement production facility located in Barangay Akle, San Ildefonso, Bulacan (the “Bulacan Cement Plant”).

The Bulacan Cement Plant consists of three integrated production lines with a combined annual cement production capacity of approximately Seven Million One Hundred Thousand (7,100,000) Metric Tonnes (“MT”) or One Hundred Eighty Million (180,000,000) bags per annum. This is inclusive of the Twelve Million (12,000,000) bags of cement per annum produced by its grinding and packaging facility in Limay, Bataan. It is strategically located near demand-centric areas and in close proximity to rich limestone and shale reserves covered by the exclusive mineral rights of ECC.

The Cebu Cement Plant will be a fully integrated plant built to manufacture cement using the raw materials to be extracted under the MPSAs of SWCC in the province of Cebu. The plant will use approximately Two Million Five Hundred Thousand (2,500,000) MT of limestone per annum which will produce an estimated One Million Five Hundred Thousand (1,500,000) MT to Two Million (2,000,000) MT of cement. Majority of the cement produced will be dispatched from the plant by sea to a network of bulk cement distribution terminals across the Visayas and Mindanao.

ECC offers Blended (Type 1P) and OPC (Type 1) cement to both distributors and top Philippine real estate developers under the Eagle Cement brand that has become synonymous with strength, durability, reliability, and world-class quality. As a testament to the quality of the products of the Company, Eagle Cement Strongcem is being used in concrete design of up to a high of twelve thousand pounds per square inch (12,000 PSI).

The Company supports the distribution of its high-quality products by means of its strong mass media marketing efforts and grass-roots below-the-line activation partnership-building programs with dealers, distributors, and retailers. Through its holistic brand building activities, ECC continues to enhance its value proposition which develops strong client relationships. Sound credit management framework employed by ECC ensures a substantially liquid financial position that provides options in short term financial planning and in long term capital development strategy.

About 63% of the country’s total cement demand come from Luzon region. ECC currently distributes its products in the following areas of the Luzon region: National Capital Region, Region I (Ilocos Norte, Ilocos Sur, La Union, Pangasinan), Region II (Batanes, Cagayan, Isabela, Nueva Vizcaya, and Quirino), Region III (Nueva Ecija, Bulacan, Pampanga, Tarlac, Bataan, Zambales), and Region IVA (Cavite, Laguna, Batangas, Rizal, and Quezon). As of March 31, 2021, NCR still serves as the center of construction and infrastructure activities in the country. ECC is considered as one of the leading players in areas with the highest economic activity in the Philippines with an estimated market share of 17% in NCR, Region III, and Region IVA, based on internal company data.

Currently, ECC does not sell its products in other countries. With the foreseen increase in both private and public construction activities, supported by the commitment of the national government towards infrastructure development, there remains a strong positive outlook on the Philippine economy which translates to sustained and impressive growth prospects for the cement industry in the country. ECC is uniquely well-positioned to capitalize on these market conditions to maintain its robust financial performance through modern production technology, strategic raw material sources, strong brand equity and established customer and dealer relationships. ECC is also expanding its production capacity and market coverage in the Philippines with the near completion of its Finish Mill 5 and other supporting facilities by mid-2021.

## **Consolidated Results of Operations and Key Performance Indicators**

### **Consolidated Results of Operations**

Eagle Cement Corporation (EAGLE or “the Company”) recorded a net income of ₱1,716.9 million during the first quarter of 2021, 44% higher relative to the same period in 2020, following the resumption of most infrastructure projects backing the government’s plan to revive the economy following the damage inflicted by last year’s typhoons and government-imposed lockdowns to curb the spread of corona virus (Covid-19).

EAGLE reported net sales of ₱5,267.0 million, a 16% spike from the ₱4,523.8 million it posted in the first quarter of 2020, resulting from higher sales volume notwithstanding the decrease in average selling price of cement per bag due to tight competition. Of the Company’s total sales, 82% was accounted for Type 1P or bagged cement while the remaining 18% was derived from Type 1 or bulk cement, with domestic demand still largely coming from the private sector.

Consequently, cost of goods sold increased by 15%, reflecting the growth in sales volume.

Gross profit was at ₱2,338.6 million, 18% higher from the ₱1,977.4 million last year. Gross profit margin stood at 44%.

Operating expenses increased by 3% largely due to the freight expenses driven by the increase in sales volume.

Interest income decreased by 49% to ₱68.7 million from ₱133.5 million brought about by the lower fund invested for money market placements and of lower interest rates.

Other income for the quarter increased by 262% to ₱50.5 million derived from the dividend income from investment in unquoted equity security.

Finance costs slipped by 16% to ₱95.3 million, as a result of the partial repayment of loan related to the Term Loan Facility and Security Agreement (TLFSA).

Income tax expense decreased by 51% to ₱141.5 million largely because of the effect of CREATE, and of the income tax exemption availed for the current quarter.

These movements resulted in earnings before interest, tax, depreciation and amortization (EBITDA) of ₱2,204.7 million, a 27% upsurge versus last year, translating into an EBITDA margin of 42%.

Meanwhile, net income margin registered at 33% at the end of the period.

**Key Components of Consolidated Results of Operations**

The table below summarizes the consolidated results of operations of the Group for the three months ended March 31, 2021 and 2020, presented in absolute amounts as a percentage of net sales.

	For the Three Months Ended March 31		Increase (Decrease)	Percentage of change
	2021	2020		
Net sales	<b>₱5,266,956,826</b>	₱4,523,761,785	743,195,041	16%
Cost of goods sold	<b>2,928,404,284</b>	2,546,324,103	382,080,181	15%
Gross profit	<b>2,338,552,542</b>	1,977,437,682	361,114,860	18%
Operating expenses	<b>504,013,501</b>	487,012,194	17,001,307	3%
Income from operations	<b>1,834,539,041</b>	1,490,425,488	344,113,553	23%
Finance costs	<b>(95,343,291)</b>	(113,285,405)	(17,942,114)	(16%)
Interest income	<b>68,661,244</b>	133,467,139	(64,805,895)	(49%)
Other income (loss) - net	<b>50,542,791</b>	(31,295,663)	81,838,454	262%
Income before income tax	<b>1,858,399,785</b>	1,479,311,559	379,088,226	26%
Less income tax expense	<b>141,508,558</b>	289,979,243	(148,470,685)	(51%)
Net income	<b>₱1,716,891,227</b>	₱1,189,332,316	₱527,558,911	44%

**Calculation of Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**

	For the Three Months Ended	
	March 31, 2021	March 31, 2020
Net income	<b>₱1,716,891,227</b>	₱1,189,332,316
Add:		
Depreciation and amortization	<b>319,644,799</b>	275,912,405
Income tax expense	<b>141,508,558</b>	289,979,243
Finance costs	<b>95,343,291</b>	113,285,405
Less:		
Interest income	<b>68,661,244</b>	133,467,139
EBITDA	<b>₱2,204,726,631</b>	₱1,735,042,230

**FINANCIAL CONDITION**

The financial condition of the Company for the period ended March 31, 2021 remains solid, putting us in a strong position to withstand any external adversities amid the crisis. Total assets increased by 4% to ₱51,466.6 million.

Current assets at the end of the period totaled to ₱21,535.2 million, 14% higher than end of 2020 due to the increase in cash and cash equivalents and trade receivables resulting from increase in revenue.

Noncurrent Assets decreased by 3% from ₱30,745.1 million to ₱29,931.4 million largely because of the reclassified advances for future investment following termination of agreement with a third party. Another factor on the net decrease is the application of various Deposits on Asset Purchase to contractors’ billings owing to the near completion of the additional grinding facility.

Current liabilities increased by 8% to ₱4,913.8 million largely because of the increase in Trade Payables and Advances from Trade Customers in relation to the increase in Revenue.

Noncurrent liabilities on the other hand decreased by 7% to ₱5,951.8 million owing to principal prepayment on TLFS.

Total liabilities decreased by 1% to ₱10,865.6 million. Stockholders’ equity on the other hand increased by 5% to ₱40,601.0 million from the net income generated for the first three months.

EAGLE maintained its current gearing at low levels, with debt-to-equity and financial debt-to-equity ratios registering at 0.27x and 0.15x, respectively, giving the Company an adequate capacity to support its future investment plans. Meanwhile, current ratio stood at 4.38x.

**Analysis of Consolidated Financial Position Information**

The below table summarizes the consolidated financial position of the Group as at March 31, 2021 (Unaudited) and December 31, 2020 (Audited):

	March 31, 2021	December 31, 2020	Increase (Decrease)	Percentage Change
Current Assets	₱21,535,176,772	₱18,914,078,356	₱2,621,098,416	14%
Noncurrent Assets	29,931,441,361	30,745,073,784	(813,632,423)	(3%)
Total Assets	₱51,466,618,133	₱49,659,152,140	₱1,807,465,993	4%
Current Liabilities	₱4,913,840,258	₱4,563,471,736	₱350,368,522	8%
Noncurrent Liabilities	5,951,769,086	6,381,105,815	(429,336,729)	(7%)
Total Liabilities	10,865,609,344	10,944,577,551	(78,968,207)	(1%)
Equity	40,601,008,789	38,714,574,589	1,886,434,200	5%
Total Liabilities and Equity	₱51,466,618,133	₱49,659,152,140	₱1,807,465,993	4%

**Key Performance Indicators**

**Relevant Financial Ratios**

The following are the major financial indicators being used by the Group:

Financial KPI	Definition	2021	2020
Current/liquidity ratio*	$\frac{\text{Current assets}}{\text{Current liabilities}}$	4.38	4.14
Solvency ratio**	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	0.19	0.13
Debt-to-equity ratio*	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.27	0.28
Asset-to-equity ratio*	$\frac{\text{Total assets}}{\text{Total equity}}$	1.27	1.28
Return on asset ratio**	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.04	0.03
Return on equity ratio**	$\frac{\text{Net income}}{\text{Average total equity}}$	0.04	0.03

\*Comparative balance for 2020 is as at December 31, 2020.

\*\*Comparative balance for 2020 is as at and for the three months ended March 31, 2020.

## **Liquidity and Capital Resources**

### **Cash Flows**

The primary sources and uses of cash of the Group for the three months ended March 31, 2021 and 2020 are summarized below.

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Net cash provided by operating activities	<b>₱2,294,103,735</b>	₱1,591,186,228
Net cash used in investing activities	<b>(159,102,317)</b>	(812,276,614)
Net cash used in financing activities	<b>(364,017,531)</b>	(426,699,508)
Net increase in cash and cash equivalents	<b>1,770,983,887</b>	352,210,106
Effects of exchange rate changes	<b>(287,832)</b>	(6,482,317)
Cash and cash equivalents at beginning of period	<b>11,466,255,207</b>	16,938,492,092
Cash and cash equivalents at end of period	<b>₱13,236,951,262</b>	₱17,284,219,881

Net cash provided by operating activities arises from the following:

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Operating income before working capital changes	<b>₱2,173,397,435</b>	₱1,768,702,420
Increase (decrease) in net working capital	<b>92,786,823</b>	(329,134,193)
Interest received	<b>42,821,092</b>	167,400,384
Income taxes paid	<b>(14,901,615)</b>	(15,782,383)
Net cash provided by operating activities	<b>₱2,294,103,735</b>	₱1,591,186,228

The net increase in net working capital pertains mainly on the increase in payables and receivables.

Net cash used in investing activities are mainly attributed to the expansion projects in Bulacan plant.

Net cash used in financing activities include the following:

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Payment of loans payable	<b>₱267,000,000</b>	₱267,000,000
Payments of interest	<b>94,297,928</b>	112,685,048
Payment of lease liabilities	<b>2,719,603</b>	2,014,460
Payments of dividends	<b>–</b>	45,000,000

**Term Loan Facility and Security Agreement**

On February 2016, the Parent Company entered into a TLFSA with various local financial institutions for a fixed rate loan amounting to ₱11,000.0 million with a tenor of 10 years. As at March 31, 2017, the Parent Company availed ₱8,200.0 million from the facility to refinance its debt obligations and to finance the construction, installation, commissioning, and operation of Line 3 of the Bulacan cement plant. In April 2017, the Parent Company availed of an additional ₱750.0 million from the facility. Payments under the TLFSA are made quarterly in arrears and based on the scheduled payments as agreed upon. Participating financial institutions include, Asia United Bank Corporation, Bank of Commerce, China Banking Corporation, Development Bank of the Philippines, Philippine Bank of Communications, Philippine National Bank, Security Bank Corporation, Standard Chartered Bank and United Coconut Planters Bank.

Under the terms and conditions of the TLFSA the Parent Company has the following material covenants:

- Debt Service Cover Ratio of not less than 1.50x;
- Debt Equity Ratio not to exceed 2.50x;
- Declaration and payment of dividends is limited to up to 50% of its net income of the previous fiscal year; and
- Secure approval in writing from the Majority Lenders (Lenders whose commitment constitutes at least 51% of the total loan facility) for any share issuance except (a) issue of shares to existing shareholders proportionate to their respective shareholding fully paid in cash or by way of stock dividends; or (b) issue of qualifying or nominal shares to nominee directors.

As of March 31, 2021, the Parent Company is in compliance with its debt covenants.

**Capital Expenditures**

Capital expenditures include expenditures for land, building and improvements, machinery and equipment, furniture, fixture and other office equipment, transportation equipment and construction in progress, as follows:

	March 31, 2021	December 31, 2020
Land	₱815,742	₱–
Machinery and equipment	34,953,210	254,555,821
Building and improvements	–	52,132,201
Transportation equipment	9,496,413	26,480,573
Furniture, fixtures and other office equipment	3,770,346	35,617,013
Construction in progress	270,752,516	1,230,483,421
	₱319,788,227	₱1,599,269,029



**MINUTES OF THE 2020 ANNUAL  
MEETING OF THE  
STOCKHOLDERS  
HELD ON 15 JULY 2020  
(ANNEX D)**



**EAGLE CEMENT CORPORATION**  
Minutes of the Annual Meeting of the Stockholders  
15 July 2020; Wednesday; 2:00 PM  
Via Videoconference

STOCKHOLDERS PRESENT:	TYPE OF SHARES	NO. OF SHARES
<b>In Person:</b>		
Ramon S. Ang	Common	1,317,857,139
	Preferred	878,571,429
John Paul L. Ang	Common	96,428,569
	Preferred	64,285,714
Manny C. Teng	Common	1
Monica L. Ang	Common	1
Mario K. Surio	Common	1
Manuel P. Daway	Common	1
Luis A. Vera Cruz, Jr.	Common	1
Melinda Gonzales-Manto	Common	1
Ricardo C. Marquez	Common	1
Jose P. Perez	Common	1
Martin S. Villarama, Jr.	Common	1
<b>By Proxy:</b>		
Far East Cement Corporation Represented by: Ramon S. Ang	Common	3,010,714,288
	Preferred	2,057,142,857
PDC Nominee Corp.	Common	103,534,100
Total No. of Shares Present or Represented at the Meeting	Common	4,528,534,105
	Preferred	3,000,000,000
Total No. of Shares Issued and Outstanding	Common	5,000,000,005
	Preferred	3,000,000,000
Percentage of Shares of Stock Present	Common	90.571%
	Preferred	100.00%

**DIRECTORS PRESENT:**

RAMON S. ANG  
JOHN PAUL L. ANG  
MANNY C. TENG  
MONICA L. ANG  
MARIO K. SURIO  
MANUEL P. DAWAY  
LUIS A. VERA CRUZ, JR.  
MELINDA GONZALES-MANTO (ID)  
RICARDO C. MARQUEZ (ID)  
MARTIN S. VILLARAMA, JR. (ID)  
JOSE P. PEREZ (ID)

**ALSO PRESENT:**

FABIOLA B. VILLA  
MARLON P. JAVARRO  
MARIA FARAH Z.G. NICOLAS-SUCHIANCO  
CHERYL S. SALDAÑA-DE LEON

## **I. NATIONAL ANTHEM AND INVOCATION**

The Philippine national anthem was played *via* livestream. Afterwards, director Melinda Gonzales-Manto led the invocation.

## **II. CALL TO ORDER**

The Chairman, Mr. Ramon S. Ang, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Maria Farah Z.G. Nicolas-Suchianco, recorded the minutes of the meeting.

## **III. CERTIFICATION OF QUORUM**

The Board of Directors approved a resolution dated 13 March 2020 authorizing the holding of the meeting by remote communication pursuant to Section 57 of the Revised Corporation Code, and the Securities and Exchange Commission (SEC) Memorandum Circular No. 06, Series of 2020. The Corporate Secretary advised the stockholders that, in compliance with the requirements of the SEC for meetings held through remote communication, the meeting is being recorded, which recording will form part of the records of the Corporation. The Corporate Secretary likewise ensured that the proceedings were effectively livestreamed, and that all registered participants could see and hear the livestream from their individual devices.

The Corporate Secretary certified that the notice of annual meeting of the stockholders, along with the procedure for participation and casting of votes through remote communication, was disclosed with the Philippine Stock Exchange (PSE) on 07 May 2020, and published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days, or on 16 and 17 June 2020. Copies of the Information Statement, and Management Report, Minutes of the 2019 Annual Stockholders' Meeting, and Annual Report are available and can be accessed through the Corporation's website and the PSE Edge.

The Corporate Secretary certified that out of 5,000,000,005 issued and outstanding common shares and 3,000,000,000 issued and outstanding preferred shares, stockholders owning a total of 4,528,534,105 common shares and 3,000,000,000 preferred shares, representing 90.571% of the total issued and outstanding common shares and 100% of the total issued and outstanding preferred shares of the Corporation, are present through remote communication and by proxy. There is, therefore, a quorum present for the transaction of business.

## **IV. APPROVAL OF THE PREVIOUS STOCKHOLDERS' MEETING**

The Chairman presented the minutes of the previous stockholders' meeting held on 18 June 2019 for ratification by the stockholders. Upon motion duly made and seconded, the stockholders passed and approved the following resolution:

“RESOLVED, that the Corporation be authorized to approve and ratify the minutes of the Regular Annual Meeting of Stockholders held on 18 June 2019.”

## **V. PRESENTATION OF THE ANNUAL REPORT**

The Chairman called the President and Chief Executive Officer, Mr. John Paul L. Ang, and the Chief Finance Officer, Ms. Monica L. Ang, to deliver the President's Report to the stockholders.

Ms. Ang first presented the accomplishments and the positive financial state of the Corporation for 2019.

#### **A. Accomplishments**

Ms. Ang related that at the end of 2019, Philippine GDP ended at 5.9%, making it among the fastest growing economies in the region. There has been more infrastructure development coupled with consumer spending. As in the past, the Corporation's customer base has mostly grown from the private sector, and thus continues to deliver double digit growth across the board.

Ms. Ang reported that the Corporation registered a compounded annual growth rate of 37% and 54% in net sales and net income, respectively.

#### **B. 2019 Financial Performance**

Mr. Ang announced that the Corporation recorded a 20% increase in sales to PhP19.8 billion. The Company's revenue is accounted largely by bagged cement or Type 1P at 79%, while 21% is comprised by bulk cement or Type 1. Gross profit rose by 20%, while the gross profit margin registered at 44%.

EBITDA amounted to PhP7.93 billion, or an increase of 16%. This resulted to an EBITDA margin of 40%.

Meanwhile, EBIT went up by 14%, resulting to a margin of 35%. Net income went up by 25% year-on-year, with the margin improving by 30%.

#### **C. 2020 Latest Interim Financial Highlights**

Ms. Ang reported that the Corporation's sales trend prior to 16 March 2020, or when the government imposed the community quarantine and lockdown due to the COVID-19 pandemic, shows the Corporation was on its way to beat the 2019 Q1 results. However, due to the effects of COVID-19 on the entire country, the Corporation recorded net sales of 16% lower than 2019 Q1. EBITDA for the quarter ended 31 March 2020 also dropped by 14%, resulting to an EBITDA margin of 38%.

EBIT went down by 18%, with margin at 32%, while Net Income fell by 25% year-on-year.

Despite this, the financial condition of the Corporation for the quarter ended 31 March 2020 remains solid, providing financial stability to sustain operational headwinds amid the crisis. Total assets grew by 2% to P49.9 billion. Total liabilities went down by 2% to P11.4 billion.

Further, the Corporation's long-term debt was down by 4% with an average borrowing cost of 1.58%. The Corporation's current gearing also still gives it flexibility to continue to pursue its investment plans moving forward, with debt-to-equity ratio at 0.30x, and financial debt to equity ratio registering at 0.18x. This is still well below the Corporation's loan covenant requirements.

#### **D. Sustainable Development and Corporate Social Responsibility**

**1. Awards and Citations –**

Mr. Ang reported that the Corporation was once again awarded with the Platinum Achievement Award for the Quarry Operations Category during the Presidential Mineral Industry and Environmental Awards (PMIEA) last November 2019. This marks the sixth consecutive year that the Corporation is being recognized by the PMIEA Selection Committee as it has been a Titanium Achievement Awardee for four consecutive years since 2014, and a Platinum Achievement Awardee since 2018. The Corporation's improvement from the Titanium Award to the Platinum Award is proof that the Corporation is continuously upgrading its operations and efforts to practice responsible mining, and commitment to sustainable development.

**2. Biodiversity and Corporate Social Responsibility –**

The Corporation continuously strengthens its partnership with the Philippine Eagle Foundation. It recently celebrated Philippine Eagle Week in June by pledging continued care and support to Viggo, the Company's adopted Philippine Eagle within the PEF's conservation program. The partnership with the PEF is among a series of initiatives that the Company is taking to advocate the Sustainable Development Goals of the United Nations.

Mr. Ang also presented the Corporation's various projects, activities, and contributions to the socio-economic development of different communities in Gabihan, San Ildefonso, Talbak, and Brgy. Kalawakan.

**E. Business Updates**

**1. Expansion –**

Mr. Ang pointed out that the Corporation has been continuously expanding its capacity organically since it started commercial operations in 2010, quickly expanding to three integrated lines. The continuous expansion, coupled with heightened marketing strategy and high quality cement, paved way for the Corporation to post double digit sales growth since 2012, with a compounded annual growth rate of 18%.

The Corporation's Bulacan expansion is underway with the construction of the Flyash and pulv limestone dosing system, belt conveyor transport system, Additive Feed Bin 5 and dosing system, Finish Mill 5, Cement Silo 5, and Packhouse 3. These are expected to finish by the last quarter of the current year.

**2. COVID-19 Response**

As to the Corporation's Response to COVID-19, the Corporation has taken its lead in order to help contain the spread of the virus and extend help to its business partners and the communities where it operates. The following are the activities and measures undertaken to help combat COVID-19, both in the workplace and in the communities:

- a. The Corporation has provided immediate food relief for 21,000 families economically displaced by the COVID-19. food packs consisting of rice and canned goods to the most needy families and our host communities in Bulacan and Cebu were distributed;
- b. The Corporation has partnered with St. Lukes Medical Center – BGC (SLMC BGC) to conduct a monthly Reverse Transcription Polymerase Chain Reaction (RT-PCR)

testing for its stakeholders. This initiative is beyond the government's mandated guidelines for the resumption of business operations;

- c. On May 15, SLMC BGC conducted a training for all EAGLE nurses and doctors prior to the start of testing;
- d. The Corporation has also provided preventive measures and testing assistance to its host community in Brgy. Akle, in coordination with the local government. A total of 370 residents were selected randomly per sitio. The RT-PCR testing was conducted on 07 and 10 June 2020, and all yielded negative results;
- e. The Corporation's third-party contractors have undergone the same testing to ensure safety of everyone across all business operations;
- f. The Corporation has also started conducting COVID-19 tests last 25 May 2020 using RT-PCR testing for its employees;
- g. To date, the Corporation has already conducted a total of 2,722 tests in 41 days. As a continuous precautionary health measures to contain the spread of the virus, the Corporation will intensify testing by conducting at least 1,000 RT-PCR testings for employees, contractors, distributors, and haulers every month; and
- h. Isolation facilities are already in place in the event that tests of employees yield positive results for the presence of the virus. However, the Corporation will still be constructing Smart House facilities that consists of 29 units as Quarantine Facilities which can accommodate 232 patients, while four units of additional isolation facilities will also be built. These are targeted to be completed by August of the current year.

### *3. Digital Transformation*

Mr. Ang reported that the Corporation is taking steps into digital transformation, as it moves to adapt to the rapid changes and challenges in the market in order to improve business operations, and substantially enhance customer experience.

The Corporation has upgraded its ERP to one that is tailored fit for the cement manufacturing industry. This will align processes to the system and will also run in cloud that will lessen IT Infrastructure investments. The new ERP systems offer a Customer portal to enhance the customers' experience, and is fully integrated to the Financial ERP system. With the new ERP in place, the Cement Automation will be integrated to ERP and it will generate real time reports and dashboards.

The new ERP also allows for real-time tracking of delivery trucks, real-time interactions with the enterprise applications, real-time reports, and dash-boards.

In closing, Mr. Ang stated that the Management the Corporation's restart strategy aims to help jumpstart the country's economy, keep communities safe and get small businesses around it back on track, as the Corporation ramps up production to meet the growing cement demand in the country. The Corporation's safeguard measures and health and safety protocols, being beyond what is expected and required, allows it to continue to operate while keeping its working environment, people, and communities safe, towards emerging stronger from the global downturn of the economy brought by COVID-19.

The Chairman thanked Mr. Ang for the Report and opened the floor for questions from the audience which were submitted in advance and will be read by the facilitator.

Ms. Kristina Vega, a stockholder, mailed in advance her question on whether Eagle Cement will supply cement to the San Miguel corporation airport project in Bulacan. The Chairman replied in the affirmative.

An question mailed in advance by Mr. Michael Aranas, a stockholder, was then read. Mr. Aranas wished to know if the Corporation will declare dividends. The President answered that the Corpraotion is still in the process of assessing whether it may declare dividends, due to the effects of the COVID-19 pandemic.

The question of Mr. Marc Macatangay, a stockholder, which was likewise mailed in advance was the last question to be read. Mr. Macatangay asked how much is the corporation's allocation for measures to combat COVID-19. The Chairman responded by saying that based on its assessment of the impact of COVID-19, the Corporation did not provide for any specific limit for COVID-19 relief and preventive measures, and will continue to extend help as much as help is needed and it is possible for the Corporation.

There being no further questions, and upon motion duly made and seconded, the stockholders passed and approved the following resolution:

“RESOLVED, that the Corporation be authorized to approve the Management Report of the Corporation as presented.”

## **VI. APPROVAL AND RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT**

The Chairman of the meeting requested the Corporate Secretary to present a summary of all acts of the Board of Directors and Management, embodied in the resolutions issued from 18 June 2019 up to the date of the Meeting. The summary of all acts was thereafter flashed on the screen. The stockholders thereafter approved and ratified the acts as presented to them.

Upon motion duly made and seconded, the following resolution was passed and approved:

“RESOLVED, that the Corporation hereby affirms, approves and ratifies the acts of the Corporation's Officers and Board of Directors embodied in the resolutions that have been issued in accordance with the procedures provided in the Corporation's By-Laws from 18 June 2019 up to today, 15 July 2020.”

## **VII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman of the meeting requested Director Melinda Gonzales-Manto, the Chairperson of the Audit Committee, to make a recommendation on the appointment of external Auditor. Director Gonzales-Manto recommended the appointment of Reyes Tacandong & Co., CPAs as the Corporation's external auditor for the year 2020.

Upon motion duly made and seconded, the stockholders passed and approved the following resolutions:

“RESOLVED, that the Corporation be authorized to appoint Reyes Tacandong & Co., CPAs as its external auditor for the year 2020, and it shall serve as such until its replacement is appointed and qualified.”

VIII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Corporate Secretary presented the list of nominees for Independent Directors as pre-qualified by the Nomination and Remuneration Committee, and the list of other nominees for the election to the Board of Directors. All the following nominees have all the qualifications and none of the disqualifications to be a director under the law, the Corporation’s By-Laws, and the Corporation’s Manual on Corporate Governance:

Nominee	Position
Ramon S. Ang	Director
John Paul L. Ang	Director
Manny C. Teng	Director
Monica L. Ang	Director
Mario K. Surio	Director
Manuel P. Daway	Director
Luis A. Vera Cruz, Jr.	Director
Melinda Gonzales-Manto	Independent Director
Ricardo C. Marquez	Independent Director
Martin S. Villarama, Jr.	Independent Director
Jose P. Perez	Independent Director

Considering that the number of directors to be elected is eleven (11) and there are only eleven (11) nominees, upon motion duly made and seconded, all eleven (11) nominees were considered unanimously elected as Directors of the Company for the ensuing year, until their successors are elected and qualified. The votes of the stockholders present and represented by proxies were distributed and recorded accordingly.

IX. ADJOURNMENT

There being no other matters to discuss and upon motion duly made and seconded, the meeting was adjourned.

Certified true and correct:

MARIA FARAH Z.G. NICOLAS-SUCHIANCO  
Corporate Secretary

Attested:

RAMON S. ANG  
Chairman