COVER SHEET

AS095-005885

EAGLE CEMENT CORPORATION

(Company's Full Name)

2/F SMITS CORPORATE CENTER,
NO. 155 EDSA, BARANGAY WACK-WACK,
MANDALUYONG, CITY

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

Atty. Fabiola B. Villa
(Contract Person)

(02) 5-301-3453
(Company Telephone Number)

12	**31**
Month	*Day*

(Fiscal Year)

20-IS
(Form Type)

06	**24**
Month	*Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

MSRD
Dept. Requiring this Doc.

Not Applicable
Amended Articles Number/section

48
Total No. of Stockholders
**as of 18 July 2024*

Total Amount of Borrowings

₱5.0 Billion*	**-**
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

The Annual Meeting of the Stockholders of EAGLE CEMENT CORPORATION (the "Company") will be held on **June 24, 2025, 2:00 p.m.**, livestreamed from the principal office of the Company.

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. Other Matters
9. Adjournment

The Information Statement, SEC Form 17A, Minutes of the Annual Stockholders' Meeting held on July 18, 2024, and other pertinent materials for the Annual Stockholders' Meeting will be accessible online through the Company's website (https://www.eaglecement.com.ph/governance/annual-stockholders-meeting/), and made available in print upon written request of the stockholder.

Stockholders can participate in the meeting *via* remote communication and cast their votes electronically or *in absentia,* or through appointing the Chairman of the Meeting as proxy.

Stockholders of record as of May 23, 2025 who intend to attend the meeting through remote communication are requested to notify the Company and register by email at corporatesecretary@eagle-cement.com.ph no later than June 13, 2025. The videoconference link to the meeting will be provided to registered stockholders.

Questions and comments to the Board of Directors and/or Management should be sent in advance or during the meeting by email to corporatesecretary@eagle-cement.com.ph.

Further details and procedure for attendance and participation in the meeting through remote communication are provided in Annex 1 of this Notice.

A brief discussion of the rationale of each of the relevant agenda item is set forth in Annex 2 of this Notice, as set forth in the Information Statement.

Duly accomplished ballots and proxies shall be submitted through any of the following:

1. By e-mail to corporatesecretary@eagle-cement.com.ph; or
2. By ordinary mail to the office of the Corporate Secretary at 2/F SMITS Corporate Center, No. 155 EDSA, Brgy. Wack-wack, Mandaluyong City.

The deadline for submission of ballots and proxies is on June 13, 2025 at 2:00 PM. For individuals, ballots and proxies must be accompanied by a valid government-issued ID with a photo. For corporations, ballots, and proxies must be accompanied by the Corporate Secretary's certification stating the corporate officer's authority to represent the corporation in the meeting. Ballots and proxies need not be notarized. Validation of ballots and proxies will be on June 19, 2025 at 5:00 p.m. at the office of the Company's Corporate Secretary.

FABIOLA B. VILLA
Corporate Secretary

Annex 1

PROCEDURE FOR ATTENDING THE MEETING THROUGH REMOTE COMMUNICATION

1. Stockholders of record as of May 23, 2025 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. Stockholders whose shares are still lodged with brokers are requested to directly contact their respective brokers for guidance on their participation in the meeting. A certification issued by the said broker regarding the fact of lodged shareholdings must also be provided, in addition to the documents required to be submitted below.

2. For validation purposes, the email should contain the name and email address, and a scanned copy of any valid government-issued identification card 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. Votes of all stockholders can only be cast through ballots or proxies submitted on or before June 13, 2025 at 2:00PM. 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 13, 2025 at 2:00 PM through the following means:

a. By e-mail to corporatesecretary@eagle-cement.com.ph; or
b. By ordinary mail to the Office of the Corporate Secretary of Eagle Cement Corporation at 2/F SMITS Corporate Center, No. 155 EDSA, Brgy. Wack-wack, Mandaluyong City.

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 19, 2025 at 5:00 p.m. at the office of the Company's Corporate Secretary.

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

5. 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.

Annex 2

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

1. Call to Order
   The 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 18, 2024 will be available for download at the Company website. (https://www.eaglecement.com.ph/governance/annual-stockholders-meeting/)

4. Presentation of the Annual Report
   The Audited Financial Statements (AFS) as of December 31, 2024 will be presented to the stockholders for their approval. The AFS will be embodied in the Information Statement to be sent and/or made available to the stockholders at least 21 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 March 11, 2025.

   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 2024 as well as the interim financial highlights. The report will also include significant events and recent developments in the Company.

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 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. Re-appointment of External Auditor
   The Audit and Risk Committee 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. The profiles of the nominees are likewise provided in this Information Statement.

8. 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.

<u>SAMPLE</u> BALLOT / PROXY

☐ Vote by Ballot: The undersigned stockholder of Eagle Cement Corporation (the “Company”) casts his/her/its vote on the agenda items for the 2025 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/her 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, 2025 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 2024 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-Mercado	_______________
Manuel P. Daway	_______________
Mario K. Surio	_______________
Luis A. Vera Cruz, Jr.	_______________
Melinda Gonzales-Manto	_______________
Ricardo C. Marquez	_______________
Martin S. Villarama, Jr.	_______________
Teresita J. Leonardo-De Castro	_______________

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

Question/Comment: ____

____
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, or by ordinary mail to the Office of the Corporate Secretary of Eagle Cement Corporation at 2/F SMITS Corporate Center, No. 155 EDSA, Brgy. Wack-wack, Mandaluyong City, on or before 2:00PM of <u>June 13, 2025</u>.

This proxy should be received by the Corporate Secretary on or before 2:00PM of **<u>June 13, 2025</u>**, 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

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, 2025, 2:00PM, via videoconferencing at the Principal Office of the Company.

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
   The Definitive Information Statement shall be made available to Stockholders by 03 June 2025, or as soon as approved by the SEC.

   Notice of Meeting will be published in the business section of two newspapers of general circulation (print and online) for two consecutive days, the last of which shall be made no later than 03 June 2025, pursuant to the SEC Notice dated 12 March 2025. Among others, the Notice will inform the stockholders of the availability of an electronic copy of the Information Statement, SEC Form 17-A and other pertinent documents on the Company's website.

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 18 July 2024)
COMMON	**5,000,000,006**

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:

INFORMATION REQUIRED IN INFORMATION STATEMENT

GENERAL INFORMATION

Date, time and place of meeting of security holders.

The annual stockholders' meeting of Eagle Cement Corporation (the "Corporation" or "Company") will be held on June 24, 2025, 2:00 p.m., via virtual platform. Details will be provided on the Company website (https://www.eaglecement.com.ph).

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 will be made available to the public through the Company website (https://www.eaglecement.com.ph/governance/annual-stockholders-meeting/), starting 03 June 2025, or as earliest approved by the SEC.

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.

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 (30) 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, 2025 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 of an intention to oppose any action to be taken by the Corporation at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

The Corporation has Five Billion and Six (5,000,000,006) outstanding common shares as of April 1, 2025. 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 23 May 2025 are entitled to notice and to vote at the Corporation's Annual Stockholders' Meeting.

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 [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.

The deadline for submission of proxies is on June 13, 2025. Validation of proxies will be on June 19, 2025 at 5:00 p.m. at the office of the Company's Corporate Secretary.

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 SEC Memorandum Circular No. 6, series of 2020 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 April 01, 2025

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	% to Total Outstanding
Common	San Miguel Equity Investments Inc.	Ang, Ramon See Zobel, Inigo Urquijo	Filipino	4,997,903,671	99.96%

Other than the party 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.

San Miguel Equity Investments, Inc. shall be represented by its Chairman, Ramon S. Ang, who is authorized to vote its shares.

Security Ownership of Management as of April 01, 2025

Title of Class	Names of beneficial owner	Position	Amount and nature of beneficial ownership	Citizenship	% to Total Outstanding
CEO and FOUR MOST HIGHLY COMPENSATED OFFICERS					
Common	John Paul L. Ang	President and Chief Executive Officer	1 (D)	Filipino	-
Common	Manny C. Teng	General Manager and Chief Operating Officer	1 (D)	Filipino	-
Common	Monica L. Ang-Mercado	Chief Finance Officer and Treasurer, Executive Vice-President for Business Support Group	1 (D)	Filipino	-
Common	Manuel P. Daway	Vice-President for Operations	1 (D)	Filipino	-
Common	Jens Christian Enemark Lund	Manufacturing Transformation Director	-	Danish	-
OTHER DIRECTORS AND OFFICERS					
Common	Ramon S. Ang	Chairman	1 (D)	Filipino	-
Common	Mario K. Surio	Director	1 (D)	Filipino	-
Common	Luis A. Vera Cruz, Jr.	Director	1 (D)	Filipino	-
Common	Melinda Gonzales-Manto	Independent Director	1 (D)	Filipino	-
Common	Ricardo C. Marquez	Independent Director	1 (D)	Filipino	-
Common	Martin S. Villarama, Jr.	Independent Director	1 (D)	Filipino	-

Common	Teresita J. Leonard-de Castro	Independent Director	1(D)	Filipino	-
Common	Fabiola B. Villa	Corporate Secretary / Compliance Officer / Data Protection Officer	-	Filipino	-
Common	Marlon P. Javarro	Assistant Corporate Secretary/Related Party Transaction Officer	-	Filipino	-
		Total (D)	11		
		TOTAL			

(D) – Direct
(I) – Indirect

Voting Trust Holders of 5% or More

There is no person holding more than five percent (5%) of the Corporation's voting securities under a voting trust or similar agreement.

Changes in Control

San Miguel Equity Investments, Inc. took control of the Corporation on 14 December 2022 by way of share purchase and tender offer of shares. The Corporation is not aware of any change or arrangement that may result in a change in 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. The Board currently consists of eleven (11) directors, four (4) of whom are independent directors. The incumbent directors of the Corporation are as follows:

Name	Position	Age	Citizenship	Date First Elected
Ramon S. Ang	Chairman	71	Filipino	10/5/2007
John Paul L. Ang	Member	45	Filipino	11/30/2010
Manny C. Teng	Member	52	Filipino	6/21/1995
Monica L. Ang-Mercado	Member	35	Filipino	6/3/2013
Mario K. Surio	Member	78	Filipino	1/14/2011
Luis A. Vera Cruz, Jr.	Member	74	Filipino	2/23/2017
Manuel P. Daway	Member	78	Filipino	2/13/2017
Melinda Gonzales-Manto	Independent	73	Filipino	12/22/2016
Ricardo C. Marquez	Independent	64	Filipino	2/13/2017
Martin S. Villarama, Jr.	Independent	79	Filipino	2/13/2017
Teresita J. Leonardo-De Castro	Independent	76	Filipino	07/18/2024

The business experience of each of the directors of the Corporation for the last five (5) years is set out below.

Ramon S. Ang has been the Chairman of the Board of Directors of the Corporation since his first election on October 5, 2007. He is the Chairman and Chief Executive Officer of San Miguel Corporation; President and Chief Executive Officer of Top Frontier Investment Holdings, Inc. and Petron Corporation; and President of Ginebra San Miguel, Inc. He is also the Chairman of the Board of San Miguel Brewery Inc; San Miguel Food and Beverage, Inc.; San Miguel Equity Investments, Inc.; South Western Cement Corporation; Solid North Mineral Corporation; San Miguel Foods, Inc.; San Miguel Yamamura Packaging Corporation; Clariden Holdings, Inc.; Northern Cement Corporation; Anchor Insurance Brokerage Corporation; and Philippine Diamond Hotel & Resort, Inc. He is the President 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 Properties, Inc.; SEA Refinery Corporation; New NAIA Infra Corp.; San Miguel Aerocity, Inc.; and KB Space Holdings, Inc. He holds, among others, the following positions in other publicly listed companies; 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).

He is also the sole director and shareholder of Master Year Limited and the Chairman of the Board of Privado Holdings, Corp. 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 is the President and Chief Executive Officer of the Corporation since 2016. He is the Chairman of the Executive Committee. He is the Vice-Chairman, President, and Chief Operating Officer of San Miguel Corporation. He is also the President and Chief Executive Officer of San Miguel Food and Beverage, Inc; Northern Cement Corporation; South Western Cement Corporation; and Solid North Mineral Corporation. Mr. Ang holds directorships in other listed companies namely, Petron Corporation, and Top Frontier Investments Holdings, Inc. He is the President of San Miguel Equity Investments, Inc.; Clariden Holdings Corp.; Pacific Nickel Philippines, Inc.; Philnico Industrial Corporation; and Buildnet Construction, Inc. He is also the Vice Chairman and Director of San Miguel Global Power Holdings Corp.; and Director of San Miguel Brewery, Inc.; SMC Tollways Corp.; SMC SLEX, Inc.; Aerofuel Storage Management, Inc.; Argonbay Construction Company, Inc.; and KB Space Holdings, Inc. He has a Bachelor of Arts Degree in Interdisciplinary Studies, Minor in Economics and Finance from the Ateneo de Manila University.

Manny C. Teng is the General Manager and the Chief Operating Officer of the Corporation since 2016. He is a member of the Executive Committee and the Audit and Risk Committee. He is also a Director of South Western Cement Corporation; KB Space Holdings, Inc.; Solid North Mineral Corp.; and Armstrong Fly-Ash and Logistics Company, Inc. He has a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas.

Monica L. Ang-Mercado is the Chief Finance Officer (CFO), Treasurer, Executive Vice-President for Business Support Group, and the Risk Oversight Officer of the Corporation. She is a member of the Executive Committee, and the Corporate Governance and Nomination Committee. She is also the Chairperson of Buildnet Construction, Inc.; Director and Treasurer of South Western Cement Corporation; Solid North Mineral Corp.; and Armstrong Fly-Ash and Logistics Company, Inc. Ms. Ang-Mercado is also a Director and the Chief Finance Officer of San Miguel Food and Beverage, Inc., and Treasurer of Northern Cement Corporation. She is also a director of KB Space Holdings, Inc.; Pacific Nickel Philippines, Inc.; Philnico Industrial Corp.; 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 has been a director of the Corporation since 2011. He serves as 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. Mr. Surio is a licensed Chemical Engineer with a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas.

Luis A. Vera Cruz, Jr. was first elected as director of the Corporation in 2017. He is currently a member of the Related-Party Transactions and Audit and Risk Committees. Mr. Cruz is an 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, Bachelor of Laws and BS Business Administration degrees from the University of the Philippines.

Manuel P. Daway has been a director of the Corporation since 2017. He is also responsible for expansion projects of the Company and serves as Adviser of the executive officers. He was previously the 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 was first elected as an independent director of the Corporation in 2016. She is the Lead Independent Director, Chairperson of the Audit and Risk Committee, and a member of the Corporate Governance and Related-Party Transactions Committees. She is also the Lead 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. She was formerly a partner of SGV & Co., Assurance and Advisory Business Services Division. 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 was first elected as an independent director of the Corporation in 2017. He is the chairman of the Corporate Governance and Nomination Committee. He is a director of the Public Safety Mutual Benefit Fund, Inc., San Miguel Pure Foods Company, Inc., and Petron Corporation. He was previously a Chief of the Philippine National Police. He has undergone 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. was first elected as an independent director of the Corporation in 2017. He is also the chairman of the Related-Party Transactions Committee and a member of the Audit and Risk Committee. He is currently a member of the Board of Advisers of San Miguel Brewery Hongkong Ltd., and the Association of Retired Justices of the Supreme Court of the Philippines. He was the 166th member of the Supreme Court and served as a Supreme Court Justice from 2009 to 2016. 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.

Teresita J. Leonardo-De Castro was first elected as an independent director of the Corporation in 2024. She is a member of the Audit and Risk Committee, and Corporate Governance and Nomination Committee. She is currently an Independent Director of San Miguel Corporation (since 2020); the Philippine Stock Exchange, Inc. (since 2020); Securities Clearing Corporation of the Philippines (since 2020); Top Frontier Investment Holdings, Inc. (since 2019); and a Trustee of the Philippine Stock Exchange Foundation, Inc. (since 2021). She is the President of the UP Sigma Alpha Alumnae Association, Inc. (since 2018); a Member of the Association of Retired Supreme Court Justices (since 2018); a Member of the International Association of Women Judges (since 2018); and Associate Member of the Philippine Women Judges Association (2018 to present). She served as Chief Justice of the Supreme Court of the Philippines (2018), Associate Justice of the Supreme Court of the Philippines (2007-2018), Presiding Justice of the Sandiganbayan (2004-2007), and Associate Justice of the Sandiganbayan (1997-2004). She obtained her Bachelor of Laws degree from the University of the Philippines, College of Law.

The directors' attendance in meetings of the Board Committees and the Board of Directors in 2024 are set out in the attached ***Annex "A"***.

Officers

The principal officers of the Company are as follows:

Name	Position	Age	Citizenship
John Paul L. Ang	President and Chief Executive Officer	45	Filipino
Manny C. Teng	General Manager and Chief Operating Officer	52	Filipino
Monica L. Ang-Mercado	Chief Finance Officer and Treasurer, Executive Vice-President for Business Support Group	35	Filipino
Jens Christian Enemark Lund	Manufacturing Transformation Director	68	Danish
Manuel P. Daway	Vice President for Operations	78	Filipino
Fabiola B. Villa	Corporate Secretary / Compliance Officer / Data Protection Officer	60	Filipino
Marlon P. Javarro	Assistant Corporate Secretary/Related Party Transaction Officer	46	Filipino

Jens Christian Enemark Lund is the Corporation's Manufacturing Transformation Director. He was previously an Operations Manager of Hume Cement Sdn Bhd in Malaysia and Plant Director and Technical Support Director of Cemex Holdings Philippines, Inc. He was the Senior Field Engineer of FLSmidth D/K in Denmark. He obtained his degree in Bachelor of Technology Management and Marine Engineering from Svendborg Maritime Academy. He has been with the Corporation since 2019.

Fabiola B. Villa is the Corporation's Corporate Secretary, Compliance Officer, Data Privacy Officer, and Head of Legal and Compliance. She is the Corporate Secretary of Solid North Mineral Corp. and Pacific Nickel Philippines, Inc. She was previously the Vice-President, Corporate Secretary and Head of Legal and Secretariat of United Overseas Bank Philippines. She was an Associate at Picazo Buyco Tan Fider and Santos Law Offices, and Tan Concepcion and Que Law Offices. She obtained her degrees in Bachelor of Arts and Bachelor of Laws from the University of the Philippines.

Marlon P. Javarro is the Assistant Vice President and Head for Finance, Assistant Corporate Secretary, and Related Party Transaction Officer of the Corporation. He also served as the Finance Manager of the Corporation from 2008 to 2018. He is a director of South Western Cement Corporation. Prior to joining the Corporation, he was a Finance Manager at Sarawak Clinker Sdn Berhad in Malaysia from 2005 to 2007. He is a Certified Public Account and holds a Bachelor of Science degree in Accountancy from Colegio de San Agustin.

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 05 May 2025, during the meeting of the Corporate Governance Committee. The nominees for election to the Board of Directors are as follows:

1. Ramon S. Ang
2. John Paul L. Ang
3. Manny C. Teng
4. Monica L. Ang-Mercado
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. Teresita J. Leonardo-De Castro - Independent Director

Independent Directors

The nominees for election as independent directors of the Board of Directors on 24 June 2025 are as follows:

Nominee for Independent Director (a)	Person/Group recommending nomination (b)	Relation of (a) and (b)
Melinda Gonzales-Manto*	Ramon S. Ang	None
Ricardo C. Marquez*	Ramon S. Ang	None
Martin S. Villarama, Jr.*	Ramon S. Ang	None
Teresita J. Leonardo-De Castro*	Ramon S. Ang	None

**Incumbent independent director*

The business experience of the non-incumbent independent director nominee of the Corporation for the last five (5) years is set out below:

The above-named nominees for independent directors have certified that they possess all the qualifications and none of the disqualifications provided for in the SRC. The Certifications of the nominees for independent directors and the Corporate Secretary are attached as ***Annexes "B-1", "B-2", "B-3", "B-4",*** and ***"B-5"***.

In approving the nominations for independent directors, the Corporate Governance Committee took 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 provides 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 approve 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 24 June 2025, as approved by the Corporate Governance Committee, shall be contained in the Definitive Information Statement which shall be made available to stockholders through the Corporation's website.

All the nominees for election to the Board of Directors 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-Mercado 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-Mercado. Other than that, there are no other family relationships up to the fourth civil degree, either by consanguinity or affinity, among the Corporation's directors, executive officers, or persons nominated or chosen by the Corporation to become its directors or executive officers.

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 page 9 of the Corporation's Annual Report (SEC Form 17-A), or Note 18 of the Audited Financial Statements of the Corporation as of 31 December 2024, which is attached in this Information Statement as ***Annex "C".***

None of the directors or officers are connected with any government agency or its instrumentality. A certification to this effect is attached herein as ***Annex "B-5"***.

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 its directors and executive officers have been the subject of (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding; (c) order, judgment or decree barring, suspending or limiting involvement in any type of business, securities, commodities or banking activities; or (d) judgment for violation of a securities or commodities law or regulation, for the past five (5) years up to the latest date that is material to the evaluation of their ability or integrity to hold relevant positions in the Corporation.

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 meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (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	2025* (estimated)	₱33.2 Million	₱8.6 Million	₱3.7 Million	₱45.5 Million
	2024	₱16.8 Million	₱5.6 Million	₱5.2 Million	₱27.6Million
	2023	₱33.4 Million	₱11.6 Million	₱3.0 Million	₱48.0 Million

compensated officers[1]					
All other officers and Directors as a group unnamed	2025* 2024 2023	₱13.2 Million ₱17.6 Million ₱17.1 Million	₱3.2 Million ₱5.5 Million ₱7.5 Million	₱1.2 Million ₱3.5Million ₱1.9 Million	₱17.6 Million ₱26.6 Million ₱26.5 Million
TOTAL	2025* 2024 2023	₱46.4 Million ₱34.4 Million ₱50.5 Million	₱11.8 Million ₱11.1 Million ₱19.1 Million	₱4.9 Million ₱8.7 Million ₱4.9 Million	₱63.1 Million ₱54.2 Million ₱74.5 Million

**Estimates to be updated*

Each director receives 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 receives Fifteen Thousand Pesos (₱15,000.00), while the Committee members receive 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, for services rendered during the last fiscal year, and the ensuing fiscal year.

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

There were neither employment contracts nor compensatory plans or arrangements between the Corporation and any named executive officer.

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 2023 fiscal year is Belinda B. Fernando. Since 2022, RTCo. changed 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 and Risk Committee of the Corporation are as follows: (1) Melinda Gonzales-Manto (Chairperson), (2) Martin S. Villarama, Jr., (3) Luis A. Vera Cruz, Jr., (4) Teresita J. Leonardo-De Castro, and (5) Manny C. Teng.

<u>ISSUANCE AND EXCHANGE OF SECURITIES</u>

There were no issuance and exchange securities as of 31 December 2024.

[1] The Chief Executive Officer and senior executive officers of the Corporation for 2022, 2023, and 2024 are John Paul L. Ang, Manny C. Teng, Monica L. Ang-Mercado, Manuel P. Daway, and Jens Christian Enemark Lund.

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 31 December 2024;
2. Minutes of the 2024 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 19 July 2023
    d. Presentation of the Annual Report
    e. Ratification of the Acts of the Board of Directors and Management
    f. Re-appointment of External Auditors
    g. Election of Members of the Board of Directors
    h. Adjournment

3. Ratification of all the acts of the Board of Directors and Officers since the 2024 Annual Stockholders' Meeting
4. Re-appointment of External Auditor
5. Election of Members of the Board of Directors

The Minutes of the 2024 Annual Stockholders' Meeting is attached in this Information Statement as ***Annex "E",*** and will also be made available for download through the Company's website (https://www.eaglecement.com.ph/governance/disclosures/). Minutes of the 2024 Annual Stockholders' Meeting and resolutions of the Board of Directors since the date of the 2024 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 13 June 2025 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 Secretary 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 ***Annex "C".***

Brief Description of the General Nature and Business of the Corporation

Eagle Cement Corporation (the "Company" or the "Corporation") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 21, 1995. It is primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products.

The Company was listed on the Philippine Stock Exchange (PSE) in May 2017. In December 2022, San Miguel Equity Investments, Inc. (SMEII) became the owner of 99.9581% of the common shares in the Company by way of share purchase and tender offer of shares. SMEII is a wholly-owned subsidiary of San Miguel Corporation (SMC).

Following SMEII's acquisition of 99.9581% equity interest in the Company, the latter filed a petition for voluntary delisting of its common shares listed on the main board of the PSE. In January 2023, the PSE approved the delisting of the Company effective end of business on February 28, 2023.

The Company holds office at 2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong City, Metro Manila. It operates its cement manufacturing plant in Barangay Akle, San Ildefonso, Bulacan.

The Company has three (3) subsidiaries:

1. South Western Cement Corporation (SWCC) was incorporated in the Philippines on December 26, 1994. Its primary purpose is to engage in manufacturing, marketing, sale and distribution of cement, cement products and by-products. The Company acquired 100% equity interest in SWCC in December 2016. To date, SWCC has not commenced commercial operations.

2. Solid North Mineral Corporation (SNMC) was incorporated in the Philippines on July 19, 1995. It is engaged in the business of mining and quarrying, and is authorized to manufacture and distribute cement products and other minerals. It was acquired by the Company on November 4, 2021.

3. Armstrong Flyash and Logistics Company, Inc. (AFALCI) was incorporated in the Philippines on June 2, 2015. It is engaged in the business of manufacturing, processing, sale and distribution of fly-ash, bottom ash, hi-carbon and other by-products. The Company acquired 100% equity interest in AFALCI in December 2022.

The Company, together with its three (3) subsidiaries, is hereafter collectively referred to as the "Group".

The Group has never been the subject of a bankruptcy, receivership or similar proceeding during the past five (5) years.

Business of Eagle Cement

The Company is primarily engaged in the business of manufacturing, developing, processing, marketing, sale and distribution of cement, cement products, minerals and other by-products. It is one of the largest players in the Philippine cement industry and has the fastest growing market share amongst all competitors in the industry since it started its commercial operations in 2010.

The competitive strength of the Company 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. It has the newest, state-of-the art, and single largest fully-integrated cement production facility in the Philippines 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 Eight Million Six Hundred Thousand (8,600,000) Metric Tonnes ("MT") or Two Hundred Fifteen Million (215,000,000) bags per annum. 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 the Group.

About sixty-three percent (63%) of the country's total cement demand come from Luzon region. Eagle Cement currently distributes its products in National Capital Region (NCR), Region I (Pangasinan), Region II (Cagayan, Isabela, and Nueva Vizcaya), Region III (Nueva Ecija, Bulacan, Pampanga, Tarlac, Bataan and Zambales), and Region IV (Cavite, Laguna, Batangas, Occidental Mindoro, Oriental Mindoro and Quezon). As of 2024, NCR still serves as the center of construction and infrastructure activities in the country. The Company is considered as one of the leading players in areas with the highest economic activity in the Philippines with an estimated market share of 30% in Luzon, based on internal market survey.

SNMC, a subsidiary of the Company, is operating a limestone, shale and pozzolan quarry and a Limestone Pulverizing Plant in San Ildefonso, Bulacan with an annual capacity of one million (1,000,000) metric tonnes. Bulk of its production are used as raw materials in the Company's cement production and are supplied to power companies.

AFALCI, another subsidiary of the Company, is operating a Flyash Separator Plant that processes waste flyash into product usable for ready mixed concrete and cement production.

Products and Brands

The Company offers Blended (Type 1P/Type 1T) 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 its products, *Eagle Cement Strongcem* is being used in concrete designs of up to a high of twelve thousand pounds per square inch (12,000 PSI).

Eagle Cement Advance (Type 1P/Type 1T) is a blended cement used for general construction applications such as floorings, plastering, as well as the production of concrete products like hollow blocks, culverts and concrete pipes. This type of cement is available in 40-kg per bag. 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.

Eagle Cement Strongcem (Type 1) is a Type 1 portland cement which is available in bulk and a one-tonner bag. This type of 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.

Distribution Methods

Eagle Cement has two (2) distribution centers located in Cavite and Batangas. These are complemented by a fleet of more than 750 cargo trucks, trailers, and 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 the Company supplies cement products to about 100 dealers and sub-dealers all over NCR and Region IVA.

Competition

Current Domestic Supply

As of December 2024, the Philippine cement industry has an estimated annual cement capacity of 50 Million MT based on nameplate capacities of integrated cement manufacturing and grinding plants in the country. The top four (4) industry players (Holcim Philippines, Inc., Cemex Holdings Philippines, Inc., Republic Cement and Building Materials, Inc., and Eagle Cement Corp.) account for about 68% of cement domestic production.

In the Luzon region, the top four industry players account for about 67% share of the market. While the Company has 30% share of the Luzon market, it has an estimated market share of 27%, 45% and 56% in NCR, Region 3 and Region 4A, respectively. The Company has been considered as one of the leading cement players in the areas with highest economic activities in the Philippines.

The Company has a diverse customer base and is not dependent on any single customer. No single customer accounts for 20% or more of its total revenues.

Imports

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. In March 2023, the Bureau of Customs issued Customs Memorandum Order No. 05-2023 (to implement Department of Trade and industry Administrative Order No. 2-01) imposing definitive anti-dumping measure against importations of ordinary Portland cement (Type 1) and blended cement (Type 1P) to protect the local cement industry.

Sources and availability of raw materials

Raw materials such as limestone, shale and pozzolan are sourced primarily from the Group's own reserves pursuant to its mineral rights. As part of the strategy, said reserves are co-located or within proximity of the Bulacan Cement Plant to minimize transportation/hauling costs.

The Company also procures gypsum, silica, and other raw materials from local and foreign suppliers.

Customers

Eagle Cement 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 the Company. For further information on the Company's products, services, and other relevant business conditions, please refer to ***Annex "C"***.

Employees

As of 31 March 2025, the Company employs 581 individuals. None of the employees belong to a union. The Company anticipates to have approximately 644 employees or an additional 63 employees by end of 2025. The breakdown of the employees based on their classifications is as follows:

Type of employee	As of 31 March 2025	As of 31 December 2025 (estimate)
Management Committee	5	5
Managers	25	25
Superintendents/ Heads	35	39
Supervisors	210	227
Rank-and-File	306	348
TOTAL	**581**	**644**

The Company maintains a good relationship with its workforce. Neither the Company nor any of its subsidiaries has experienced a work stoppage as a result of labor disagreements. None of the employees belong to a union.

The Company has a rewards and recognition policy that is competitive with industry standards in the Philippines. The Company also provides other benefits for the increased security of its employees.

PROPERTIES

The Company has three (3) integrated cement lines in its Bulacan Cement Plant, which include three kilns, five cement mills, three packhouses, five cement silos, and other support production facilities, such as waste heat recovery facility, raw materials storage, clinker silos and buildings. It owns the lands on which those facilities and equipment are located. It also owns other support facilities, such as IT Center, Administration, Logistics, and EHS Buildings, Motor Pool, Fabrication Facilities, Warehouses, Guest House and Employees Quarters. The Company also owns a grinding and packaging facility in Limay, Bataan.

Its subsidiary, SNMC, owns lands and other equipment, buildings and improvements in San Ildefonso, Bulacan, which include, among others, a Limestone Pulverizing Plant, staff housing units, and a warehouse.

AFALCI owns a Flyash Separator Plant in San Ildefonso, Bulacan. SWCC owns parcels of land in Malabuyoc and Ginatilan, Cebu.

The Company currently rents the following properties, all of which with option to renew:

Property Type	Contract Expiration	Gross Amount (in PhP)
Warehouse 1	31/12/2025	250,000.00
Warehouse 2	21/12/2028	607,359.36
Office Building	31/12/2026	73,296.16
Office Building	14/10/2026	638,408.10

There are no limitations on the usage of the properties listed above, other than the lease term. Acquisitions of material properties in the next twelve (12) months, if any, will be funded by internally generated funds of the Company.

Intellectual Properties

All marks, names and other related intellectual property rights used by the Company are registered in its nae and are valid to date, such as the names/marks “Eagle”, “Eagle Cement”, “Eagle Cement Exceed”, “Eagle Cement Strongcem”, Eagle Cement High sa Tibay”, among others.

Financial Statements

The SEC Form 17-A or the results of the financial position of the Corporation as of 31 December 2024 and the Audited Consolidated Financial Statements of the Corporation as of 31 December 2024, including the Corporation’s Statement of Management’s Responsibility, is attached to this Information Statement as ***Annex “C”.***

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”).

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.

RESULTS OF OPERATIONS FOR THREE MONTHS ENDED MARCH 31, 2025 and MARCH 31, 2024

The Group posted consolidated revenues of ₱6.00 billion during the period, 5% lower against the ₱6.30 billion in previous year despite higher sales volume primarily due to the significant decline in selling price.

Cost of sales increased by 5% to ₱4.47 billion from ₱4.24 billion primarily due higher power rates, increased overhead costs, and additional depreciation from newly capitalized assets.

As a result, the gross profit declined by 25% to ₱1.54 billion with gross profit margin contracting from 33% during the first quarter of 2024 to 26% in the first quarter of 2025.

Operating expenses (OPEX) decreased by 25% to ₱569.65 million from ₱761.77 million, largely due to reduction in advertising and promotion spending during the quarter.

Finance costs rose by 68% to ₱2.84 million from ₱1.70 million, driven by the recognition of interest related to the asset retirement obligation under the company's newly approved mining plan, as outlined in the existing MPSA.

Interest income fell sharply by 36% to ₱107.05 million, reflecting lower investment values and declining yields on short-term placements.

Other income saw an 826% increase, largely due to realized and unrealized gains from foreign currency-denominated transactions and higher rates on bond investments.

Provision for income tax dropped by 6% to ₱232.83 million, in line with the lower taxable income for the period.

Net income after tax (NIAT) declined by 30% to ₱849.24 million from ₱1.21 billion last year. This translated to EPS of ₱0.17, lower than last year’s ₱0.24 by 30%.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) likewise decreased by 18% to ₱1.38 billion from ₱1.68 billion, with EBITDA margin registering at 23%.

The table below summarizes the unaudited interim consolidated results of operations of the Group for the three months ended March 31, 2025 and 2024.

	For the Three Months Ended March 31 *(in Millions of Philippine Pesos, except percentages)*			
	2025	**2024**	**Change**	**% of Change**
Net Sales	₱6,003	₱6,298	(₱295)	-5%
Cost of Goods Sold	4,466	4,240	226	5%
Gross Profit	1,537	2,058	(521)	-25%
Operating Expenses	570	762	(192)	-25%
Income from Operations	967	1,296	(329)	-25%
Finance costs	(3)	(2)	(1)	68%
Interest Income	107	167	(60)	-36%
Other income (loss) – net	11	(1)	12	826%
Income Before Income Tax	1,082	1,460	(378)	-26%
Income Tax Expense	233	247	(14)	-6%
Net Income	₱849	₱1,213	(₱364)	-30%

Calculation of EBITDA

	For the three months ended March 31	
	2025	**2024**
Net income	₱849	₱1,213
Add:		
Income tax expense	233	247
Depreciation and amortization	401	366
Finance costs	3	2
Foreign exchange losses (net)	(2)	14
Less:		
Interest income	107	167
EBITDA	₱1,377	₱1,675

<u>FINANCIAL CONDITION</u>

Comparative balances for March 31, 2025 and December 31, 2024

The financial position of the Group for the period ended March 31, 2025 remains stable with the 2% increase in total assets to ₱42.35 billion, compared to ₱41.33 billion as at end of 2024.

Cash and cash equivalents increased by 15% to ₱9.79 billion mainly due to higher cash generated from operations, partially offset by the ₱409.69 million spent on acquisition of assets.

Non-current assets remain steady at ₱27.33 billion.

Current liabilities significantly rose by 29% to ₱5.26 billion driven by the ₱1.00 billion dividend payable to shareholders.

Non-current liabilities fell by 3% to ₱242.18 million, due to lease payments and annual payment related to the installment contract entered in 2016.

Overall, total liabilities amounted to ₱5.50 billion, representing a 27% increase from ₱4.34 billion in 2024.

After accounting for net income, cash dividend declaration and other equity reserves, consolidated stockholders' equity decreased by ₱149.83 million to ₱36.84 billion.

The Group's debt-to-equity ratio stood at a conservative 0.15x, providing ample financial flexibility to support future investment plans. The current ratio remains strong at 2.85x, while return on equity ended at 2%.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2025	**December 31, 2024**	**Increase/ (Decrease)**	**Percentage of Change**
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	₱15,019	₱14,033	₱986	7%
Noncurrent Assets	27,329	27,299	30	0%
Total Assets	**42,348**	**41,332**	**1,016**	**2%**
Current Liabilities	5,262	4,089	1,173	29%
Noncurrent Liabilities	242	250	(8)	-3%
Total Liabilities	**5,504**	**4,339**	1,165	27%
Equity	**36,844**	**36,993**	(149)	-0%
Total Liabilities and Equity	**₱42,348**	**₱41,332**	**₱1,016**	**2%**

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	Definition	2025	2024
Current/liquidity ratio*	$\frac{\text{Current assets}}{\text{Current liabilities}}$	2.85	3.43
Solvency ratio**	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	0.23	0.25
Debt-to-equity ratio*	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.15	0.12
Asset-to-equity ratio*	$\frac{\text{Total assets}}{\text{Total equity}}$	1.15	1.12
Return on asset ratio**	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.02	0.03
Return on equity ratio**	$\frac{\text{Net income}}{\text{Average total equity}}$	0.02	0.03

**Comparative balance for 2024 is as at 31 December 2024.*

***Comparative balance for 2024 is as at and for the three months ended 31 March 2024.*

The SEC Form 17-Q or the quarterly report of the Corporation as at and for the period ended 31 March 2025 is attached to this Information Statement as ***Annex "D".***

Capital Expenditure

The total capital expenditure of the Group for the three months ended March 31, 2025 amounted to ₱351.75 million. Of that amount, 99% was spent for plant building, machinery and equipment, while the remaining 1% was spent for transportation equipment, furniture, fixtures and office equipment.

Liquidity and Capital Resources

Cash Flows

The primary sources and uses of cash of the Group for the three months ended March 31, 2025 and 2024 are summarized below.

	For the three months ended March 31,	
	2025	**2024**
	(in Millions of Philippine Pesos)	
Net cash provided by operating activities	₱1,629	₱1,461
Net cash provided by (used in) investing activities	(354)	219
Net cash used in financing activities	(14)	(7)
Net increase in cash and cash equivalents	1,261	1,673
Effects of exchange rate changes	(3)	2
Cash and cash equivalents at beginning of period	8,536	10,747
Cash and cash equivalents at end of period	₱9,794	₱12,422

Cash Flows from Operating Activities
Internal cash generated from operations this period amounted to ₱1.63 billion. This was primarily the result of net income before taxes of ₱1.08 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱401.20 million and interest received of ₱127.24 million.

Cash Flow from Investing Activities
Cash used in investing activities amounted to ₱354.54 million. This was mainly attributable to the amount spent on the acquisition of property, plant and equipment and intangible assets.

Cash Flow from Financing Activities
Cash utilized for financing activities totaled ₱13.87 million.

Consolidated ending cash closed at ₱9.79 billion, 15% increase from beginning balance of ₱8.54 billion.

RESULTS OF OPERATIONS (2024 VS. 2023)

The Group posted a full-year consolidated revenues of ₱23.87 billion, 6% lower against the ₱25.44 billion in previous year despite higher sales volume primarily due to the decline in selling price.

Cost of sales slightly increased by 0.4% to ₱16.72 billion from ₱16.66 billion, driven by an increase in other manufacturing expenses, partially offset by the improvements in major input cost, particularly coal and power

As a result, the gross profit declined by 19% to ₱7.15 billion, with gross profit margin contracting from 35% in 2023 to 30% in 2024.

OPEX decreased by 8% to ₱2.70 billion from ₱2.94 billion, mainly due to lower advertising and distribution costs.

Finance costs declined by 97% to ₱7.01 million from ₱202.89 million in the previous year. This was attributed to the full prepayment of the Term Loan Facility and Security Agreement (TLFSA) in May 2023, which included ₱97.87 million in pre-termination fees recognized in that year.

Interest income rose by 5% to ₱681.99 million, benefiting from higher value and yields on short-term investments.

Other income increased by 111% to ₱94.53 million, largely due to absence of losses from the disposal of assets and liabilities held for sale, which were recognized in the prior year.

The income tax provision decreased by 24% to ₱807.69 million from ₱1.07 billion in line with the lower taxable income.

NIAT increased by 2% to ₱4.41 billion from ₱4.32 billion last year. This translates to EPS of ₱0.88, 2% increase from ₱0.86 in the previous year.

For the fourth quarter of 2024, the Group reported net sales of ₱5.48 billion, down 5% compared to the same quarter in the prior year. Gross profit is down by 33% to ₱1.27 billion while EBITDA and NIAT also dropped by 28% and 14% to ₱1.07 billion and ₱858.67 million, respectively.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2024 and 2023.

	For the Year Ended December 31 *(in Millions of Philippine Pesos, except percentages)*			
	2024	**2023**	**Change**	**% of Change**
Net Sales	₱23,874	₱25,443	(₱1,569)	-6%
Cost of Goods Sold	16,720	16,658	62	0%
Gross Profit	7,154	8,785	(1,631)	-19%
Operating Expenses	2,705	2,942	(237)	-8%
Income from Operations	4,449	5,843	(1,394)	-24%
Finance costs	7	203	(196)	-97%
Interest Income	682	648	34	5%
Other income (loss) – net	95	(897)	992	111%
Income Before Income Tax	5,219	5,391	(172)	-3%
Income Tax Expense	808	1,069	(261)	-24%
Net Income	₱4,411	₱4,322	₱89	2%

Calculation of EBITDA

	For the year ended	
	December 31, 2024	**December 31, 2023**
Net income	₱4,411	₱4,322
Add:		
Income tax expense	808	1,069
Depreciation and amortization	1,516	1,474
Finance costs	7	203
Less:		
Interest income	682	648
Foreign exchange gain	72	

EBITDA	₱5,988	₱6,420

FINANCIAL CONDITION

Comparative balances as of December 31, 2024 and December 31, 2023

The financial position of the Group for the year ended December 31, 2024 remains stable despite the 7% decline in total assets to ₱41.33 billion, compared to ₱44.25 billion as at end of 2023.

Cash and cash equivalents declined by 21% to ₱8.54 billion mainly due to lower cash generated from operations and the ₱6.70 billion dividend payments to shareholders. This was partially offset by the ₱725 million proceeds from matured investments. As a result, current assets declined by 18% to ₱14.03 billion.

Non-current assets increased slightly by 1% to ₱27.30 billion, reflecting the Group's acquisition of additional assets during the year.

Current liabilities fell by 15% to ₱4.09 billion driven by settlement of payables for completed projects and a reduction in income tax payable compared to the previous year.

Non-current liabilities rose by 30% to ₱249.79 million, due to increased lease liabilities and provision for mine rehabilitation. The latter is related to the newly approved mining plan under the existing Mineral Production Sharing Agreement (MPSA) of the Company.

Overall, total liabilities amounted to ₱4.34 billion, representing a 13% decrease from ₱5.00 billion in 2023.

After accounting for net income, cash dividends payments and other equity reserves, consolidated stockholders' equity decreased by 6% to ₱36.99 billion.

The Group's debt-to-equity ratio stood at a conservative 0.12x., providing ample financial flexibility to support future investment plans. The current ratio remains strong at 3.43x, while return on equity ended at 12%.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31			
	2024	**2023 – As restated**	**Increase/ (Decrease)**	**Percentage of Change**
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	₱14,033	₱17,089	(₱3,056)	-18%
Noncurrent Assets	27,299	27,159	140	1%
Total Assets	**41,332**	**44,248**	**(2,916)**	**-7%**
Current Liabilities	4,089	4,809	(720)	-15%
Noncurrent Liabilities	249	192	57	30%
Total Liabilities	**4,338**	**5,001**	**(663)**	**-13%**
Equity	**36,994**	**39,247**	**(2,253)**	**-6%**
Total Liabilities and Equity	**₱41,332**	**₱44,248**	**(₱2,916)**	**-7%**

COMPANY PERFORMANCE AND PROFITABILITY AND LIQUIDITY

Key Performance Indicators

Relevant Financial Ratios

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

Financial KPI	Formula	2024	2023 – As restated	2022 – As restated
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.43	3.55	3.80
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	1.37	1.16	0.76
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.12	0.13	0.22
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.12	1.13	1.22
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.10	0.10	0.11
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	0.12	0.11	0.13

Capital Expenditure

The total capital expenditure of the Group in 2024 amounted to ₱1.60 billion. Of that amount, 90% was spent for plant machinery and equipment, while the remaining 10% was accounted for land, building and improvement, transportation equipment, furniture, fixtures and office equipment.

Liquidity and Capital Resources

Cash Flows

The primary sources and uses of cash of the Group for calendar years 2024, 2023 and 2022 were as follows:

	For the years ended December 31		
	2024	2023 – As restated	2022 – As restated
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	4,741	7,151	5,696
Cash flows provided by (used in) investing activities	(226)	4,013	(2,195)
Cash flows used in financing activities	(6,727)	(9,949)	(5,501)
Net effect of exchange rate changes on cash and cash equivalents	1	(15)	19
Net increase (decrease) in cash and cash equivalents	(2,211)	1,200	(1,981)
Cash included in asset held for sale			(117)
Cash and cash equivalents at beginning of year	10,747	9,547	11,645
Cash and cash equivalents at end of year	8,536	10,747	9,547

Cash Flows from Operating Activities
Internal cash generated from operations this year amounted to ₱4.74 billion. This was primarily the result of net income before taxes of ₱5.22 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱1.52 billion, income taxes paid of ₱681.52 million and interest received of ₱719.29 million.

Cash Flow from Investing Activities
Cash used in investing activities amounted to ₱226.16 million. This was mainly because of the cash spent on the acquisition of property, plant and equipment and intangible assets amounting to ₱959.62 million, partially offset by the maturity of ₱725.00 million investments.

Cash Flow from Financing Activities
Cash utilized for financing activities totaled ₱6.73 billion. This mainly comprised of cash dividend payments of ₱6.70 billion and payment for leases of ₱23.23 million.

Consolidated ending cash closed at ₱8.54 billion, 21% decrease from beginning balance of ₱10.75 billion.

RESULTS OF OPERATIONS (2023 VS. 2022)

The Group posted a full-year consolidated revenues of ₱25.44 billion, 4% lower against the ₱26.38 billion in previous year primarily due to the lower sales volume and decline in selling price.

Cost of sales decreased by 9% to ₱16.66 billion from ₱18.25 billion as a result of the lower sales volume and together with the improvement of major input cost mainly fuel and power.

Thus, the gross profit grew by 8% to ₱8.78 billion showing an upswing on gross profit margin from 31% last year to 35%.

OPEX increased by 8% to ₱2.94 billion from ₱2.72 billion due to increase in advertising, and distribution costs.

Finance costs declined by 31% to ₱202.89 million from ₱293.06 million last year due to the full prepayment of TLFSA last May 2023 incurring ₱97.87 million of pre-termination fees.

Interest income increased by 137% to ₱648.40 million due to higher yield from short-term investments following the interest hike by BSP.

Other income (loss) decreased by 193% to (₱897.07) million, as a result of the disposal of assets and liabilities held for sale.

The income tax provision increased by 9% to ₱1.07 billion from ₱983.91 million due to the lapse of the Income Tax Holiday (ITH) with the Board of Investments (BOI) last April 2022.

NIAT dropped by 20% to ₱4.32 billion from ₱5.38 billion last year. This translated to EPS of ₱0.86, lower than last year's ₱1.08 by 20%.

For the fourth quarter alone, the Group reported net sales of ₱5.78 billion, 8% behind relative to the same quarter in the prior year. Gross profit is up by 22% to ₱1.88 billion while EBITDA and NIAT dropped by 13% to ₱1.47 billion and 14% to ₱995.68 million respectively.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31 *(in Millions of Philippine Pesos, except percentages)*			
	2023	**2022**	**Change**	**% of Change**
Net Sales	₱25,443	₱26,384	(₱941)	-4%
Cost of Goods Sold	16,658	18,245	(1,587)	-9%
Gross Profit	8,785	8,139	646	8%

Operating Expenses	2,942	2,724	218	8%
Income from Operations	5,843	5,415	428	8%
Finance costs	203	293	(90)	-31%
Interest Income	648	273	375	137%
Other income (loss) – net	(897)	967	(1,864)	-193%
Income Before Income Tax	5,391	6,362	(971)	-15%
Income Tax Expense	1,069	984	85	9%
Net Income	₱4,322	₱5,378	(₱1,056)	-20%

Calculation of EBITDA

	For the year ended	
	December 31, 2023	**December 31, 2022**
Net income	₱4,322	₱5,378
Add:		
Income tax expense	1,069	984
Depreciation and amortization	1,474	1,332
Finance costs	203	293
Less:		
Interest income	648	273
EBITDA	₱6,420	₱7,714

FINANCIAL CONDITION

Comparative balances as of December 31, 2023 and December 31, 2022

The financial position of the Group for the year ended December 31, 2023 remains stable even with total assets declining by 10% to ₱44.25 billion from ₱49.41 billion as at end of 2022.

Current assets declined by 22% to ₱17.09 billion primarily due to the disposal of asset held for sale. Cash and cash equivalents increased by 13% to ₱10.75 billion mainly due to higher cash generated from operations and ₱4.00 billion proceeds from redemption of perpetual shares negated by ₱5.60 billion dividend payments and full prepayment of the TLFSA.

Non-current assets slightly dropped by 1% to ₱27.16 billion mainly because of depreciation of property, plant and equipment.

Current liabilities and non-current liabilities bumped by 17% to ₱4.81 billion and 94% to ₱191.60 million, respectively, mainly due to the full prepayment of the TLFSA.

Total liabilities stood at ₱5.00 billion, significantly decreased by 44% from ₱8.87 billion last year.

After accounting for net income, cash dividends payments and other equity reserves, consolidated stockholders' equity decreased by 3% to ₱39.25 billion.

The Group's debt-to-equity ratio registered at 0.13x. The current gearing gives the Group more flexibility to support its investment plans. Meanwhile, current ratio stood at 3.55x while return on equity ended at 11%.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31			
	2023 – As restated	**2022 – As restated**	**Increase/ (Decrease)**	**Percentage of Change**
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	₱17,089	₱22,030	(₱4,941)	-22%
Noncurrent Assets	27,159	27,384	(225)	-1%
Total Assets	**44,248**	**49,414**	**(5,166)**	**-10%**
Current Liabilities	4,809	5,793	(984)	-17%
Noncurrent Liabilities	192	3,074	(2,882)	-94%
Total Liabilities	**5,001**	**8,867**	(3,866)	-44%
Equity	**39,247**	**40,547**	(1,300)	-3%
Total Liabilities and Equity	**₱44,248**	**₱49,414**	**(₱5,166)**	**-10%**

COMPANY PERFORMANCE AND PROFITABILITY AND LIQUIDITY

Key Performance Indicators

Relevant Financial Ratios

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

Financial KPI	Formula	2023	2022	2021
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.55	3.80	3.61
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	1.16	0.76	0.65
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.13	0.22	0.26
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.13	1.22	1.26
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.10	0.11	0.12
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	0.11	0.13	0.15

Capital Expenditure

The total capital expenditure of the Group in 2023 amounted to ₱1.2 billion. Of that amount, 91% was spent for plant machinery and equipment, while the remaining 9% was accounted for land, building and improvement, transportation equipment, furniture, fixtures and office equipment.

Liquidity and Capital Resources

Cash Flows
The primary sources and uses of cash of the Group for calendar years 2023, 2022 and 2021 were as follows:

	For the years ended December 31		
	2023	**2022**	**2021**
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	7,151	5,696	8,783
Cash flows provided by (used in) investing activities	4,013	(2,195)	(3,886)
Cash flows used in financing activities	(9,949)	(5,501)	(4,719)
Net effect of exchange rate changes on cash and cash equivalents	(15)	19	
Net increase (decrease) in cash and cash equivalents	1,200	(1,981)	179
Cash included in asset held for sale		(117)	
Cash and cash equivalents at beginning of year	9,547	11,645	11,466
Cash and cash equivalents at end of year	10,747	9,547	11,645

Cash Flows from Operating Activities
Internal cash generation from operations this year amounted to ₱7.15 billion. This was primarily the result of net income before taxes of ₱5.39 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱1.48 billion, finance costs of ₱202.89 million, income taxes paid of ₱693.63 million and interest received of ₱585.90 million.

Cash Flow from Investing Activities
Cash generated from investing activities amounted to ₱4.01 billion. This was mainly received from the redemption of perpetual shares of ₱4.00 billion, maturity of ₱500.00 million long-term placements, proceeds from disposal of asset held for sale of ₱418.39 million, and cash dividends of ₱136.80 million, partially negated by the amount spent on the acquisition of property, plant and equipment and intangible assets.

Cash Flow from Financing Activities
Cash utilized for financing activities totaled ₱9.95 billion. This mainly comprised of cash dividend payments of ₱5.60 billion and full prepayment of TLFSA of ₱4.26 billion.

Consolidated ending cash closed at ₱10.75 billion, 13% increase from beginning balance of ₱9.55 billion.

Restatement of Accounts

In 2024, the Group changed its policy on the measurement of land from revaluation model to cost model to align with the accounting policy of its Ultimate Parent Company. The management believes that this will provide more reliable and relevant information about the land on the Group's financial position, financial performance or cash flows. Accordingly, the 2023 and 2022 consolidated financial statements were restated to reflect the change retroactively.

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:

	2024	2023	2022
Audit and other audit related fees	**₱3,800,000**	₱3,800,000	₱4,780,000

Tax fees	**360,000**	360,000	360,000

Prior to the commencement of the audit, the Audit and Risk Committee evaluates the annual audit plan and discusses with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The Audit and Risk Committee evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The appointment, reappointment, removal, and fees of the external auditor shall be recommended by the Audit Committee, approved by the Board and ratified by the shareholders, in accordance with the Manual of Corporate Governance and in the Audit and Risk Committee Charter.

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

LEGAL PROCEEDINGS

The Company is a plaintiff in one civil case for Fraud, instituted on 17 June 2011, and pending before the Regional Trial Court of Mandaluyong, Branch 211. It sought to enjoin defendants Exclusive Precinct Int. (M) Sdn Bhd, PT Hasta Yasa Semsta, an Indonesian entity, QY Asia Marketing & Services Sdn Bhd, a Malaysian entity, and Malayan Bank Berhad , from claiming under a Letter of Credit in the amount of Nine Hundred Four Thousand US Dollars (US$904,000.00), and defendant Bank of Commerce from releasing payment under the said Letter of Credit.

On July 12, 2011, a writ of preliminary injunction was issued by the presiding judge of the Regional Trial Court of Mandaluyong, Branch 211, enjoining defendants from claiming payment from defendant Bank of Commerce.

As of December 31, 2024, the trial of the case is continuously being held.

Effect of Existing or Probable Governmental Regulations on the Business

The business and operations of the Corporation are subject to a number of health, safety, security and environmental 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. The Corporation is also subject to extensive regulation by the Securities and Exchange Commission, Department of Environment and Natural Resources, Department of Energy, and local government units.

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 and an Environmental Compliance Certificate (ECC) are mandatory. A Certificate of Compliance from the Energy Regulatory Commission 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. The Extended Producer Responsibility Act of 2022 (R.A. No. 11898) institutionalizing the extended responsibility on plastic packaging also applies to 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 all costs related to f implementation of the same.

Taxation Laws

Pursuant to 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.

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.

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 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 Mutual 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 Company form part of the function of its Quality and Process Departments. The Company spent on said activities a total of ₱39.94 million, ₱233.9 million, and ₱116.08 million in 2023, 2022 and 2021, representing 0.2%, 0.9%, and 0.5% of total net sales, respectively.

Major Risks Involved

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 Internal Audit Department is tasked with the implementation of a risk-based auditing.

Major Risks

The Company 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 Company if the risk would occur. The major risks that the Company managed were the following:

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 Company'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 Company, either directly or indirectly.

Except as covered by the above-mentioned specific risks, the Company 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 Company 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 Company has a corporate-wide health, safety and environment program that likewise addresses the risk of operational disruptions.

Regulatory risk

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

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

Market Price of and Dividends on the Company's Common Equity and Related Stockholder Matters

The delisting of the Company's 5,000,000,005 common shares was approved by the PSE and became effective as of close of business on 28 February 2023.

Stock Prices	High	Low
Listing Date 29 May 2017	₱16.12	₱15.20
2nd Quarter of 2017	₱16.60	₱15.40
3rd Quarter of 2017	₱16.00	₱14.76
4th Quarter of 2017	₱15.18	₱14.10
1st Quarter of 2018	₱15.72	₱13.90
2nd Quarter of 2018	₱16.30	₱14.20
3rd Quarter of 2018	₱16.24	₱15.12
4th Quarter of 2018	₱15.66	₱14.62
1st Quarter of 2019	₱16.38	₱15.00
2nd Quarter of 2019	₱16.22	₱15.60
3rd Quarter of 2019	₱15.84	₱14.00
4th Quarter of 2019	₱15.60	₱14.06
1st Quarter of 2020	₱14.78	₱5.90
2nd Quarter of 2020	₱10.88	₱7.35
3rd Quarter of 2020	₱14.60	₱9.79
4th Quarter of 2020	₱16.10	₱14.40
1st Quarter of 2021	₱14.50	₱10.44
2nd Quarter of 2021	₱15.30	₱10.60
3rd Quarter of 2021	₱15.70	₱14.00
4th Quarter of 2021	₱15.26	₱13.66
1st Quarter of 2022	₱14.88	₱12.70

The approximate number of registered shareholders as of 18 July 2024 is 48. The Company is currently in the process of ascertaining the remaining number of beneficial shareholders.

Top Twenty (20) Stockholders (Common)*

	Name of Stockholder	No. of Shares	Percentage of ownership
1	San Miguel Equity Investments Inc.	4,997,903,671	99.96%
2	PCD Nominee Corp – Non-Filipino	1,075,200	0.02%
3	PCD Nominee Corp - Filipino	771,304	0.01%
4	Pete Erwin B. Lim	100,800	0.00%
5	Raul S. Hernandez	35,000	0.00%
6	Mariano R. Lacambacal Jr.	27,000	0.00%
7	Renato O. Chiu	20,000	0.00%
8	Katherine G. Mahawan	15,400	0.00%
9	Shirley Go Tan or Joseph Allen Sy Suan Tan	10,000	0.00%
10	Daniel M. Isla	6,600	0.00%
11	Vicente L. Rabo and/or Vlamir S. Rabo	6,500	0.00%
12	Jupiter R. Junio	4,700	0.00%
13	Jonathan P. Geminiano	4,200	0.00%
14	Anita Q. Estioko	3,300	0.00%
15	Manolette S. Cruz	3,000	0.00%
16	Jonathan J. Cordova	2,100	0.00%
17	Renato D. Munez	2,000	0.00%
18	Lolita Siao-Ignacio	1,600	0.00%
19	Romeo A. Dela Victoria	1,500	0.00%
20	Rhea G. Arguelles	1,500	0.00%
TOTAL		**4,999,995,375**	**99.99%**

Other than the foregoing, there are no securities being sold by the Corporation which were not registered in accordance with the Securities Regulation Code.

Dividend Declaration – Common Shares

On April 07, 2021, the Board of Directors approved the amendment of the existing Dividend Policy of the Company, 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.

Below is a summary of the cash dividend declarations of the Company in the past three years:

Date of Declaration	Class of Shares	Rate per share (₱)	Total Amount (₱)	Record Date
May 12, 2022	Common	0.40	2,000,000,002.00	May 26, 2022
August 04, 2022	Common	0.40	2,000,000,002.00	August 18, 2022
July 19, 2023	Common	0.56	2,800,000,002.80	August 2, 2023
November 14, 2023	Common	0.56	2,800,000,002.80	December 11, 2023
March 12, 2024	Common	0.20	1,000,000,001.00	March 26, 2024
July 18, 2024	Common	0.20	1,000,000,001.20	August 1, 2024
August 15, 2024	Common	0.20	1,000,000,001.20	September 3, 2024
November 12, 2024	Common	0.20	1,000,000,001.20	November 26, 2024
December 3, 2024	Common	0.54	2,700,000,003.24	December 17, 2024

Compliance with Best Practices on Corporate Governance

The evaluation by the Company 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 Company has substantially adopted the provisions of the Manual. Pursuant to its commitment to good governance and business practice, the Company 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 Company 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 SEC and other regulatory bodies, and to align with the recommendations and principles under the ASEAN Corporate Governance Scorecard. In accordance with SEC Memorandum Circular No. 24, Series of 2019 and SEC Memorandum Circular No. 19, Series of 2020, the Annual Corporate Governance Report (ACGR) of the Company for 2024 shall be filed on or before 30 June 2025.

Annual Continuing Training for Directors

To ensure that the Company is headed by competent working board and management, the Board of Directors and key officers of the Company participated in Corporate Governance Training conducted by either the Center for Global Best Practices, Ateneo De Manila University Center for Continuing Education, or SGV & Co., SEC-accredited Corporate Governance training providers.

Corporate Governance Performance Assessments

In compliance with the Code of Corporate Governance for Public Companies and Registered Issuers and the Annual Corporate Governance Report, the Company, through the Office of Compliance Officer, conducted the annual self-assessment of the performance and the effectiveness of the Board, the committees and the key officers of the Company for the year 2024. The self-assessment forms were distributed to all directors and key officers on 16 May 2025, and completed forms were received by the Compliance Officer also in 22 May 2025. Overall, the directors, committee members and key officers believe that they have, individually and collectively, performed well and effectively.

There has been no known deviation from the ECC Manual of Corporate Governance.

The Board remains committed to enhancing the Company's corporate governance by continuously refining and adopting existing and new policies, respectively, in accordance with the Corporate Governance Manual, and proactively implementing measures to ensure their effective enforcement.

UNDERTAKING

The Company will post and make available for download the full version of this SEC Form 20-IS (Definitive Information Statement), together with all its annexes including the 2024 consolidated audited financial statements of the Company and the SEC form 17-Q for the period ended 31 March 2025 on the company website www.eaglecement.com.ph, upon its approval by the Securities and Exchange Commission.

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

The Corporate Secretary
EAGLE CEMENT CORPORATION
2/F SMITS Corporate Center, No. 155 EDSA, Brgy. Wack-wack, Mandaluyong City
corporatesecretary@eagle-cement.com.ph

or

kspangilinan@eagle-cement.com.ph

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 Mandaluyong City on 27 May 2025.

EAGLE CEMENT CORPORATION

By:

FABIOLA B. VILLA
Corporate Secretary

ANNEX A

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

CERTIFICATION

I, **FABIOLA B. VILLA**, of legal age, Filipino, and with office address at 2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong City, having been duly sworn in accordance with law, hereby certify that:

1. I am the 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, Barangay Wack-Wack, Mandaluyong City, Metro Manila.

2. From 01 January 2024 to 31 December 2024, the Board of Directors of the Corporation held the following meetings:

Date of Meeting	Type of Meeting
12 March 2024	Regular BOD Meeting; Audit and Risk Committee Meeting
08 May 2024	Regular BOD Meeting; Audit and Risk Committee Meeting;
03 June 2024	Corporate Governance Committee Meeting;
18 July 2024	Special BOD Meeting Organizational BOD Meeting;
09 August 2024	Regular BOD Meeting; Audit and Risk Committee Meeting
15 August 2024	Special BOD Meeting
12 November 2024	Regular BOD Meeting; Audit and Risk Committee Meeting
03 December 2024	Special BOD Meeting

3. In compliance with the Revised Code of Corporate Governance, the record of attendance of the Board of Directors in the abovementioned meetings are as follows:

A. 2024 Meetings of the Board of Directors

Name of Directors	12 Mar.	08 May	18 Jul.	09 Aug.	15 Aug.	12 Nov.	03 Dec.
Ramon S. Ang	P	P	P	P	P	P	P
John Paul L. Ang	P	P	P	P	P	P	P
Manny C. Teng	P	P	P	P	P	P	P
Monica L. Ang-Mercado	P	P	P	P	P	P	P
Mario K. Surio	P	P	P	P	P	P	P
Manuel P. Daway	P	P	P	P	P	P	P
Luis A. Vera Cruz Jr.	P	P	P	P	P	P	P
Melinda Gonzales-Manto	P	P	P	P	P	P	P
Ricardo C. Marquez	P	P	P	P	P	P	P
Martin S. Villarama Jr.	P	P	P	P	P	P	P
Winston A. Chan	A	P	-	-	-	-	-
Teresita Leonardo-de Castro	-	-	P	P	P	P	P

P – Present
A – Absent

B. 2024 Meetings of the Board Committees

Name of Directors	Committee Members' Attendance			
	Executive	Audit and Risk	RPT	CG
John Paul L. Ang	N/A	-	-	-
Manny C. Teng	N/A	4/4	-	1/1
Monica L. Ang-Mercado	N/A	-	-	-
Mario K. Surio	-	-	-	-
Luis A. Vera Cruz Jr.	-	4/4	N/A	-
Melinda Gonzales-Manto	-	4/4	N/A	1/1
Ricardo C. Marquez	-	-	-	1/1
Martin S. Villarama Jr.	-	4/4	N/A	-
Winston A. Chan	-	1/2	-	-
Teresita Leonardo-de Castro	-	2/2	-	-

4. The foregoing are in accordance with the records of the Corporation.

IN WITNESS WHEREOF, I have affixed my signature this 3rd day of June 2025 in Quezon City.

FABIOLA B. VILLA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 3rd day of June 2025 in Quezon City, affiant personally appeared before me and exhibited to me competent evidence of her identity in the form of Integrated Bar of the Philippines ID with No. 43038.

ATTY. KARES P. SALENDREZ-PANGILINAN
Notary Public
Commission until 31 December 2025
Am. Matter No. NP3(2024-2025)
2625 T2 Amaia Skies Cubao, 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 69872
MCLE Compliance No. VIII-0025023
PTR No. 7071220, 01/03/2025, QC
IBP No. 497706, 01/04/2025, QC

Doc. No. 337
Page No. 69
Book No. 9;
Series of 2025.

ANNEX B-1

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:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
RSA Foundation, Inc.	Independent Trustee	2020 to present
Petrogen Insurance Corporation	Independent Director	2018 to present
Bank of Commerce	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 2024
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 JUN 02 2025 in Pasig City.

MELINDA GONZALES-MANTO
Affiant

SUBSCRIBED AND SWORN to before me this JUN 02 2025 in Pasig City, affiant having exhibited to me her Philippine Passport no. P5768594A issued by DFA-NCR South and valid until 25 January 2028, as well as competent evidence of her identity in the form of Taxpayer's Identification Card with No. 123-305-056.

Doc. No. 80 ;
Page No. 17 ;
Book No. I ;
Series of 2025.

SIEGFRED G. PEREZ
Notary Public for the City of Pasig and Municipality of Pateros
Commission until 31 December 2026
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City
APPT. No. 227 (2025-2026) - Roll No. 86956
PTR No. 3044625; 01-16-2025; Pasig City
IBP No. 500139; 01-06-2025; Quezon City
MCLE Compliance No. VIII-0009210; 06-05-2024

DST Paid
No. 00424478

ANNEX B-2

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

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **TERESITA J. LEONARDO-DE CASTRO,** Filipino, of legal age and a resident of Fortmax Resort, Amsterdam Extension, Merville, Parañaque City, Metro Manila, 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 18 July 2024.

2. I am affiliated with the following companies or organizations:

COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Save The Parañaque River Foundation	Member	January 2023 to present
Philippine Stock Exchange Foundation, Inc.	Trustee	December 2021 to present
Philippine Stock Exchange, Inc.	Independent Director	November 2020 to present
Securities Clearing Corporation of the Philippines	Independent Director	November 2020 to present
San Miguel Corporation	Independent Director	August 2020 to present
Top Frontier Investment Holdings, Inc.	Independent Director	July 2019 to present
UP Sigma Alpha Alumnae Association, Inc.	President	2018 to present
International Association of Women Judges (IAWJ)	President	2014 to 2016
	Member, Executive Council	2016 to 2018
	Member	2018 to present
Philippine Women Judges Association (PWJA)	President	2009 to 2018
	Associate Member	2018 to present
Association of Retired Supreme Court Justices	Member	2018 to present
UP Law Class 72 Foundation	Member	1997 to present

University of the Philippines Alumni Association	Member	1968 to present
Integrated Bar of the Philippines	Member	1973 to present
St. Paul College of Parañaque Alumni Association	Past President	
	Member	Up to the present

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 JUN 02 2025 in Pasig City.

Teresita Leonardo de Castro
TERESITA J. LEONARDO-DE CASTRO
Affiant

SUBSCRIBED AND SWORN to before me this JUN 02 2025 in Pasig City, affiant having exhibited to me her Philippine Passport no. P3540390B issued by DFA Manila on 16 October 2019, as well as competent evidence of her identity in the form of Taxpayer's Identification Card with No. 135-345-809.

Doc. No. 79;
Page No. 17;
Book No. I;
Series of 2025.

SIEGFRED G. PEREZ
Notary Public for the City of Pasig and Municipality of Pateros
Commission until 31 December 2026
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City
APPT. No. 227 (2025-2026) - Roll No. 86956
PTR No. 3044625; 01-16-2025; Pasig City
IBP No. 500139; 01-06-2025; Quezon City
MCLE Compliance No. VIII-0009210; 06-05-2024

DST Paid
No. 00429977

ANNEX B-3

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 (Resigned, effective July 07, 2023)
San Miguel Brewery Hongkong Ltd.	Member, Board of Advisors	2017 to present
SLEX Inc.	Independent Director	2022 to present
SMC Tollways Inc.	Independent Director	2022 to present
Ginebra San Miguel Inc.	Independent Director	2022 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 case in any court of competent jurisdiction.

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 JUN 02 2025 in Pasig City.

MARTIN S. VILLARAMA JR.
Affiant

SUBSCRIBED AND SWORN to before me this JUN 02 2025 in Pasig City, affiant having exhibited to me competent evidence of his identity in the form of Taxpayer's Identification Card with No. 124-314-240.

Doc. No. 81;
Page No. 18;
Book No. I;
Series of 2025.

SIEGFRED G. PEREZ
Notary Public for the City of Pasig and Municipality of Pateros
Commission until 31 December 2026
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City
APPT. No. 227 (2025-2026) - Roll No. 86956
PTR No. 3044625; 01-16-2025; Pasig City
IBP No. 500139; 01-06-2025; Quezon City
MCLE Compliance No. VIII-0009210; 06-05-2024

DST Paid
No. 60492679

ANNEX B-4

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 AFPOVAI, Fort Bonifacio, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an incumbent 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
Petron Corporation	Independent Director	May 2022 - present
Top Frontier Investment Holdings, Inc.	Independent Director	March 2022 - present
San Miguel Food and Beverage, Inc	Independent Director	March 2017 - present

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 JUN 02 2025 in Pasig City.

RICARDO C. MARQUEZ
Affiant

SUBSCRIBED AND SWORN to before me this JUN 02 2025 in Pasig City, affiant having exhibited to me his Philippine Passport no. P8150038B issued by DFA Manila and valid until 11 November 2031, as well as competent evidence of his identity in the form of Taxpayer's Identification Card with No. 150-378-662.

Doc. No. 85 ;
Page No. 16 ;
Book No. I ;
Series of 2025.

DST Paid
No. 00429694

SIEGFRED G. PEREZ
Notary Public for the City of Pasig and Municipality of Pateros
Commission until 31 December 2026
2801 Discovery Center 25 ADB Ave., Ortigas Center Pasig City
APPT. No. 227 (2025-2026) - Roll No. 86956
PTR No. 3044625; 01-16-2025; Pasig City
IBP No. 500139; 01-06-2025; Quezon City
MCLE Compliance No. VIII-0009210; 06-05-2024

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

SECRETARY'S CERTIFICATE

I, **FABIOLA B. VILLA**, of legal age, Filipino, and with office address at 2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong City, having been duly sworn in accordance with law, state that:

1. I am the duly elected and incumbent 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, Barangay Wack-Wack, Mandaluyong City.

2. As of date of this certification, none of the members of the Board of Directors or officers of the Corporation are employed by or connected with any government agencies or instrumentalities.

3. This certification is issued in connection with the submission of the Corporation's Definitive Information Statement.

IN WITNESS WHEREOF, I have affixed my signature this 3rd day of June 2025 in Quezon City.

FABIOLA B. VILLA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 3rd day of June 2025 in Quezon City, affiant personally appeared before me and exhibited to me competent evidence of her identity in the form of Integrated Bar of the Philippines ID with No. 43038

ATTY. KARES P. SALENDREZ-PANGILINAN
Notary Public
Commission until 31 December 2025
Am. Matter No. NP3(2024-2025)
2625 T2 Amaia Skies Cubao, 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 69872
MCLE Compliance No. VIII-0025023
PTR No. 7071220, 01/03/2025, QC
IBP No. 497706, 01/04/2025, QC

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Company Information

SEC Registration No.: AS95005885
Company Name: EAGLE CEMENT CORPORATION
Industry Classification: D26950
Company Type: Stock Corporation

Document Information

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Acceptance of this document is subject to review of forms and contents

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, 2024
Period Ended Date

____
(Secondary License Type and File Number)

COVER SHEET

A	S	O	9	5	-	0	0	5	8	8	5

SEC Registration Number

EAGLE CEMENT CORPORATION AND
SUBSIDIARIES

(Company's Full Name)

2F SMITS CORPORATE CENTER,
155 EDSA BARANGAY WACK-WACK,
MANDALUYONG CITY

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

Marlon P. Javarro
(Contract Person)

(02) 5 301-3453
(Company Telephone Number)

12 **31**
Month *Day*
(Fiscal Year)

17-A
(Form Type)
For the year ended
31 December
2024

07 **18**
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

51
Total No. of Stockholders

Total Amount of Borrowings

-	-
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 171 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the calendar year ended: **December 31, 2024**
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) 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
COMMON (OUTSTANDING)	**5,000,000,006**

* The total issued and outstanding shares as at December 31, 2024 are:
Common 5,000,000,006

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

Yes [] No [X]
If yes, state the name of such Stock Exchange and the classes of securities listed therein:

12. Indicate by check mark whether the registrant:

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

Yes [X] No [ ]

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

Yes [X] No [ ]

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.

DOCUMENTS INCORPORATED BY REFERENCE

14. Briefly describe documents incorporated by reference and identify the part of the SEC Form 17-A into which the document is incorporated:

Please refer to Exhibits identified in this report.

PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Eagle Cement Corporation (the "Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on June 21, 1995. It is primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products.

The Company was listed on the Philippine Stock Exchange (PSE) in May 2017. In December 2022, San Miguel Equity Investments, Inc. (SMEII) became the owner of 99.9581% of the common shares in the Company by way of share purchase and tender offer of shares. SMEII is a wholly-owned subsidiary of San Miguel Corporation (SMC).

Following SMEII's acquisition of 99.958% equity interest in the Company, the latter filed a petition for voluntary delisting of its common shares listed on the main board of the PSE. In January 2023, the PSE approved the delisting of the Company effective end of business on February 28, 2023.

The Company holds office at 2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong City, Metro Manila. It operates a cement manufacturing plant in Barangay Akle, San Ildefonso, Bulacan.

The Company has three (3) subsidiaries:

1. South Western Cement Corporation (SWCC) was incorporated in the Philippines on December 26, 1994. Its primary purpose is to engage in manufacturing, marketing, sale and distribution of cement, cement products and by-products. The Company acquired 100% equity interest in SWCC in December 2016. To date, SWCC has not commenced commercial operations.

2. Solid North Mineral Corporation (SNMC) was incorporated in the Philippines on July 19, 1995. It is engaged in the business of mining and quarrying, and is authorized to manufacture and distribute cement products and other minerals. It was acquired by the Company on November 4, 2021.

3. Armstrong Flyash and Logistics Inc. (AFALCI) was incorporated in the Philippines on June 2, 2015. It is engaged in the business of manufacturing, processing, sale and distribution of fly-ash, bottom ash, hi-carbon and other by-products. The Company acquired 100% equity interest in AFALCI in December 2022.

The Company and its subsidiaries are hereafter collectively referred to as the "Group".

Business Desription

The Company is primarily engaged in the business of manufacturing, developing, processing,marketing, sale and distribution of cement, cement products, minerals and other by-products. It is one of the largest players in the Philippine cement industry and has the fastest growing market share amongst all competitors in the industry since it started its commercial operations in 2010.

The competitive strength of Eagle Cement 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. It has the newest, state-of-the-art, and single largest fully-integrated cement production facility in the Philippines 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 Eight Million Six Hundred Thousand (8,600,000) Metric Tonnes (MT) or Two Hundred Fifteen Million (215,000,000) bags per annum. It is strategically located near demand-centric areas and in close proximity to rich limestone, pozzolan and shale reserves covered by exclusive mineral rights of the Group.

About sixty-three percent (63%) of the country's total cement demand come from Luzon region. Eagle Cement currently distributes its products in National Capital Region (NCR), Region I (Pangasinan), Region II (Cagayan, Isabela, and Nueva Vizcaya), Region III (Nueva Ecija, Bulacan, Pampanga, Tarlac, Bataan, Zambales and Aurora), and Region IV (Cavite, Laguna, Batangas, Occidental Mindoro, Oriental Mindoro and Quezon). As of 2024, NCR still serves as the center of construction and infrastructure activities in the country. The Company is considered as one of the leading players in areas with the highest economic activity in the Philippines with an estimated market share of 30% in Luzon, based on internal market survey.

SNMC, a subsidiary of the Company, operates a limestone, shale and pozzolan quarry, and a Limestone Pulverizing Plant (in San Ildefonso, Bulacan) with an annual capacity of one million (1,000,000) metric tonnes. Bulk of its production is used as raw materials in the Company's cement production and supplied to power companies.

AFALCI, another subsidiary of the Company, is operating a Flyash Separator Plant that processes waste flyash into product usable for ready mixed concrete and cement production.

Products and Brands

The Company offers Blended (Type 1P/Type 1T) 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 its products, *Eagle Cement Strongcem* is being used in concrete designs of up to a high of twelve thousand pounds per square inch (12,000 PSI).

Eagle Cement Advance (Type 1P/Type 1T) is a blended cement used for general construction applications such as floorings, plastering, as well as the production of concrete products like hollow blocks, culverts and concrete pipes. This type of cement is available in 40-kg per bag. 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.

Eagle Cement Strongcem (Type 1) is a Type 1 portland cement which is available in bulk and a one-tonner bag. This type of 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.

Distribution Methods

Eagle Cement has four (4) distribution centers located in Parañaque in the NCR, Cavite and Batangas in Region IVA, and Pangasinan in Region 1. These are complemented by a fleet of more than 500 cargo trucks, trailers, and 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 the Company supplies cement products to about 100 dealers and sub-dealers all over NCR and Region IVA.

Competition

<u>*Current Domestic Supply*</u>

As of December 2024, the Philippine cement industry has an estimated annual cement capacity of 50 Million MT based on nameplate capacities of integrated cement manufacturing and grinding plants in the country. The top four (4) industry players (Holcim Philippines, Inc., Cemex Holdings Philippines, Inc., Republic Cement and Building Materials, Inc., and Eagle Cement Corporation) account for about 68% of cement domestic production.

In Luzon region, the top four industry players account for about 67% share of the market. While the Company has 30% share of the Luzon market, it has an estimated market share of 27%, 45% and 56% in NCR, Region 3 and Region 4A, respectively. The Company has been considered as one of the leading cement players in areas with the highest economic activities in the Philippines.

The Company has a diverse customer base and is not dependent on any single customer. No single customer accounts for 20% or more of its total revenues.

Imports

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. In March 2023, the Bureau of Customs (BOC) issued Customs Memorandum Order No. 05-2023 (to implement Department of Trade and Industry Administrative Order No. 23-01) imposing definitive anti-dumping measure against importations of ordinary portland cement (Type 1) and blended cement (Type 1P) from Vietnam.

Sources and availability of raw materials

Raw materials such as limestone, shale and pozzolan are sourced primarily from the Group's own reserves pursuant to its mineral rights. The reserves are co-located or within proximity of the Bulacan Cement Plant to minimize transportation and hauling costs.

The Company also procures gypsum, silica, and other raw materials from local and foreign suppliers.

Employees and Labor Relations

As of December 31, 2024, the Company has a total of 624 regular employees.

The Company maintains a good relationship with its workforce. Neither the Company nor any of its subsidiaries has experienced a work stoppage as a result of labor disagreements. None of the employees belong to a union.

The Company has a rewards and recognition policy that is competitive with industry standards in the Philippines. The Company also provides other benefits for the increased security of its employees.

Transactions with Related Parties

For transactions with or involving related parties, please refer to Note 17 (Related Party Transactions) of the Consolidated Financial Statements as of year ended December 31, 2024 in the accompanying Audited Financial Statements.

The Related Party Transactions (RPT) and Audit and Risk Committees of the Company ensure that RPTs are in the ordinary course of business, under reasonable terms, and do not include financial assistance or loans to Board Directors, affiliates or related entities.

Intellectual Properties

All marks, names and other related intellectual property rights used by the Company are registered in its name and are valid to date, such as the names/marks "Eagle", "Eagle Cement", "Eagle Cement Exceed", "Eagle Cement Strongcem", Eagle Cement High sa Tibay", among others.

Compliance with Regulatory and Environmental Laws

The Company complies with all applicable laws and regulations relating to the protection of the environment, health and safety, including those governing air emissions, water and wastewater discharges, and odor emissions and the management and disposal of hazardous materials.

Eagle Cement was certified to the following ISO standards for the manufacturing of Portland and Blended Hydraulic Cement:

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO 45001:2018 (Occupational Health and Safety Management System)
- ISO 50001:2018 (Energy Management System)

The Company has the necessary permits, clerances and licenses for its business, products, and projects.

ITEM 2. PROPERTIES

The Company has three (3) integrated cement lines, which include three kilns, five cement mills, three packhouses, five cement silos, and other support production facilities, such as waste heat recovery facility, raw materials storage, clinker silos and buildings, in its Bulacan Cement Plant. It owns the lands on which those facilities and equipment are located. It also owns other support facilities, such as IT Center, Administration, Logistics, and EHS Buildings, Motor Pool, Fabrication Facilities, Warehouses, Guest House and Employees Quarters. The Company also owns a grinding and packaging facility in Limay, Bataan.

Its subsidiary, SNMC, owns lands and other equipment, buildings and improvements in San Ildefonso, Bulacan, which include, among others, a Limestone Pulverizing Plant, staff housing units, and a warehouse.

AFALCI owns a Flyash Separator Plant in San Ildefonso, Bulacan. SWCC owns parcels of land in Malabuyoc and Ginatilan, Cebu.

ITEM 3. LEGAL PROCEEDINGS

The Company is a plaintiff in a civil case for Fraud. It sought to enjoin defendants from claiming under a Letter of Credit in the amount of Nine Hundred Four Thousand US Dollars (US$904,000.00), and defendant bank from releasing payment under the said Letter of Credit.

A writ of preliminary injunction was issued by the Regional Trial Court of Mandaluyong, Branch 211, enjoining defendants from claiming payment from the defendant bank.

As of December 31, 2024, the trial of the case is continuously being held.

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

There were no matters that were submitted to a vote of the security holders, through the solicitation of proxies or otherwise, other than those items taken up during the Annual Meeting of the Stockholders on July 18, 2024. The Company did not solicit proxies and almost all of the board of directors of the previous year was reelected in its entirety, save for Chief Justice Teresita J. Leonardo-de Castro, who was first elected on July 18, 2024, vice Mr. Winston A. Chan.

PART II - FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

The Company's common equity is no longer traded in the Philippine Stock Exchange (PSE). In January 2023, the PSE approved the Petition for Delisting of the Company's shares effective end of business on February 28, 2023.

As of December 31, 2024, there are Five Billion and six (5,000,000,006) issued and outstanding common shares which are registered securities pursuant to Sections 8 and 12 of the Securities Regulations Code.

Stockholders

The Top Twenty (20) Stockholders (Common) of the Company as of December 31, 2024 are as follows:

	Name of Stockholder	Nationality	No. of Shares	Percentage to total O/S (%)
1	San Miguel Equity Investments Inc.	Filipino	4,997,903,671	99.9581%
2	PCD Nominee Corp. – Non Filipino	Non-Filipino	1,075,200	0.02%
3	PCD Nominee Corp. – FIlipino	Filipino	767,804	0.15%

	Name of Stockholder	Nationality	No. of Shares	Percentage to total O/S (%)
4	Pete Erwin Bieles Lim	Filipino	100,800	0.002016%
5	Raul Salavaria Hernandez	Filipino	35,000	0.000700%
6	Mariano Ramos Lacambacal Jr.	Filipino	27,000	0.000540%
7	Renato Ong Chiu	Filipino	20,000	0.000400%
8	Katherine Genovesa Mahawan	Filipino	15,400	0.000308%
9	Shirley Go Tan or Joseph Allen Sy Suan Tan	Filipino	10,000	0.000200%
10	Daniel M. Isla	Filipino	6,600	0.000132%
11	Vicente Lee Rabo and/or Vlamir Sy Rabo	Filipino	6,500	0.000130%
12	Jupiter Rellama Junio	Filipino	4,700	NIL
13	Jonathan P. Geminiano	Filipino	4,200	NIL
14	Anita Quizon Estioko	Filipino	3,300	NIL
15	Manolette S. Cruz	Filipino	3,000	NIL
16	Jonathan J. Cordova	Filipino	2,100	NIL
17	Renato D. Munez	Filipino	2,000	NIL
18	Gina Malitic Cruz	Filipino	1,600	NIL
19	Lolita Siao-Ignacio	Filipino	1,600	NIL
20	Rhea Gojar Arguelles	Filipino	1,500	NIL
	Total		**4,999,991,975**	**99.99%**

Cash Dividends

Below is a summary of the cash dividend declarations of the Company in the past three years:

Date of Declaration	Class of Shares	Rate per share (₱)	Total Amount (₱)	Record Date
May 12, 2022	Common	0.40	2,000,000,002.00	May 26, 2022
August 04, 2022	Common	0.40	2,000,000,002.00	August 18, 2022
July 19, 2023	Common	0.56	2,800,000,002.80	August 2, 2023
November 14, 2023	Common	0.56	2,800,000,002.80	December 11, 2023
March 12, 2024	Common	0.20	1,000,000,001.00	March 26, 2024
July 18, 2024	Common	0.20	1,000,000,001.20	August 1, 2024
August 15, 2024	Common	0.20	1,000,000,001.20	September 3, 2024
November 12, 2024	Common	0.20	1,000,000,001.20	November 26, 2024
December 3, 2024	Common	0.54	2,700,000,003.24	December 17, 2024

Recent Sale of Unregistered or Exempt Securities

There were no sales of unregistered or exempt securities as of December 31, 2024, except for the subscription of Chief Justice Teresita J. Leonardo-de Castro to one (1) qualifying share on July 19, 2024.

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).

The financial information 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.

RESULTS OF OPERATIONS (2024 VS. 2023)

The Group posted a full-year consolidated revenues of ₱23.87 billion, 6% lower against the ₱25.44 billion in previous year despite higher sales volume primarily due to the decline in selling price.

Cost of sales slightly increased by 0.4% to ₱16.72 billion from ₱16.66 billion, driven by an increase in other manufacturing expenses, partially offset by the improvements in major input cost, particularly coal and power

As a result, the gross profit declined by 19% to ₱7.15 billion, with gross profit margin contracting from 35% in 2023 to 30% in 2024.

Operating expenses (OPEX) decreased by 8% to ₱2.70 billion from ₱2.94 billion, mainly due to lower advertising and distribution costs.

Finance costs declined by 97% to ₱7.01 million from ₱202.89 million in the previous year. This was attributed to the full prepayment of the Term Loan Facility and Security Agreement (TLFSA) in May 2023, which included ₱97.87 million in pre-termination fees recognized in that year.

Interest income rose by 5% to ₱681.99 million, benefiting fom higher value and yields on short-term investments.

Other income increased by 111% to ₱94.53 million, largely due to absence of losses from the disposal of assets and liabilities held for sale, which were recognized in the prior year.

The income tax provision decreased by 24% to ₱807.69 million from ₱1.07 billion in line with the lower taxable income.

Net income after tax (NIAT) increased by 2% to ₱4.41 billion from ₱4.32 billion last year. This translates to earnings per share (EPS) of ₱0.88, 2% increase from ₱0.86 in the previous year.

For the fourth quarter of 2024, the Group reported net sales of ₱5.48 billion, down 5% compared to the same quarter in the prior year. Gross profit is down by 33% to ₱1.27 billion while Earnings Before Interest, Taxes, Depreciation and Amortization *(*EBITDA) and NIAT also dropped by 28% and 14% to ₱1.07 billion and ₱858.67 million, respectively.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2024 and 2023.

	For the Year Ended December 31 *(in Millions of Philippine Pesos, except percentages)*			
	2024	**2023**	**Change**	**% of Change**
Net Sales	23,874	25,443	(1,569)	-6%
Cost of Goods Sold	16,720	16,658	62	0%
Gross Profit	7,154	8,785	(1,631)	-19%
Operating Expenses	2,705	2,942	(237)	-8%
Income from Operations	4,449	5,843	(1,394)	-24%
Finance costs	7	203	(196)	-97%
Interest Income	682	648	34	5%
Other income (loss) – net	95	(897)	992	111%
Income Before Income Tax	5,219	5,391	(172)	-3%
Income Tax Expense	808	1,069	(261)	-24%
Net Income	4,411	4,322	89	2%

Calculation of EBITDA

	For the year ended	
	December 31, 2024	**December 31, 2023**
Net income	₱4,411	₱4,322
Add:		
Income tax expense	808	1,069
Depreciation and amortization	1,516	1,474
Finance costs	7	203
Less:		
Interest income	682	648
Foreign exchange gain	72	
EBITDA	₱5,988	₱6,420

<u>FINANCIAL CONDITION</u>

Comparative balances as of December 31, 2024 and December 31, 2023

The financial position of the Group for the year ended December 31, 2024 remains stable despite the 7% decline in total assets to ₱41.33 billion, compared to ₱44.25 billion as at end of 2023.

Cash and cash equivalents declined by 21% to ₱8.54 billion mainly due to lower cash generated from operations and the ₱6.70 billion dividend payments to shareholders. This was partially offset by the ₱725 million proceeds from matured investments. As a result, current assets declined by 18% to ₱14.03 billion.

Non-current assets increased slightly by 1% to ₱27.30 billion, reflecting the Group's acquisition of additional assets during the year.

Current liabilities fell by 15% to ₱4.09 billion driven by settlement of payables for completed projects and a reduction in income tax payable compared to the previous year.

Non-current liabilities rose by 30% to ₱249.79 million, due to increased lease liabilities and provision for mine rehabilitation. The latter is related to the newly approved mining plan under the existing Mineral Production Sharing Agreement (MPSA) of the Company.

Overall, total liabilities amounted to ₱4.34 billion, representing a 13% decrease from ₱5.00 billion in 2023.

After accounting for net income, cash dividends payments and other equity reserves, consolidated stockholders' equity decreased by 6% to ₱36.99 billion.

The Group's debt-to-equity ratio stood at a conservative 0.12x., providing ample financial flexibility to support future investment plans. The current ratio remain strong at 3.43x, while return on equity ended at 12%.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31			
	2024	**2023 – As restated**	**Increase/ (Decrease)**	**Percentage of Change**
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	14,033	17,089	(3,056)	-18%
Noncurrent Assets	27,299	27,159	140	1%
Total Assets	**41,332**	**44,248**	**(2,916)**	**-7%**
Current Liabilities	4,089	4,809	(720)	-15%
Noncurrent Liabilities	249	192	57	30%
Total Liabilities	**4,338**	**5,001**	(663)	-13%
Equity	**36,994**	**39,247**	(2,253)	-6%
Total Liabilities and Equity	**41,332**	**44,248**	**(2,916)**	**-7%**

COMPANY PERFORMANCE AND PROFITABILITY AND LIQUIDITY

Key Performance Indicators

Relevant Financial Ratios

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

Financial KPI	Formula	2024	2023 – As restated	2022 – As restated
Current/liquidity ratio	Current assets / Current liabilities	**3.43**	3.55	3.80
Solvency ratio	Net income before depreciation / Total liabilities	**1.37**	1.16	0.76
Debt-to-equity ratio	Total liabilities / Total equity	**0.12**	0.13	0.22
Asset-to-equity ratio	Total assets / Total equity	**1.12**	1.13	1.22
Return on asset ratio	Net income before interest expense after tax / Average total assets	**0.10**	0.10	0.11
Return on equity ratio	Net income / Average total equity	**0.12**	0.11	0.13

Capital Expenditure

The total capital expenditure of the Group in 2024 amounted to ₱1.60 billion. Of that amount, 90% was spent for plant machinery and equipment, while the remaining 10% was accounted for land, building and improvement, transportation equipment, furniture, fixtures and office equipment.

Liquidity and Capital Resources

Cash Flows
The primary sources and uses of cash of the Group for calendar years 2024, 2023 and 2022 were as follows:

	For the years ended December 31		
	2024	2023 – As restated	2022 – As restated
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	4,741	7,151	5,696
Cash flows provided by (used in) investing activities	(226)	4,013	(2,195)
Cash flows used in financing activities	(6,727)	(9,949)	(5,501)
Net effect of exchange rate changes on cash and cash equivalents	1	(15)	19
Net increase (decrease) in cash and cash equivalents	(2,211)	1,200	(1,981)
Cash included in asset held for sale			(117)
Cash and cash equivalents at beginning of year	10,747	9,547	11,645
Cash and cash equivalents at end of year	8,536	10,747	9,547

Cash Flows From Operating Activities
Internal cash generated from operations this year amounted to ₱4.74 billion. This was primarily the result of net income before taxes of ₱5.22 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱1.52 billion, income taxes paid of ₱681.52 million and interest received of ₱719.29 million.

Cash Flow From Investing Activities
Cash used in investing activities amounted to ₱226.16 million. This was mainly because of the cash spent on the acquisition of property, plant and equipment and intangible assets amounting to ₱959.62 million, partially offset by the maturity of ₱725.00 million investments.

Cash Flow From Financing Activities
Cash utilized for financing activities totaled ₱6.73 billion. This mainly comprised of cash dividend payments of ₱6.70 billion and payment for leases of ₱23.23 million.

Consolidated ending cash closed at ₱8.54 billion, 21% decrease from beginning balance of ₱10.75 billion.

RESULTS OF OPERATIONS (2023 VS. 2022)

The Group posted a full-year consolidated revenues of ₱25.44 billion, 4% lower against the ₱26.38 billion in previous year primarily due to the lower sales volume and decline in selling price.

Cost of sales decreased by 9% to ₱16.66 billion from ₱18.25 billion as a result of the lower sales volume and together with the improvement of major input cost mainly fuel and power.

Thus, the gross profit grew by 8% to ₱8.78 billion showing an upswing on gross profit margin from 31% last year to 35%.

OPEX increased by 8% to ₱2.94 billion from ₱2.72 billion due to increase in advertising, and distribution costs.

Finance costs declined by 31% to ₱202.89 million from ₱293.06 million last year due to the full prepayment of TLFSA last May 2023 incurring ₱97.87 million of pre-termination fees.

Interest income increased by 137% to ₱648.40 million due to higher yield from short-term investments following the interest hike by BSP.

Other income (loss) decreased by 193% to (₱897.07) million, as a result of the disposal of assets and liabilities held for sale.

The income tax provision increased by 9% to ₱1.07 billion from ₱983.91 million due to the lapse of the Income Tax Holiday (ITH) with the Board of Investments (BOI) last April 2022.

NIAT dropped by 20% to ₱4.32 billion from ₱5.38 billion last year. This translated to EPS of ₱0.86, lower than last year's ₱1.08 by 20%.

For the fourth quarter alone, the Group reported net sales of ₱5.78 billion, 8% behind relative to the same quarter in the prior year. Gross profit is up by 22% to ₱1.88 billion while EBITDA and NIAT dropped by 13% to ₱1.47 billion and 14% to ₱995.68 million respectively.

The table below summarizes the consolidated results of operations of the Group for the years ended December 31, 2023 and 2022.

	For the Year Ended December 31 *(in Millions of Philippine Pesos, except percentages)*			
	2023	**2022**	**Change**	**% of Change**
Net Sales	25,443	26,384	(941)	-4%
Cost of Goods Sold	16,658	18,245	(1,587)	-9%
Gross Profit	8,785	8,139	646	8%
Operating Expenses	2,942	2,724	218	8%
Income from Operations	5,843	5,415	428	8%
Finance costs	203	293	(90)	-31%
Interest Income	648	273	375	137%
Other income (loss) – net	(897)	967	(1,864)	-193%
Income Before Income Tax	5,391	6,362	(971)	-15%
Income Tax Expense	1,069	984	85	9%
Net Income	4,322	5,378	(1,056)	-20%

Calculation of EBITDA

	For the year ended	
	December 31, 2023	**December 31, 2022**
Net income	₱4,322	₱5,378
Add:		
Income tax expense	1,069	984
Depreciation and amortization	1,474	1,332
Finance costs	203	293
Less:		
Interest income	648	273
EBITDA	₱6,420	₱7,714

FINANCIAL CONDITION

Comparative balances as of December 31, 2023 and December 31, 2022

The financial position of the Group for the year ended December 31, 2023 remains stable even with total assets declining by 10% to ₱44.25 billion from ₱49.41 billion as at end of 2022.

Current assets declined by 22% to ₱17.09 billion primarily due to the disposal of asset held for sale. Cash and cash equivalents increased by 13% to ₱10.75 billion mainly due to higher cash generated from operations and ₱4.00 billion proceeds from redemption of perpetual shares negated by ₱5.60 billion dividend payments and full prepayment of the TLFSA.

Non-current assets slightly dropped by 1% to ₱27.16 billion mainly because of depreciation of property, plant and equipment.

Current liabilities and non-current liabilities bumped by 17% to ₱4.81 billion and 94% to ₱191.60 million, respectively, mainly due to the full prepayment of the TLFSA.

Total liabilities stood at ₱5.00 billion, significantly decreased by 44% from ₱8.87 billion last year.

After accounting for net income, cash dividends payments and other equity reserves, consolidated stockholders' equity decreased by 3% to ₱39.25 billion.

The Group's debt-to-equity ratio registered at 0.13x. The current gearing gives the Group more flexibility to support its investment plans. Meanwhile, current ratio stood at 3.55x while return on equity ended at 11%.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31			
	2023 – As restated	**2022 – As restated**	**Increase/ (Decrease)**	**Percentage of Change**
	(in Millions of Philippine Pesos, except percentages)			
Current Assets	17,089	22,030	(4,941)	-22%
Noncurrent Assets	27,159	27,384	(225)	-1%
Total Assets	**44,248**	**49,414**	**(5,166)**	**-10%**
Current Liabilities	4,809	5,793	(984)	-17%
Noncurrent Liabilities	192	3,074	(2,882)	-94%
Total Liabilities	**5,001**	**8,867**	(3,866)	-44%
Equity	**39,247**	**40,547**	(1,300)	-3%
Total Liabilities and Equity	**44,248**	**49,414**	**(5,166)**	**-10%**

COMPANY PERFORMANCE AND PROFITABILITY AND LIQUIDITY

Key Performance Indicators

Relevant Financial Ratios

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

Financial KPI	Formula	2023 – As restated	2022 – As restated	2021
Current/liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.55	3.80	3.61
Solvency ratio	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	1.16	0.76	0.65
Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.13	0.22	0.26
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	1.13	1.22	1.26
Return on asset ratio	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.10	0.11	0.12
Return on equity ratio	$\frac{\text{Net income}}{\text{Average total equity}}$	0.11	0.13	0.15

Capital Expenditure

The total capital expenditure of the Group in 2023 amounted to ₱1.2 billion. Of that amount, 91% was spent for plant machinery and equipment, while the remaining 9% was accounted for land, building and improvement, transportation equipment, furniture, fixtures and office equipment.

Liquidity and Capital Resources

Cash Flows

The primary sources and uses of cash of the Group for calendar years 2023, 2022 and 2021 were as follows:

	For the years ended December 31		
	2023 – As restated	2022 – As restated	2021
	(in Millions of Philippine Pesos, except percentages)		
Cash flows provided by operating activities	7,151	5,696	8,783
Cash flows provided by (used in) investing activities	4,013	(2,195)	(3,886)
Cash flows used in financing activities	(9,949)	(5,501)	(4,719)
Net effect of exchange rate changes on cash and cash equivalents	(15)	19	
Net increase (decrease) in cash and cash equivalents	1,200	(1,981)	179
Cash included in asset held for sale		(117)	
Cash and cash equivalents at beginning of year	9,547	11,645	11,466
Cash and cash equivalents at end of year	10,747	9,547	11,645

Cash Flows From Operating Activities
Internal cash generation from operations this year amounted to ₱7.15 billion. This was primarily the result of net income before taxes of ₱5.39 billion, adjusted for non-cash items and changes in working capital, including depreciation and amortization of ₱1.48 billion, finance costs of ₱202.89 million, income taxes paid of ₱693.63 million and interest received of ₱585.90 million.

Cash Flow From Investing Activities
Cash generated from investing activities amounted to ₱4.01 billion. This was mainly received from the redemption of perpetual shares of ₱4.00 billion, maturity of ₱500.00 million long-term placements, proceeds from disposal of asset held for sale of ₱418.39 million, and cash dividends of ₱136.80 million, partially negated by the amount spent on the acquisition of property, plant and equipment and intangible assets.

Cash Flow From Financing Activities
Cash utilized for financing activities totaled ₱9.95 billion. This mainly comprised of cash dividend payments of ₱5.60 billion and full prepayment of TLFSA of ₱4.26 billion.

Consolidated ending cash closed at ₱10.75 billion, 13% increase from beginning balance of ₱9.55 billion.

ITEM 7 – FINANCIAL STATEMENTS

The Group's Accompanying Audited Consolidated Financial Statements as at and for the year ended December 31, 2024 are filed as part of this Form 17-A (Annual Report) as Annex A.

ITEM 8 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are no disagreements with the Group's respective 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:

	2024	2023	2022
Audit and other audit related fees	₱3,800,000	₱3,800,000	₱4,780,000
Tax fees	360,000	360,000	360,000

PART III- CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND OFFICERS

The present Board of Directors (Board) of Eagle Cement consists of eleven (11) directors, four (4) of whom are independent directors, as follows:

Name	Position	Age	Citizenship
Ramon S. Ang	Chairman	71	Filipino
John Paul L. Ang	President & Chief Executive Officer	45	Filipino
Manny C. Teng	General Manager & Chief Operating Officer	52	Filipino
Monica L. Ang-Mercado	Chief Finance Officer/ Treasurer/ Executive Vice President for Business Support Group/ Risk Oversight Officer	35	Filipino
Mario K. Surio	Director	78	Filipino
Luis A. Vera Cruz, Jr.	Director	74	Filipino
Manuel P. Daway	Director	78	Filipino
Melinda Gonzales-Manto	Independent Director	72	Filipino
Ricardo C. Marquez	Independent Director	64	Filipino
Martin S. Villarama, Jr.	Independent Director	78	Filipino
Teresita J. Leonardo-de Castro	Independent Director	76	Filipino

Ramon S. Ang has been the Chairman of the Board 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, Solid North Mineral Corp., 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 the Chairman of the Board and Chief Executive Officer (CEO) of SMC Asia Car Distributors Corp., and concurrently the President and Chief Operating Officer (COO) of SMC Global Power Holdings Corp. and Far East Holdings, Inc.; Chairman of the Board and President of San Miguel Holdings Corp., San Miguel Properties, Inc., SEA Refinery Corporation, New NAIA Infra Corp., KB Space Holdings, Inc., and San Miguel Aerocity Inc. He holds, among others, the following positions in other publicly listed companies: Chairman and CEO of San Miguel Corporation (SMC); President and CEO 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 publicly listed company in Malaysia); and Vice Chairman, President, and CEO of San Miguel Food and Beverage, Inc. He is the President and CEO 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 Liberty Telecoms Holdings, Inc. and Cyber Bay Corporation, President and COO of PAL Holdings, Inc. and Philippine Airlines, Inc.; Director of Air Philippines Corporation; and Vice Chairman 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 has been a director of the Company since November 30, 2010, and is the President and Chief Executive Officer of the Company since June 17, 2016. He served as the Chief Operating Officer and General Manager from 2008 to 2016. He is the Chairman of the Executive Committee. He is also the President and CEO of South Western Cement Corporation, Solid North Mineral Corp.and Armstrong Fly-Ash and Logistics Company, Inc. Mr. J.P. Ang is the Vice Chairman, President, and COO of San Miguel Corporation, and holds directorships in other listed companies namely, Petron Corporation, San Miguel Food and Beverage, Inc., and Top Frontier Investment Holdings, Inc. He is the Chairman and President of San Miguel Equity Investments, Inc. He is also the Vice Chairman and Director of San Miguel Global Power Holdings Corp. since 2021. He is also a director of SMC SLEX Inc., Aerofuel Storage Management Inc., Argonbay Construction Company, Inc., Pacific Nickel

Philippines, Inc., Philnico Industrial Corporation, KB Space Holdings, Inc., and Buildnet Construction, Inc. Mr. J.P. Ang was the Managing Director of Sarawak Clinker from 2003 to 2007, and 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 has been a director of the Company since June 21, 1995. He is currently the General Manager and Chief Operating Officer of the Company, and is a member of the Executive, Audit and Risk, and Corporate Governance and Nomination Committees. He served as President of the Company from 2009 to 2016. Mr. Teng is also a director of South Western Cement Corp., KB Space Holdings, Inc., Solid North Mineral Corp. and Armstrong Fly-Ash and Logistics Company, Inc. He previously held positions as 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-Mercado has been a director of the Company since June 3, 2013. She is the Chief Finance Officer and Treasurer of the Company, and is concurrently the Executive Vice President for Business Support Group and the Risk Oversight Officer of the Company. She is a member of the Executive Committee. She is the Chairperson of Buildnet Construction, Inc,. and Director and Treasurer of South Western Cement Corporation, Solid North Mineral Corp., and Armstrong Fly-Ash and Logistics Company, Inc. She is also the Chief Finance Officer of San Miguel Foods, Inc., and a director of KB Space Holdings, Inc., Pacific Nickel Philippines Inc., A5 Wagyu, Inc., Q-Tech Alliance Holdings, Inc., and Premier Capital Venture Corporation. She has a Bachelor of Science degree in Management and Minor in Enterprise Development from the Ateneo de Manila University.

Mario K. Surio has been a director of the Company since January 14, 2011. He serves as 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. He previously served as the President of Philippine Technologies, Inc., Cement Management Corporation and CEMA Consultancy Services, Inc. He was also previously the Quality Control Head, Production Manager, and Plant Manager of Northern Cement Corporation; and 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.

Luis A. Vera Cruz, Jr. has been a director of the Company since February 23, 2017. He is a member of the Related Party Transactions, and Audit and Risk Committees. He is an 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. He holds a Master of Laws from Cornell University, and Bachelor of Laws degree and Bachelor of Science degree in Business Administration from the University of the Philippines.

Manuel P. Daway has been a director of the Company since February 13, 2017. He is the Vice-President for Operations and responsible for expansion projects of the Company. He previously held the positions of 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 was first elected as an independent director of the Company on December 22, 2016. She is the Lead Independendent Director, Chairperson of the Audit and Risk Committee, and a member of the Related Party Transactions Committee. She is also an Independent Director of Petrogen Insurance Corporation, Director and Vice-President of Linferd & Company, Inc., Director and Vice-President of ACB Corabern Holdings Corporation, 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 a partner of SGV & Co., Assurance and Advisory Business Services Division from 1974 to 2009; Board Member of the Philippine Retailers Association from 2000 to 2009; and, Independent Director of the GSIS Family Bank from 2011 to 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 has been an independent director of the Company since February 13, 2017. He is the Chairman of the Corporate Governance and Nomination Committee. He is currently a Director of the Public Safety Mutual Benefit Fund, Inc. and San Miguel Pure Foods Company, Inc. He held various positions in the Philippine National Police (PNP), and became the PNP Chief. He also served as 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. has been an independent director of the Company since February 13, 2017. He is the Chairman of the Related Party Transactions Committee, and member of the Audit and Risk Committee. He is 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. He was the 166th 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, and Bachelor of Science degree in Business Administration from De La Salle University.

Teresita J. Leonardo-De Castro was elected as an independent director of the Company on July 18, 2024, and is a member of the Audit and Risk Committee. She serves as an Independent Director of other listed companies such as Top Frontier Investment Holdings, Inc. (since 2019), San Miguel Corporation (since 2020), the Philippine Stock Exchange, Inc. (since 2020), and the Securities Clearing Corporation of the Philippines (since 2020). She is the President of the UP Sigma Alpha Sorority Alumnae Association, Inc. (since 2018); a Member of the Association of Retired Supreme Court Justices (since 2018); a Member of the International Association of Women Judges (since 2018); and Associate Member of the Philippine Women Judges Association (2018 to present). She served as Chief Justice of the Supreme Court of the Philippines (2018), Associate Justice of the Supreme Court of the Philippines (2007-2008), Presiding Justice of the Sandiganbayan (2004-2007), and Associate Justice of the Sandiganbayan (1997-2004). She obtained her Bachelor of Laws degree from the University of the Philippines, College of Law.

Term of Office

Pursuant to the Company'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 the successor is duly elected, unless he resigns, dies, or is removed prior to such election.

Officers

The principal officers of the Company are as follows:

Name	Position	Age	Citizenship
John Paul L. Ang	President and Chief Executive Officer	45	Filipino
Manny C. Teng	General Manager and Chief Operating Officer	52	Filipino
Monica L. Ang-Mercado	Chief Finance Officer/Treasurer/ Executive Vice-President for Business Support Group/Risk Oversight Officer	35	Filipino
Jens Christian Enemark Lund	Manufacturing Transformation Director	68	Danish
Manuel P. Daway	Vice-President for Operations	78	Filipino
Marlon P. Javarro	Assistant Corporate Secretary/Related Party Transaction Officer/AVP for Finance	46	Filipino
Fabiola B. Villa	SVP for Legal and Compliance/Compliance Officer/Data Protection Officer	60	Filipino
Maria Farah Z. G. Nicolas-Suchianco	Corporate Secretary	56	Filipino

Jens Christian Enemark Lund is the Company's Manufacturing Transformation Director. He was previously an Operations Manager of Hume Cement Sdn Bhd in Malaysia and Plant Director and Technical Support Director of Cemex Holdings Philippines, Inc. He was the Senior Field Engineer of FLSmidth D/K in Denmark. He obtained his degree in Bachelor of Technology Management and Marine Engineering from Svendborg Maritime Academy. He has been with the Company since 2019.

Fabiola B. Villa is the Company’s Compliance Officer, Data Privacy Officer, and Head of Legal and Compliance. She is the Corporate Secretary of Solid North Mineral Corp. and Pacific Nickel Philippines, Inc. She was previously Vice-President for Legal of United Overseas Bank Philippines and an Associate at Picazo Buyco Tan Fider and Santos Law Offices. She obtained her degrees in Bachelor of Arts and Bachelor of Laws from the University of the Philippines. Following the resignation of Atty. Maria Farah Z.G. Nicolas-Suchainco as Corporate Secretary, Atty. Villa was appointed as Corporate Secretary on March11, 2025, effective April 01, 2025.

Marlon P. Javarro is the Assistant Vice President and Head for Finance, Assistant Corporate Secretary, and Related Party Transaction Officer of the Company. He also served as Finance Manager of the Company from 2008 to 2018. He is a director of South Western Cement Corporation. Prior to joining the Company, 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.

Maria Farah Z. G. Nicolas-Suchianco has been the Corporate Secretary of the Company since 2010. She is a Founding Partner of Gerodias Suchianco Estrella Law Firm, serving as its Managing Partner form 2016-2021. She is the Vice-Chairman and Treasurer of GSE Managed Solutions, Inc. She is the Chairman and President of Evander Holdings Corporation, Global Titan Leisure Holdings Corp., and Sunspear Holdings, Inc. She is the Treasurer of Countrybreeze Corporation, Escaler Realty Corporation, and Pedalmax Holdings, Inc. She currently serves as a Director and Corporate Secretary of Radio Philippines Network, Inc. She is the Corporate Secretary of numerous corporations, including, KB Space Holdings, Inc. and Wynsum Realty & Development, Inc. She was a Senior Partner at De Borja Medialdea Bello Guevarra & Gerodias Law Firm. She holds a Juris Doctor degree and a Bachelor of Science degree in Management, Major in Legal Management, from the Ateneo de Manila University. Atty. Suchianco recently tendered her resignation as Corproate Secretary, effective April 01, 2025.

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. The resignation or loss of any non-executive employee will not have any significant or adverse effect on the business of the Group.

Family Relationships

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

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

Involvement in Certain Legal Proceedings of Directors and Executive Officers

To the best of the Company's knowledge and belief, and after due inquiry, none of its directors and executive officers have been the subject of (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding; (c) order, judgment or decree barring, suspending or limiting involvement in any type of business, securities, commodities or banking activities; or (d) judgment for violation of a securities or commodities law or regulation, for the past five (5) years up to the latest date that is material to the evaluation of their ability or integrity to hold relevant positions in the Company.

ITEM 10. COMPENSATION OF DIRECTORS AND EXECUTIVES

The aggregate compensation paid or incurred during the last three (3) fiscal years to the Company's CEO and executive officers are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
CEO and the four (4) most highly compensated officers	2024	₱16.8 Million	₱5.6 Million	₱5.2 Million	₱27.6 Million
	2023	₱33.4 Million	₱11.6 Million	₱3.0 Million	₱48.0 Million
	2022	₱31.0 Million	₱8.6 Million	₱6.7 Million	₱46.3 Million
All other officers and Directors as a group unnamed	2024	₱17.6 Million	₱5.5 Million	₱3.5 Million	₱26.6 Million
	2023	₱17.1 Million	₱7.5 Million	₱1.9 Million	₱26.5 Million
	2022	₱18.4 Million	₱6.2 Million	₱3.8 Million	₱28.4 Million
TOTAL	2024	₱34.4 Million	₱11.1 Million	₱8.7 Million	₱54.2 Million
	2023	₱50.5 Million	₱19.1 Million	₱4.9 Million	₱74.5 Million
	2022	₱49.4 Million	₱14.8 Million	₱10.5 Million	₱74.7 Million

Under the By-laws of the Company, each director is entitled to receive reasonable per diem for attendance at the meetings of the Board and the committees.

Each director receives a per diem of Thirty Thousand Pesos (₱30,000.00) and Ten thousand Pesos (P10,000.00) per attendance at Board and committee meetings, respectively.

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

There are no outstanding warrants or options held by the Company'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

Beneficial Owners of more than five per cent (5%) of the Company's Voting Stock as of December 31, 2023 are as follows:

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	% to Total Outstanding
Common	San Miguel Equity Investments Inc.	Ang, Ramon See Zobel, Inigo Urquijo	Filipino	4,997,903,671	99.96%

Security Ownership by Management as of December 31, 2023 is as follows:

Title of Class	Names of beneficial owner	Position	Amount and nature of beneficial ownership	Citizenship	% to Total Outstanding
CEO and FOUR MOST HIGHLY COMPENSATED OFFICERS					
Common	John Paul L. Ang	President and Chief Executive Officer	1	Filipino	-
Common	Manny C. Teng	General Manager and Chief Operating Officer	1	Filipino	-
Common	Monica L. Ang-Mercado	Chief Finance Officer and Treasurer	1	Filipino	-
Common	Jens Christian Enemark Lund	Manufacturing Transformation Director	0	Filipino	-
Common	Manuel P. Daway	Vice-President for Operations	1	Filipino	-

OTHER DIRECTORS AND OFFICERS					
Common	Ramon S. Ang	Chairman	1	Filipino	-
Common	Mario K. Surio	Director	1	Filipino	-
Common	Luis A. Vera Cruz, Jr.	Director	1	Filipino	-

Common	Melinda Gonzales-Manto	Independent Director	1	Filipino	-
Common	Ricardo C. Marquez	Independent Director	1	Filipino	-
Common	Martin S. Villarama, Jr.	Independent Director	1	Filipino	-
Common	Teresita J. Leonardo-de Castro	Independent Director	1	Filipino	-
		TOTAL	**11**		

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

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

Changes in Control

San Miguel Equity Investments Inc. took control of the Company on 14 December 2022.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

There were no transactions with directors, officers or any principal stockholders (owning at least 10% of the total outstanding shares of the Company) which are not in the ordinary course of business. Please see Note 17 of the 2024 AFS.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

The Company is committed to the principles of transparency, accountability, fairness and integrity in directing and running its business. Its Manual on Corporate Governance was adopted and approved by the Board of Directors on February 13, 2017.

The Company's Annual Corporate Governance Report for the year 2024 will be filed wih the SEC on or before June 30, 2025 pursuant to SEC Memorandum Circular 13, Series of 2021 (Annual Corporate Governance Report for Public Companies and Registered Issuers).

PART V- EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS

a) Exhibits

ANNEX A – Consolidated Financial Statements as at and for the year ended December 31, 2024

ANNEX B – Independent Auditor's Report

b) Reports on SEC Form 17-C

The following is a list of reports filed by the Company in 2024:

Date	Title
January 15, 2024	Change of the Corporation’s Stock Transfer Agent
March 12, 2024	Board Meeting Resolutions
May 08, 2024	Board Meeting Resolutions
May 24, 2024	Death of Independent Director Winston A. Chan
July 18, 2024	Board Meeting Resolutions
August 09, 2024	Board Meeting Resolutions
November 12, 2024	Board Meeting Resolutions
December 3, 2024	Declaration of Cash Dividends

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 171 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of ____________ on the __th day of APR 15 2025 2025.

RAMON S. ANG
Chairman

JOHN PAUL L. ANG
President & CEO

MONICA L. ANG-MERCADO
CFO & Treasurer

MARLON P. JAVARRO
AVP and Head of Finance
Asst. Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 15 2025 day of ____2025, 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
Marlon P. Javarro		TIN 165-102-272

Doc. No. 187;
Page No. 39;
Book No. 9;
Series of 2025.

ATTY. KARES P. SALENDREZ-PANGILINAN
Notary Public
Commission until 31 December 2025
Adm. Matter No. NP3(2024-2025)
Unit2625 T2 Amaia Skies Cubao, 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 69872
MCLE Compliance No. VII-BEP004368
PTR No. 7071230, 01/03/2025, QC
IBP No. 497706, 01/04/2025, QC

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'S 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, for the year ended **December 31, 2024 and 2023,** 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 in overseeing the Company's financial reporting process.

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

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

Signature: **RAMON S. ANG**
Chairman of the Board

Signature: **JOHN PAUL L. ANG**
Chief Executive Officer

Signature **MONICA L. ANG**
Chief Financial Officer

Signed this ___ day of _____ 2025

Doc: ___________
Page: ___________
Book: ___________
Series of________

SUBSCRIBED AND SWORN TO BEFORE ME, a notary public for and in Quezon City, this 15th day of April 2025, affiants exhibited to me the following government issued ID as competent evidence of their identity:

Name	Competent Evidence of Identity
Ramon S. Ang	TIN No. 118-247-725
John Paul L. Ang	TIN No. 212-627-576
Monica L. Ang	TIN No. 249-786-240

ATTY. MARES [illegible]ALENDREZ-PANGILINAN
Notary Public
Commission until 31 December 2025
Adm. Matter No. NP3(2024-2025)
Unit2525 T2 Amaia Skies Cubao, 5th Ave.,
Brgy. Socorro, Quezon City
Roll No. 63872
MCLE Compliance No. VII-BEP004308
PTR No. 7071220, 01/03/2025, QC
IBP No. 497706, 01/04/2025, QC

Doc. No. 178;
Page No. 37;
Book No. 9;
Series of 2025.

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A S O 9 5 0 0 5 8 8 5

C O M P A N Y   N A M E

EAGLE CEMENT CORPORATION AND
SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

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

Form Type	Department Requiring the Report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number/s	Mobile Number
corporatesecretary@eagle-cement.com.ph	(02) 5301-3453	0917-622-3575

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
51	1st Monday of June	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation.

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Marlon P. Javarro	mpjavarro@eagle-cement.com.ph	(02) 5301-3453	0917-598-8771

CONTACT PERSON'S ADDRESS

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

NOTE 1: *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

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.*

BOA/PRC Accreditation No. 4782
April 14, 2024 valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1209 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

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 consolidated financial statements of Eagle Cement Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended December 31, 2024, 2023 and 2022, and notes to consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits 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 audits 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 of our opinion.

Emphasis of Matter

We draw attention to Notes 2 and 11 to the consolidated financial statements concerning the Group's change in accounting policy for its land classified as property, plant and equipment from the revaluation model to the cost model. Our opinion is not modified with respect to this matter.

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, 2024, 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, 2024 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 Accounting Standards, 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

- 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 audits.

REYES TACANDONG & CO.

Manuel P. Buensuceso

MANUEL P. BUENSUCESO, JR.
Partner
CPA Certificate No. 143561
Tax Identification No. 311-867-595-000
BOA Accreditation No. 4782/P-025; Valid until June 6, 2026
SEC Accreditation No. 143561-SEC Group A
Issued August 17, 2023
Valid for Financial Periods 2023 to 2027
BIR Accreditation No. 08-005144-020-2025
Valid until January 7, 2028
PTR No. 10467123
Issued January 2, 2025, Makati City

March 11, 2025
Makati City, Metro Manila

BOA/PRC Accreditation No. 4782
April 14, 2024 valid until June 6, 2026
SEC Registration No. PP201007009

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8741 Paseo de Roxas
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Website : www.reyestacandong.com

**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 Parent Company) and Subsidiaries as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, on which we have rendered our report dated March 11, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has thirty-six (36) stockholders owning 100 or more shares each.

REYES TACANDONG & CO.

MANUEL P. BUENSUCESO, JR.
Partner
CPA Certificate No. 143561
Tax Identification No. 311-867-595-000
BOA Accreditation No. 4782/P-025; Valid until June 6, 2026
SEC Accreditation No. 143561-SEC Group A
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BIR Accreditation No. 08-005144-020-2025
Valid until January 7, 2028
PTR No. 10467123
Issued January 2, 2025, Makati City

March 11, 2025
Makati City, Metro Manila

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	2024	December 31 2023 (As Restated - Note 2)	January 1, 2023 (As Restated - Note 2)
ASSETS				
Current Assets				
Cash and cash equivalents	5	**₱8,536,295,423**	₱10,746,976,158	₱9,547,285,514
Financial assets at fair value through profit or loss (FVPL)	6	**437,981,214**	1,011,642,206	4,974,188,721
Trade and other receivables	7	**2,103,779,533**	2,017,420,302	537,380,234
Current portion of long-term placements		**–**	150,000,000	500,000,000
Inventories	8	**2,227,267,470**	2,185,653,992	2,299,118,264
Due from related parties	17	**334,132,935**	328,915,938	532,927,503
Other current assets	9	**393,446,586**	648,260,490	971,392,884
		14,032,903,161	17,088,869,086	19,362,293,120
Assets held for sale		**–**	–	2,668,267,163
Total Current Assets		**14,032,903,161**	17,088,869,086	22,030,560,283
Noncurrent Assets				
Financial assets at fair value through other comprehensive income (FVOCI)	10	**97,745,550**	96,678,750	100,012,500
Property, plant and equipment	11	**24,112,632,040**	23,951,653,563	24,129,875,775
Intangible assets	12	**2,605,701,395**	2,593,896,808	2,603,457,456
Net retirement asset	24	**54,884,828**	30,382,564	–
Other noncurrent assets	13	**428,304,628**	486,149,175	550,270,737
Total Noncurrent Assets		**27,299,268,441**	27,158,760,860	27,383,616,468
		₱41,332,171,602	₱44,247,629,946	₱49,414,176,751
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	14	**₱4,070,012,894**	₱4,794,307,155	₱4,486,588,865
Current portion of lease liabilities	23	**18,792,205**	15,072,971	10,684,751
Current portion of loans payable		**–**	–	1,241,357,832
		4,088,805,099	4,809,380,126	5,738,631,448
Liability of assets held for sale		**–**	–	54,298,327
Total Current Liabilities		**4,088,805,099**	4,809,380,126	5,792,929,775
Noncurrent Liabilities				
Retirement liability	24	**627,777**	631,230	72,336,757
Net deferred tax liabilities	26	**84,676,738**	104,208,454	107,180,149
Loans payable - net of current portion		**–**	–	2,799,022,986
Other noncurrent liabilities	15	**164,489,615**	86,763,882	95,442,923
Total Noncurrent Liabilities		**249,794,130**	191,603,566	3,073,982,815
Total Liabilities		**4,338,599,229**	5,000,983,692	8,866,912,590
Equity	16			
Capital stock		**8,000,000,006**	8,000,000,005	8,000,000,005
Additional paid-in capital		**6,525,506,098**	6,525,506,098	6,525,506,098
Retained earnings:				
Appropriated		**16,600,000,000**	16,600,000,000	16,000,000,000
Unappropriated		**8,777,574,795**	11,066,243,428	12,944,229,283
Other equity reserves		**90,491,474**	54,896,723	77,528,775
Treasury stock - at cost		**(3,000,000,000)**	(3,000,000,000)	(3,000,000,000)
Total Equity		**36,993,572,373**	39,246,646,254	40,547,264,161
		₱41,332,171,602	₱44,247,629,946	₱49,414,176,751

See accompanying Notes to Consolidated Financial Statements.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	**2024**	2023 (As Restated - Note 2)	2022 (As Restated - Note 2)
NET SALES	18	**₱23,874,540,902**	₱25,442,956,660	₱26,384,364,032
COST OF GOODS SOLD	19	**16,720,234,897**	16,658,178,476	18,245,087,788
GROSS PROFIT		**7,154,306,005**	8,784,778,184	8,139,276,244
OPERATING EXPENSES	20	**(2,704,809,086)**	(2,942,405,826)	(2,724,477,895)
INTEREST INCOME	5	**681,990,463**	648,395,163	273,272,734
FINANCE COSTS	15	**(7,012,170)**	(202,887,292)	(293,058,253)
OTHER INCOME (LOSS) - Net	21	**94,543,487**	(897,067,091)	967,377,450
INCOME BEFORE INCOME TAX		**5,219,018,699**	5,390,813,138	6,362,390,280
INCOME TAX EXPENSE (BENEFIT)	26			
Current		**838,714,978**	1,065,337,915	994,579,751
Deferred		**(31,027,654)**	3,461,072	(10,667,731)
		807,687,324	1,068,798,987	983,912,020
NET INCOME		**4,411,331,375**	4,322,014,151	5,378,478,260
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss in subsequent periods				
Remeasurement gains (losses) on net retirement benefit liability (net of deferred tax)	24	**34,527,951**	(19,298,302)	30,086,605
Unrealized gains (losses) on financial assets at FVOCI	10	**1,066,800**	(3,333,750)	(5,667,375)
		35,594,751	(22,632,052)	24,419,230
TOTAL COMPREHENSIVE INCOME		**₱4,446,926,126**	₱4,299,382,099	₱5,402,897,490
Basic/Diluted Earnings Per Share (EPS)	30	₱0.88	₱0.86	₱1.08

See accompanying Notes to Consolidated Financial Statements.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

		Capital Stock – ₱1 par value			Retained Earnings		Other Equity Reserves				
	Note	Common Stock	Preferred Stock	Additional Paid-in Capital	Appropriated	Unappropriated	Revaluation Surplus (Net of Deferred Tax), as restated	Cumulative Remeasurement Gains (Losses) on Net Retirement Benefits Liability (Net of Deferred Tax)	Cumulative Unrealized Gains (Losses) on Financial Assets at FVOCI	Treasury Stocks	Total Equity
Balances as at December 31, 2023		**₱5,000,000,005**	**₱3,000,000,000**	**₱6,525,506,098**	**₱16,600,000,000**	**₱11,069,490,159**	**₱3,056,387,347**	**₱58,230,473**	**(₱3,333,750)**	**(₱3,000,000,000)**	**₱42,306,280,332**
Prior period adjustment due to change in accounting policy	2	–	–	–	–	**(3,246,731)**	**(3,056,387,347)**	–	–	–	**(3,059,634,078)**
Balances as at December 31, 2023, as restated		**₱5,000,000,005**	**₱3,000,000,000**	**₱6,525,506,098**	**₱16,600,000,000**	**₱11,066,243,428**	–	**₱58,230,473**	**(₱3,333,750)**	**(₱3,000,000,000)**	**₱39,246,646,254**
Issuance during the year	16	**1**	–	–	–	–	–	–	–	–	**1**
Net income		–	–	–	–	**4,411,331,375**	–	–	–	–	**4,411,331,375**
Other comprehensive income		–	–	–	–	–	–	**34,527,951**	**1,066,800**	–	**35,594,751**
Cash dividends declared	16	–	–	–	–	**(6,700,000,008)**	–	–	–	–	**(6,700,000,008)**
Balances as at December 31, 2024		**₱5,000,000,006**	**₱3,000,000,000**	**₱6,525,506,098**	**₱16,600,000,000**	**₱8,777,574,795**	**₱–**	**₱92,758,424**	**(₱2,266,950)**	**(₱3,000,000,000)**	**₱36,993,572,373**
Balances as at December 31, 2022		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱12,947,476,014	₱3,056,387,347	₱77,528,775	₱–	(₱3,000,000,000)	₱43,606,898,239
Prior period adjustment due to change in accounting policy	2	–	–	–	–	(3,246,731)	(3,056,387,347)	–	–	–	(3,059,634,078)
Balances as at December 31, 2022, as restated		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱12,944,229,283	–	₱77,528,775	₱–	(₱3,000,000,000)	₱40,547,264,161
Net income		–	–	–	–	4,322,014,151	–	–	–	–	4,322,014,151
Other comprehensive losses		–	–	–	–	–	–	(19,298,302)	(3,333,750)	–	(22,632,052)
Reversal of appropriation	16	–	–	–	(16,000,000,000)	16,000,000,000	–	–	–	–	–
Appropriation	16	–	–	–	16,600,000,000	(16,600,000,000)	–	–	–	–	–
Cash dividends declared	16	–	–	–	–	(5,600,000,006)	–	–	–	–	(5,600,000,006)
Balances as at December 31, 2023		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,600,000,000	₱11,066,243,428	₱–	₱58,230,473	(₱3,333,750)	(₱3,000,000,000)	₱39,246,646,254
Balances as at December 31, 2021		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱11,568,997,758	₱3,056,387,347	₱47,442,170	₱5,667,375	(₱3,000,000,000)	₱42,204,000,753
Prior period adjustment due to change in accounting policy	2	–	–	–	–	(3,246,731)	(3,056,387,347)	–	–	–	(3,059,634,078)
Balances as at December 31, 2021, as restated		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱11,565,751,027	₱–	₱47,442,170	₱5,667,375	(₱3,000,000,000)	₱39,144,366,675
Other comprehensive income (loss)		–	–	–	–	–	–	30,086,605	(5,667,375)	–	24,419,230
Net income		–	–	–	–	5,378,478,260	–	–	–	–	5,378,478,260
Cash dividends declared	16	–	–	–	–	(4,000,000,004)	–	–	–	–	(4,000,000,004)
Balances as at December 31, 2022		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,000,000,000	₱12,944,229,283	₱–	₱77,528,775	₱–	(₱3,000,000,000)	₱40,547,264,161

See accompanying Notes to Consolidated Financial Statements.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31 2024	2023 (As Restated - Note 2)	2022 (As Restated - Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**₱5,219,018,699**	₱5,390,813,138	₱6,362,390,280
Adjustments for:				
Depreciation and amortization	11	**1,516,163,059**	1,475,765,840	1,318,717,051
Interest income	5	**(681,990,463)**	(648,395,163)	(273,272,734)
Retirement benefit costs	24	**22,375,066**	18,942,859	29,245,812
Unrealized foreign exchange loss (gains)		**(7,450,249)**	16,383,641	(24,433,290)
Finance costs	15	**7,012,170**	202,887,292	293,058,253
Dividend income	6	**(6,808,051)**	(86,797,575)	(208,460,225)
Gain on sale of property, plant and equipment	11	**(1,624,721)**	(2,660,424)	(3,424,290)
Losses (gains) on financial assets at FVPL	6	**(1,339,007)**	(37,453,486)	93,108,937
Loss on sale of asset held for sale	17	**–**	995,485,243	–
Gain on remeasurement of previously-held equity interest	21	**–**	–	(701,252,190)
Operating income before working capital changes		**6,065,356,503**	7,324,971,365	6,885,677,604
Decrease (increase) in:				
Trade and other receivables		**(123,655,516)**	(167,540,660)	16,819,580
Inventories		**1,091,377,621**	682,915,065	(200,205,525)
Due from related parties		**(5,216,997)**	204,011,565	–
Other current assets		**(1,158,681,915)**	(580,679,397)	(103,137,956)
Other noncurrent assets		**(563,678,310)**	(370,679,875)	(22,685,825)
Increase (decrease) in trade and other payables		**(601,738,415)**	312,083,462	(127,703,496)
Net cash generated from operations		**4,703,762,971**	7,405,081,525	6,448,764,382
Interest received		**719,286,748**	585,895,755	261,012,895
Income taxes paid		**(681,523,297)**	(693,629,922)	(974,101,247)
Contribution to the retirement plan	24	**(843,515)**	(146,762,019)	(39,595,445)
Net cash provided by operating activities		**4,740,682,907**	7,150,585,339	5,696,080,585
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of:				
Financial assets at FVPL		**574,999,999**	4,000,000,001	51,385,000
Long-term investment		**150,000,000**	500,000,000	–
Property, plant and equipment		**1,651,316**	3,938,536	4,941,694
Subsidiary		**–**	418,391,386	–
Additions to:				
Property, plant and equipment		**(875,648,464)**	(896,674,808)	(1,772,493,579)
Intangible assets	12	**(83,968,805)**	(50,073,470)	(17,066,400)
Financial assets at FVPL		**–**	–	(250,000,000)
Advances to related party		**–**	(100,000,000)	–
Dividends received		**6,808,051**	136,797,575	208,457,446
Acquisition of a new subsidiary, net of cash	4	**–**	–	(420,075,139)
Collections of deposit for future investment		**–**	476,742	–
Net cash provided by (used in) investing activities		**(226,157,903)**	4,012,855,962	(2,194,850,978)

(Forward)

	Note	2024	2023 (As Restated - Note 2)	2022 (As Restated - Note 2)
		Years Ended December 31		
CASH FLOWS FROM FINANCING ACTIVITIES	15			
Payments of:				
Dividends	15	**(6,699,867,320)**	(5,600,000,006)	(4,000,000,004)
Lease liabilities	23	**(23,230,512)**	(17,320,716)	(15,964,417)
Installment payable	14	**(3,334,239)**	(4,113,600)	(3,880,500)
Interest		**(176,260)**	(198,091,968)	(285,994,758)
Loans payable		**–**	(4,049,500,000)	(1,201,500,000)
Advances from related parties		**–**	(79,892,821)	–
Proceeds from advances from related parties		**–**	–	6,606,822
Net cash used in financing activities		**(6,726,608,331)**	(9,948,919,111)	(5,500,732,857)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,212,083,327)**	1,214,522,190	(1,999,503,250)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**1,402,592**	(14,831,546)	19,134,770
CASH INCLUDED IN ASSET HELD FOR SALE		**–**	–	(117,395,350)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**10,746,976,158**	9,547,285,514	11,645,049,344
CASH AND CASH EQUIVALENTS AT END OF YEAR		**₱8,536,295,423**	₱10,746,976,158	₱9,547,285,514
NONCASH FINANCIAL INFORMATION				
Advances to suppliers applied against inventories	9	**₱1,132,991,099**	₱616,529,106	₱262,333,823
Application of deposit on asset purchase	13	**627,677,440**	368,319,291	237,180,336
Recognition of right-of-use assets and lease liabilities	23	**67,472,942**	12,661,900	–
Recognition of asset retirement obligation and provision for mine rehabilitation and decommissioning	15	**34,205,067**	–	–

See accompanying Notes to Consolidated Financial Statements.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

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 is primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products.

In October 2022, San Miguel Equity Investments Inc. (SMEII or the Immediate Parent Company) as buyer, and Far East Holdings, Inc. (FEHI), Ramon S. Ang, John Paul L. Ang and Monica Ang-Mercado, as sellers, entered into a Share Purchase Agreement for the purchase and sale of 4,425,123,001 common shares representing 88.50% of the total issued and outstanding shares of the Parent Company. During the Tender Offer Period from November to December 2022, a total of 572,780,677 common shares representing 11.46% of the total and outstanding shares were tendered and accepted by SMEII, resulting in SMEII's ownership of 99.96% of the common shares in the Parent Company as at December 31, 2022.

Furthermore, in December 2022, the Parent Company filed with the Philippine Stock Exchange (PSE) a petition for voluntary delisting of its common shares listed on the main board of the PSE. In January 2023, the PSE approved the delisting effective end of business on February 28, 2023.

The Parent Company is a wholly-owned subsidiary of San Miguel Corporation (SMC or the Intermediate Parent Company). SMC is a public company under Section 17.2 of the Securities Regulation Code (SRC), and its shares are listed in the PSE. The Ultimate Parent Company is Top Frontier Investment Holdings, Inc. (TFIHI), a holding company incorporated and domiciled in the Philippines and its shares are also listed in the PSE.

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

Subsidiaries

The following are the subsidiaries of the Parent Company, which are all incorporated in the Philippines and registered with the SEC:

Name of Subsidiary	Principal Activity	Percentage (%) of Ownership 2024	2023	2022
South Western Cement Corporation (SWCC)	Manufacturing, marketing, sale and distribution of cement products	100	100	100
Solid North Mineral Corp. (SNMC)	Mining activities and processing of limestones	100	100	100
Armstrong Fly-ash and Logistics Company, Inc. (Armstrong)	Processing of fly ash	100	100	100

The Parent Company and its subsidiaries are collectively referred to herein as "the Group".

SWCC has not started commercial operations as at March 11, 2025.

In December 2022, the Parent Company acquired 100% ownership of Armstrong for a total consideration of ₱1,284.3 million (see Note 4).

In November 2022, the Parent Company approved the sale of the 100% ownership over KSHI. The sale transaction was executed in June 2023.

On November 4, 2021, the Parent Company acquired 100% ownership of SNMC for a total consideration of ₱3,572.0 million from related parties.

Status of Mining 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/Renewal	Commodity	Status of Operations
Luzon sites:					
ECC*	245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007	Limestone	Commercial Operations
ECC**	181-2002-III	Akle, San Ildefonso, Bulacan	June 20, 2022	Limestone	Commercial Operations
SNMC**	161-00-III	Akle, San Ildefonso, Bulacan	September 12, 2000	Limestone, shale and pozzolan	Commercial Operations
Cebu sites:					
ECC	100-97-VII	Ginatilan, Cebu	December 29, 1997	Limestone	Exploration
ECC	101-97-VII	Ginatilan and Malabuyoc, Cebu	December 29, 1997	Limestone	Exploration
SWCC	059-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020	Limestone	Development
SWCC	060-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020	Limestone	Development

**Started commercial operations for the production of limestone in 2024.*
***Started commercial operations for the production of limestone in 2010.*
****Started commercial operations for the production of shale and pozzolan, and pulverized limestone in January 2016 and April 2019, respectively.*

The foregoing MPSAs have a term of 25 years from the issuance date and may be renewed thereafter for another term not exceeding 25 years.

In 2024, the Company secured a 25-year extension for its MPSA 181-2002-III. Furthermore, in May 2024 the Company began commercial operations under MPSA 245-2007-III after receiving approval for its mining plan.

In August 2022, the Group applied for an extension of the term of MPSAs 100-97-VII and 101-97-VII in Cebu sites. As at March 11, 2025, the Group has yet to receive the approval for the extension.

2. **Summary of Material Accounting Policy Information**

Basis of Preparation

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS Accounting Standards, Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The material accounting policies used in the preparation of the consolidated financial statements are consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Group as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were approved and authorized for issuance by the Board of Directors (BOD) of the Parent Company on March 11, 2025, upon endorsement by the Audit Committee on the same date.

Measurement Bases

The consolidated financial statements are presented in Philippine Peso (Peso), the Group's functional currency. All values are rounded to the nearest Peso, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis, except for the following:

	Measurement Basis
Financial assets at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Net retirement asset or retirement liability	Present value of the defined benefit retirement obligation less the fair value of the plan assets
Provision for mine rehabilitation and decommissioning	Present value of expected rehabilitation and decommissioning costs
Lease liabilities	Present value of discounted minimum lease payments

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.

In 2024, the Group changed its policy on the measurement of its land classified as property, plant and equipment from the revaluation model to cost model to align with the accounting policy of its Ultimate Parent Company. The 2023 consolidated financial statements were restated accordingly to reflect the change retroactively.

The summary of the financial impact of the change in accounting policy in the consolidated financial statements as at December 31, 2023 and January 1, 2023 are as follows:

	December 31, 2023		
	As Previously Reported	Effect of Restatement	As Restated
Property, plant and equipment	₱29,804,323,405	(₱5,852,669,842)	₱23,951,653,563
Unappropriated retained earnings	11,069,490,159	(3,246,731)	11,066,243,428
Revaluation surplus	3,056,387,347	(3,056,387,347)	–
Net deferred tax liabilities	1,566,564,232	(1,462,355,778)	104,208,454

	January 1, 2023		
	As Previously Reported	Effect of Restatement	As Restated
Property, plant and equipment	₱29,982,545,617	(₱5,852,669,842)	₱24,129,875,775
Unappropriated retained earnings	12,947,476,014	(3,246,731)	12,944,229,283
Revaluation surplus	3,056,387,347	(3,056,387,347)	–
Net deferred tax liabilities	1,569,535,927	(1,462,355,778)	107,180,149

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, and continue to be consolidated until the date such control ceases.

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.

Adoption of Amendments to PFRS Accounting Standards

The accounting policies adopted are consistent with those of the previous financial year. There are no amendments to PFRS Accounting Standards effective January 1, 2024 that have an impact on the Group's consolidated financial statements.

New and Amendments to Standards Not Yet Adopted

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the consolidated financial statements, are summarized below:

- Amendments to PFRS 9, *Financial Instruments,* and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at fair value through other comprehensive income (FVOCI). Earlier application is permitted.

- Annual Improvements to PFRS Accounting Standards Volume 11:

  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.

  - Amendments to PFRS 9, *Financial Instruments – Transaction Price and Lessee Derecognition of Lease Liabilities* – The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee must apply the derecognition criteria for a financial liability which requires recognition of a gain or loss in profit or loss. The amendments also replace the reference to *'transaction price as defined by PFRS 15, Revenue from Contracts with Customers'* to *'the amount determined by applying PFRS 15'* to remove potential confusion. Earlier application is permitted.

  - Amendments to PFRS 10, *Consolidated Financial Statements - Determination of a 'de facto agent'* – The amendments remove inconsistencies by clarifying that an entity must use judgment to determine whether other parties are acting as de facto agents. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 –

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity's assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards, except for PFRS 18, is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

<u>Current versus Noncurrent Classification</u>
The Group presents assets and liabilities in the consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

Recognition and Initial Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for financial assets and financial liabilities at FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Group classifies its financial assets, at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of comprehensive income when the financial asset is derecognized, modified or impaired.

As at December 31, 2024 and 2023, the Group’s cash in banks and cash equivalents, trade and other receivables (except advances to officers and employees), long-term placements, restricted cash, refundable deposits, deposit in escrow, and due from related parties are classified under this category (see Notes 5, 7, 13 and 17).

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in equity instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income.

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the consolidated statements comprehensive of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are transferred to and recognized in the consolidated statements of comprehensive income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the consolidated statements of comprehensive income when the right to receive the payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the consolidated statements of changes in equity are never reclassified to the consolidated statements of comprehensive income.

As at December 31, 2024 and 2023, 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 10).

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the consolidated statements of comprehensive income as incurred. Changes in fair value and realized gains or losses are recognized in the consolidated statements of comprehensive income. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the consolidated statements of comprehensive income. Any dividend income from investment in equity instrument is recognized in the consolidated statements of comprehensive income when the right to receive payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment.

As at December 31, 2024 and 2023, the Group's investments in listed debt securities are classified under this category (see Note 6).

Financial Liabilities

The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the consolidated statements of comprehensive income. Any interest expense incurred is recognized as part of "Interest expense and other financing charges" account in the consolidated statements of comprehensive income.

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense and other financing charges" account in the consolidated statements of comprehensive income. Gains and losses are recognized in the consolidated statements of comprehensive income when the liabilities are derecognized as well as through the amortization process.

As at December 31, 2024 and 2023, the Group's trade and other payables (except advances from customers, statutory payables, output VAT payable and deferred rent), installment payable, and lease liabilities classified under this category (see Notes 14, 15 and 23).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; 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.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. 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. The difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether these financial assets at amortized cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the consolidated statements of comprehensive income.

Classification of Financial Instruments between Liability and Equity
Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation 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.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole or in part, the amount separately determined as the fair value of the liability component on the date of issue.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is 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 an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). The cost of raw materials, spare parts and supplies comprises all purchase price and other costs incurred in bringing the inventories to its present location and condition. The cost of finished goods and goods in process comprises raw materials, direct labor and other direct costs and related production overheads.

The cost of raw materials is calculated based on moving average method while the cost of goods in process and finished goods is calculated based on standard costing method. Standard cost is adjusted to reflect actual cost which is principally determined using the moving average method. 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 (1) year or if these can be used only in connection with an item of property, plant and equipment.

When the NRV of the inventories is lower than its cost, the Group provides for an allowance for the decline in value of inventory and recognizes the write-down as an expense in profit or loss. The amount of any reversal of write-down of inventories, arising from an increase in NRV, is recognized in profit or loss in the period in which the reversal occurs.

<u>Other Nonfinancial Current Assets</u>

Prepayments. Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are recognized as expense in the consolidated statements of comprehensive income as they are consumed or expire with the passage of time.

Prepayments are classified as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Group’s normal operating cycle. Otherwise, these are classified as noncurrent assets.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods and on the unpaid portion of availed services. In accordance with the Revenue Regulation (RR) No. 16-2005, input VAT on purchases or imports of the Group with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1,000,000 are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter. Deferred input VAT that are expected to be claimed against output VAT for no more than 12 months after the financial reporting period are classified as other current assets. Otherwise these are classified as other 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 ₱1,000,000, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Under Section 4.110-3 (c) of the RR 13-2018, the amortization of the input VAT shall only be allowed until December 31, 2021, after which, any unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized. The input VAT on the purchases or imports of capital goods exceeding ₱1,000,000 subsequent to December 31, 2021 may be claimed outright.

Prior to the implementation of the Ease of Paying Taxes (EoPT) Law, VAT was calculated based on gross receipts. Following the enactment of the EoPT Law, the tax base for VAT was revised to gross revenues.

Advances to Suppliers. Advances to suppliers represent advance payments made in relation to purchase of raw materials and services and are carried at cost. These are to be applied against the suppliers' billing upon the receipt of materials or services.

Other Current Assets. Other current assets pertain to assets which are expected to be realized within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included as part of "Operating expenses" account in the consolidated statements of comprehensive income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair value and any resulting gain or loss is recognized in the consolidated statements of comprehensive income.

The Group measures goodwill at the acquisition date as: a) the fair value of the consideration transferred; plus b) the recognized amount of any non-controlling interests in the acquiree; plus c) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated statements of comprehensive income. Subsequently, goodwill is measured at cost less any accumulated impairment in value.

Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the consolidated statements of comprehensive income. Costs related to the acquisition, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the consolidated statements of comprehensive income.

Goodwill in a Business Combination

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units (CGU), or groups of CGU that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment determined in accordance with PFRS 8, *Operating Segments.*

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of CGU, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of CGU is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit or group of CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

Property, Plant and Equipment
Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

In 2024, the Group changed its policy in the measurement of land from revaluation model to cost model to align with the accounting policy of its Ultimate Parent Company. The management believes that this will provide more reliable and relevant information about the land on the Group's financial position, financial performance or cash flows. Accordingly, land is carried at cost less impairment in value, if any (see Note 11).

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably. Construction projects in progress (CPIP) represents the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. CPIP is not depreciated until such time that the relevant assets are ready for use.

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Machinery and equipment	5 to 30
Building and improvements	10 to 30
Furniture, fixtures and other office equipment	3 to 5
Transportation equipment	5
ROU assets	2 to 8

The remaining useful lives, residual values, and depreciation methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment. The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the consolidated statements of comprehensive income in the period of retirement and disposal.

<u>Leases</u>
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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:

- the Group has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Group has the right to direct the use of the identified asset.

Group as Lessee
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, ranging from three (3) to ten (10) years.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- 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 under a residual value guarantee; 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.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (i.e., lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as expense on a straight-line basis over the lease term.

<u>Stripping Costs</u>
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.

Mining Rights and Computer Software. Mining rights and computer software are stated at cost, which includes purchase price and other direct costs, less accumulated amortization and any impairment in value. Mining rights and computer software are amortized over their useful lives on a straight-line basis and assessed for impairment whenever there is an indication that the mining rights and computer software may be impaired.

The amortization period and the amortization method for intangible assets with 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 are as follows:

	Number of Years
Mining rights	10 to 25
Computer software	5

When mining rights and computer software 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.

Goodwill. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and 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 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 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 CGU 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.

Deferred Exploration and Development Costs

Deferred exploration and development costs comprise of expenditures which are directly attributable to:

- Researching and analyzing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and
- Compiling pre-feasibility and feasibility studies.

Deferred exploration and development costs also include expenditures incurred in acquiring mineral rights and evaluation assets, entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration assets are reassessed on a regular basis and tested for impairment provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If the project proceeds to development stage, the amounts included within deferred exploration and development costs are transferred to property, plant and equipment.

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.

Other Nonfinancial Noncurrent Assets

Other nonfinancial noncurrent assets include deposit on asset purchase 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. Deposit on asset purchase are applied against acquisition of property, plant and equipment and long-term deposit for inventory acquisition.

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. Deposit for future investment is applied against subscription to common shares of stock of a business entity.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill with indefinite useful life is tested for impairment annually either individually or at the cash-generating unit level. If any such indication exists and if the carrying amount exceeds the estimated recoverable amount, the assets or CGU are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of comprehensive income. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. An impairment loss with respect to goodwill is not reversed.

Advances from Customers

Advances from customers consist of amounts received by the Group from its customers as advance payments 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 goods for which the advances were made are delivered to the customers.

Fair Value Measurements
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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3: inputs for the asset or liability that are not based on observable market data.For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy (see Note 28).

Provisions
Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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 classified as "Restricted cash" included in "Other noncurrent assets" account in the consolidated statements of financial position (see Note 13).

<u>Equity</u>

Common Stock
Common stock is classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preferred Stock
Preferred stock is classified as equity if they are non-redeemable, or redeemable only at the option of the Parent Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred stock is classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the consolidated statements of comprehensive income as accrued.

Additional Paid-in Capital
When the shares are sold at premium, the difference between the proceeds and the par value is credited to the “Additional paid-in capital” account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings
Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments. Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend declaration.

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.

Treasury Stock
Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company’s own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Dividends Declaration
Dividends are recognized as a liability and deducted from equity upon declaration. Dividends for the year that are declared after the reporting date are dealt with as an event after the reporting date.

Other Equity Reserves
Other equity reserves comprise of items of income and expense, net of any deferred tax expense or benefit, that are not recognized in profit or loss in accordance with PFRS Accounting Standards. Other equity reserves of the Group pertain to cumulative remeasurement gains or losses on retirement liability (net retirement asset) and cumulative unrealized gains or losses on financial assets at FVOCI.

<u>Revenue</u>
The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (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. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it acts as a principal as it controls the goods or services before transferring to the customer. 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 to the buyer, which is normally upon delivery or pick of goods, the seller has no obligation that could affect the buyer's acceptance of goods and the amount of sales can be measured reliably. The sales are net of returns, trade discounts and sale rebates.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15:

Interest Income. Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend Income. Dividend income is recognized when the Group's right to receive the payment is established.

Other Income. Income from other sources is recognized when earned during the period.

Sales Rebates. The Group provides sales 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 sales 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 (see Note 14).

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

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.

Other Expenses. Other expenses are recognized when incurred during the period.

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.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Costs

The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the consolidated statements of comprehensive income.

Remeasurements of net defined benefit retirement liability or asset comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to consolidated statements of comprehensive income in subsequent periods.

When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the consolidated statements of comprehensive income. The Group recognizes gains and losses on the settlement of a defined benefit retirement plan when the settlement occurs.

Foreign Currency

Transactions in foreign currencies are initially recorded in the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the reporting date.

Non-monetary assets and non-monetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the consolidated statements of comprehensive income, except for differences arising on the translation of monetary items that in substance form part of a net investment in a foreign operation and hedging instruments in a qualifying cash flow hedge or hedge of a net investment in a foreign operation, which are recognized in other comprehensive income.

Taxes

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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; and

- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - minimum corporate income tax (MCIT) and unused tax losses - net operating loss carry over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference 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; and
- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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.

Current tax and deferred tax are recognized in the consolidated statements of comprehensive income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax 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.

VAT. Revenues, 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 tax 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 (see Note 14).

<u>Related Parties</u>
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 individuals or corporate entities.

<u>Earnings Per Share (EPS)</u>
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.

<u>Provisions</u>
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. The expense relating to any provision is presented in profit or loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. The increase in the provision due to the passage of time is recognized as interest expense.

<u>Contingencies</u>
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to consolidated financial statements 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.

<u>Events After the Reporting Date</u>
Events after the reporting date that provide additional information about the Group's financial position at the 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.

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, accounting estimates and assumptions 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 Instruments. The Group exercises judgment in classifying financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

The Group uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Notes 6, 10 and 28.

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 28 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.

As at March 11, 2025, 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 ₱60.2 million and ₱59.0 million as at December 31, 2024 and 2023, respectively (see Note 13).

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 (1) 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 2024, 2023 and 2022. The carrying amount of trade receivables amounted to ₱691.7 million and ₱621.1 million as at December 31, 2024 and 2023, 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 other 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 counterparty.

The Group also considers financial assets that are more than 60 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 counterparty.

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 2024, 2023 and 2022.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	**2024**	2023
Cash in banks and cash equivalents	5	**₱8,535,330,189**	₱10,746,019,148
Other receivables*	7	**1,402,689,941**	1,388,844,456
Restricted cash	13	**108,746,619**	81,379,994
Refundable deposits	13	**83,073,487**	63,575,285
Deposit in escrow	13	**56,034,399**	49,879,815
Long-term placements		**–**	150,000,000

**Includes receivable from a related party, interest receivable, 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, 2024 and 2023, the cost of inventories is lower than its NRV. The carrying amount of inventories is ₱2,227.3 million and ₱2,185.7 million as at December 31, 2024 and 2023, respectively (see Note 8).

Estimation of the Useful Lives of Property, Plant and Equipment (Excluding Land and Construction Projects in Progress) and Intangible Assets. The Group estimates the useful lives of its property, plant and equipment (excluding land and construction projects in progress) and computer software 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 (excluding land and construction projects in progress) and computer software 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 (excluding land and construction projects in progress) and computer software is based on internal technical evaluation, and experience with similar assets. The Group amortizes mining rights for ten (10) to twenty five (25) years, in line with the expiration of MPSAs as approved by the MGB.

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, mining rights and computer software 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, mining rights and computer software in 2024, 2023 and 2022.

The carrying amounts of property, plant and equipment and intangible assets are as follows:

	Note	**2024**	2023
Property, plant and equipment*	11	**₱20,670,752,600**	₱20,963,564,407
Mining rights	12	**1,138,165,804**	1,124,993,431
Computer software	12	**208,582,887**	209,950,673

**Excluding land and construction projects in progress aggregating to ₱3,441.9 million and ₱2,988.1 million as at December 31, 2024 and 2023, respectively.*

Accounting for Business Combination. In 2022, the Parent Company acquired 100% ownership in Armstrong. As at transaction date, the Group evaluated whether this represents acquisition of a business or of a group of assets. The Group determined that the transaction be accounted as a business combination under common control using acquisition method since the acquisition is a strategic move by the Parent Company to ensure sustainable supply of raw materials for its operations.

Under the acquisition method, the Group accounted for the assets acquired and the liabilities assumed at the date of acquisition based on their respective fair values. This requires certain estimates and assumptions concerning the determination of the fair values of acquired mining rights, land, other property, plant and equipment, as well as liabilities assumed at the acquisition date. The valuation of those assets acquired by the Group are based on information available at the acquisition date.

Step-up Acquisition of Armstrong

In August 2022, the Parent Company converted its investment in Armstrong's preferred shares to common shares amounting to ₱75.0 million. Further, in December 2022, the Parent Company acquired the remaining common shares from the individual shareholders for a consideration of ₱508.0 million.

As at December 31, 2022, the fair values of Armstrong's net identifiable assets acquired and the consideration are based on a provisional assessment pending the completion of an independent valuation. Carrying amount of the provisional goodwill arising from the acquisition amounted to ₱226.1 million.

In 2023, the independent valuation of the fair values of Armstrong's net identifiable assets acquired and consideration was completed.

The increase in the acquisition date fair value of the consideration amounting to ₱701.3 million, mainly arising from the fair valuation of common shares acquired through conversion of previously-held preferred shares in Armstrong, was recognized as a "Gain on remeasurement of previously-held equity interest" in the consolidated statements of comprehensive income. As a result, there was a corresponding increase in goodwill of the same amount, for a total goodwill of ₱927.4 million arising on the acquisition of Armstrong. The corresponding increase in goodwill was reflected retrospectively as at acquisition date in 2022 (see Note 4).

As at December 31, 2024 and 2023, the aggregate carrying amount of goodwill from acquisitions of Armstrong, SNMC and SWCC aggregated to ₱1,259.0 million (see Note 12).

Leases – Estimation of the IBR. The Group uses its 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 IBR ranging from 2.25% to 8.31% for the computation of lease liabilities and ROU assets. Lease liabilities amounted to ₱80.2 million and ₱33.5 million as at December 31, 2024 and 2023, respectively. ROU assets amounted to ₱75.3 million and ₱27.8 million as at December 31, 2024 and 2023, respectively (see Note 23).

Assessment for Impairment of Nonfinancial Assets (Excluding Goodwill). 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 2024, 2023 and 2022. The carrying amounts of nonfinancial assets are as follows:

	Note	**2024**	2023
Property, plant and equipment	11	**₱24,112,632,040**	₱23,951,653,563
Intangible assets*	12	**1,346,748,691**	1,334,944,104
Prepayments	9	**243,922,947**	245,970,600
Deposit on asset purchase	13	**142,267,455**	227,972,602
Deferred input VAT	9	**64,656,833**	257,346,394
Deferred exploration and evaluation costs	13	**60,199,195**	58,969,734
Advances to suppliers	9	**26,054,887**	138,718,894
Advances to officers and employees	7	**9,366,239**	7,519,050
Other current assets	9	**6,089,371**	6,224,602
Deposit for future investment	13	**4,765,796**	4,371,745

**Excluding goodwill amounting to ₱1,259.0 million as at December 31, 2024 and 2023.*

Assessment of Goodwill Impairment. The Group determines whether goodwill is impaired at least annually. This requires the estimation of value in use of the CGU to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate to calculate the present value of those cash flows.

No impairment loss was recognized in 2024, 2023 and 2022. The carrying amount of goodwill amounted to ₱1,259.0 million as at December 31, 2024 and 2023 (see Note 12).

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 2024, 2023, and 2022. As at December 31, 2024 and 2023, the carrying amount of deferred exploration and evaluation costs amounted to ₱60.2 million and ₱59.0 million, respectively (see Note 13).

Estimation 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 ₱91.2 million and ₱53.5 million as at December 31, 2024 and 2023, respectively (see Note 15).

Determination of Retirement Liability (Net Retirement Asset). The determination of the retirement liability (net retirement asset) is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions are described in Note 24 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 retirement liability (net retirement asset).

Net retirement asset amounted to ₱54.9 million and ₱30.4 million as at December 31, 2024 and 2023, respectively. Retirement liability amounted to ₱0.6 million as at December 31, 2024 and 2023. Cumulative remeasurement gains on retirement liability (net retirement asset) (net of deferred tax) amounted to ₱92.8 million and ₱58.2 million as at December 31, 2024 and 2023, respectively (see Note 24).

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 ₱23.7 million and ₱17.5 million were not recognized as at December 31, 2024 and 2023, 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 26).

Deferred tax assets recognized amounted to ₱162.2 million and ₱117.4 million as at December 31, 2024 and 2023, respectively (see Note 26).

4. **Business Combination**

Step-up Acquisition of Armstrong

In August 2022, the Parent Company converted its investment in Armstrong's preferred shares to common shares amounting to ₱75.0 million. Further, in December 2022, the Parent Company acquired the remaining common shares from the individual shareholders for a consideration of ₱508.0 million.

The acquisition is a strategic move by the Group to ensure sustainable supply of raw materials for its operations. The fair values of the identified assets and liabilities of Armstrong at the date of acquisition and the purchase price were allocated as follows (in millions):

	Provisional Amount	Final Amount
Cash	₱87.9	₱87.9
Trade and other receivables	56.5	56.5
Inventories	26.6	26.6
Other current assets	49.3	49.3
Property, plant and equipment	364.5	364.5
Other noncurrent assets	18.8	18.8
Trade and other payables	(156.2)	(156.2)
Income tax payable	(1.1)	(1.1)
Other noncurrent liabilities	(89.4)	(89.4)
Net assets acquired	356.9	356.9
Consideration	(583.0)	(1,284.3)
Goodwill	(₱226.1)	(₱927.4)
Total cash consideration	₱508.0	₱508.0
Less cash acquired	87.9	87.9
Acquisition of subsidiary, net of cash acquired	₱420.1	₱420.1

As at December 31, 2022, the fair values of net identifiable assets acquired and the consideration are based on a provisional assessment pending the completion of an independent valuation. The independent valuation had not yet been completed by the date the 2022 financial statements were approved for issuance by the BOD.

In 2023, the independent valuation was completed and the acquisition date fair value of the consideration was ₱1,284.3 million.

The increase in the acquisition date fair value of the consideration amounting to ₱701.3 million, mainly arising from the fair valuation of common shares acquired through conversion of previously-held preferred shares in Armstrong, was recognized as a gain on remeasurement of previously-held equity interest in Armstrong in the consolidated statements of comprehensive income (see Note 21). As a result, there was a corresponding increase in goodwill of the same amount, for a total goodwill of ₱927.4 million arising on the acquisition of Armstrong. The 2022 comparative information was restated to reflect the adjustment to the provisional amounts.

The excess of consideration over the fair value amounting to ₱927.4 million represents goodwill, which is the fair value of the expected synergies arising from the acquisition of the business (see Note 12). None of the goodwill recognized is expected to be deductible for tax purposes.

The revenue and net income of Armstrong from the date the Group obtained control, which is August 12, 2022, up to December 31, 2022, amounted to ₱143.5 million and ₱97.4 million, respectively, which were included in the Group's results of operations in 2022. Had the acquisition took place at the beginning of 2022, the Group's revenue and net income for the year ended December 31, 2022 would have been ₱26,390.1 million and ₱4,787.9 million, respectively.

<u>Measurement of Fair Values of Identifiable Assets Acquired</u>
The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Property, Plant and Equipment. The fair value was based on the replacement cost less allowance for depreciation established with reference to the relative desirability of the property for present and future performance as compared to a property under known or assumed condition of operation, but without regard to the economic conditions which might influence the profitability of operation or the status of business or industry as a whole.

5. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**₱965,234**	₱957,010
Cash in banks	**760,360,228**	1,250,312,981
Short-term placements	**7,774,969,961**	9,495,706,167
	₱8,536,295,423	₱10,746,976,158

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 2.25% to 8.00% in 2024, 4.30% to 8.00% in 2023, and 0.30% to 7.00% in 2022.

Interest income is recognized from the following:

	Note	**2024**	2023	2022
Cash in banks and cash equivalents*		**₱656,435,925**	₱599,357,327	₱204,392,463
Financial assets at FVPL	6	**23,904,538**	45,513,954	40,335,153
Long-term placements	13	**1,650,000**	3,462,310	28,407,200
Others		**–**	61,572	137,918
		₱681,990,463	₱648,395,163	₱273,272,734

**Includes interest income from deposit in escrow and restricted cash.*

6. **Financial Assets at FVPL**

The financial assets at FVPL is composed of debt securities amounting to ₱438.0 million and ₱1,011.6 million as at December 31, 2024 and 2023, respectively.

Financial assets at FVPL consist of quoted debt securities held for trading purposes.

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. In May 2023, the Group redeemed its unquoted redeemable perpetual securities resulting in a realized gain of ₱38.9 million, which is classified as part of net trading gain (loss) on financial assets at FVPL in the consolidated statements of comprehensive income.

Dividend income is recognized from the following equity securities (see Note 21):

	Note	**2024**	2023	2022
Financial asset at FVOCI	10	**₱6,808,051**	₱6,797,575	₱6,808,051
Financial asset at FVPL		**–**	80,000,000	201,652,174
		₱6,808,051	₱86,797,575	₱208,460,225

Gains (losses) on financial assets at FVPL are as follows (see Note 21):

	2024	2023	2022
Net unrealized gains (losses) on fair value changes	**₱1,314,695**	₱14,017,288	(₱96,766,377)
Net realized gains on sale of securities	**24,312**	23,436,198	3,657,440
	₱1,339,007	₱37,453,486	(₱93,108,937)

Debt securities are quoted and earn annual interest rate ranging from 5.08% to 6.25% in 2024, 2023, and 2022. Interest income on debt securities amounted to ₱23.9 million, ₱45.5 million and ₱40.3 million in 2024, 2023 and 2022, respectively (see Note 5).

The Group's quoted debt securities at FVPL as at December 31, 2024 and 2023 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 (see Note 28).

7. Trade and Other Receivables

This account consists of:

	Note	**2024**	2023
Trade:			
Third parties		**₱432,588,682**	₱367,320,267
Related parties	17	**259,134,671**	253,736,529
Receivable from a related party	17	**1,300,000,000**	1,300,000,000
Interest receivable		**46,216,089**	83,512,374
Advances to officers and employees		**9,366,239**	7,519,050
Dividends receivable	17	**1,702,013**	1,702,013
Others		**54,771,839**	3,630,069
		₱2,103,779,533	₱2,017,420,302

Trade receivables are noninterest-bearing and are generally on a 60-day credit term.

Interest receivable pertains to interest income earned but not yet received by the Group and are normally settled within 35 days.
Advances to officers and employees are subject to liquidation within a period of seven (7) days after the transaction has occurred or through salary deduction.

Other receivables are noninterest-bearing and normally settled within 12 months from the reporting date.

8. Inventories

This account consists of:

	2024	2023
Raw materials	**₱917,016,102**	₱472,485,701
Spare parts	**517,157,162**	552,348,809
Goods in process	**462,625,873**	768,454,267
Supplies	**288,637,541**	295,288,254
Finished goods	**41,830,792**	97,076,961
	₱2,227,267,470	₱2,185,653,992

Cost of inventories as at December 31, 2024 and 2023 is lower than its NRV. Cost of inventories sold amounted to ₱9,161.2 million, ₱9,227.7 million and ₱9,456.9 million in 2024, 2023 and 2022, respectively (see Note 19).

9. Other Current Assets

This account consists of:

	Note	2024	2023
Prepayments for:			
Taxes		**₱226,832,654**	₱240,883,927
Insurance		**17,090,293**	5,086,673
Deferred input VAT		**64,656,833**	257,346,394
Current portion of refundable deposits	13	**26,782,323**	–
Advances to suppliers		**26,054,887**	138,718,894
Others		**32,029,596**	6,224,602
		₱393,446,586	₱648,260,490

Advances to Suppliers
Advances to suppliers represent advance payments for purchases of inventories and services that are applied against subsequent deliveries. The amounts have been outstanding for less than one (1) year from initial recognition. These are reversed upon receipt of goods and services from suppliers.

The balances and movements in this account as at and for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at beginning of year	**₱138,718,894**	₱141,947,872
Additions	**1,020,327,092**	613,300,128
Applied	**(1,132,991,099)**	(616,529,106)
Balance at end of year	**₱26,054,887**	₱138,718,894

The application of advances to suppliers to inventory is considered as noncash financial information in the consolidated statements of cash flows.

10. Financial Assets at FVOCI

This account consists of quoted equity securities amounting to ₱97.7 million and ₱96.7 million as at December 31, 2024 and 2023, respectively (see Note 17).

Dividend income earned from financial assets at FVOCI amounted to ₱6.8 million in 2024, 2023 and 2022 (see Note 6).

Rollforward analysis of cumulative unrealized gains (losses) on financial assets at FVOCI is shown below:

	2024	2023	2022
Balance at beginning of year	**(₱3,333,750)**	₱–	₱5,667,375
Unrealized gains (losses) for the year	**1,066,800**	(3,333,750)	(5,667,375)
Balance at end of year	**(₱2,266,950)**	(₱3,333,750)	₱–

The Group's financial assets at FVOCI as at December 31, 2024 and 2023 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 28).

11. Property, Plant and Equipment

The balances and movements in this account as at and for the years ended December 31, 2024 and 2023 are as follows:

	2024							
	Land	Machinery and Equipment	Building and Improvements	Furniture, Fixtures, and Other Office Equipment	Transportation Equipment	ROU Assets (see Note 23)	CPIP	Total
Cost								
Balances at beginning of year	₱2,126,579,496	₱25,131,811,744	₱5,198,766,678	₱310,757,084	₱210,093,566	₱86,711,199	₱861,509,660	₱33,926,229,427
Additions	–	262,785,663	35,161,476	364,581	–	67,472,942	1,263,556,209	1,629,340,871
Disposals	–	(2,669,118)	–	(609,472)	(30,557,945)	–	(18,511,708)	(52,348,243)
Reclassification	(50,000)	–	–	(4,115,421)	–	–	–	(4,165,421)
Settlement of CPIP	138,651,096	597,458,206	143,103,387	40,649,127	9,993,497	–	(929,855,313)	–
Balances at end of year	2,265,180,592	25,989,386,495	5,377,031,541	347,045,899	189,529,118	154,184,141	1,176,698,848	35,499,056,634
Accumulated Depreciation and Amortization								
Balances at beginning of year	–	7,547,672,086	1,931,713,912	238,188,031	198,131,899	58,869,936	–	9,974,575,864
Depreciation and amortization	–	1,169,683,743	215,881,958	29,956,005	10,073,706	20,063,257	–	1,445,658,669
Disposals	–	(2,669,118)	–	(609,472)	(30,531,349)	–	–	(33,809,939)
Balances at end of year	–	8,714,686,711	2,147,595,870	267,534,564	177,674,256	78,933,193	–	11,386,424,594
Carrying Amounts	₱2,265,180,592	₱17,274,699,784	₱3,229,435,671	₱79,511,335	₱11,854,862	₱75,250,948	₱1,176,698,848	₱24,112,632,040

	2023 (As restated - see Note 2)							
	Land	Machinery and Equipment	Building and Improvements	Furniture, Fixtures, and Other Office Equipment	Transportation Equipment	ROU Assets (see Note 23)	CPIP	Total
Cost								
Balances at beginning of year	₱2,094,564,804	₱24,415,953,354	₱5,147,034,536	₱326,441,914	₱228,617,271	₱74,049,299	₱549,554,709	₱32,836,215,887
Additions	–	248,567,942	3,130,673	–	–	12,661,900	986,448,231	1,250,808,746
Disposals	–	(84,805,566)	(3,174,806)	(36,780,201)	(19,255,848)	–	–	(144,016,421)
Reclassification	–	(12,081,299)	(3,225,662)	(1,471,824)	–	–	–	(16,778,785)
Settlement of CPIP	32,014,692	564,177,313	55,001,937	22,567,195	732,143	–	(674,493,280)	–
Balances at end of year	2,126,579,496	25,131,811,744	5,198,766,678	310,757,084	210,093,566	86,711,199	861,509,660	33,926,229,427
Accumulated Depreciation and Amortization								
Balances at beginning of year	–	6,483,827,994	1,729,691,085	240,740,814	208,666,334	44,562,668	–	8,707,488,895
Depreciation and amortization	–	1,147,485,199	205,197,632	34,113,766	8,721,414	14,307,268	–	1,409,825,279
Disposals	–	(83,641,107)	(3,174,805)	(36,666,549)	(19,255,849)	–	–	(142,738,310)
Balances at end of year	–	7,547,672,086	1,931,713,912	238,188,031	198,131,899	58,869,936	–	9,974,575,864
Carrying Amounts	₱2,126,579,496	₱17,584,139,658	₱3,267,052,766	₱72,569,053	₱11,961,667	₱27,841,263	₱861,509,660	₱23,951,653,563

Capitalized Mine Rehabilitation and Decommissioning Costs

The Group 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:

	Note	**2024**	2023
Cost			
Balance at beginning of year		**₱39,848,491**	₱39,848,491
Additions	15	**34,205,067**	–
Balance at end of year		**74,053,558**	39,848,491
Accumulated Amortization			
Balance at beginning of year		**28,454,975**	27,711,776
Amortization		**4,959,036**	743,199
Balance at end of year		**33,414,011**	28,454,975
Carrying Amount		**₱40,639,547**	₱11,393,516

In 2024, the Group secured a 25-year extension for its MPSA 181-2002-III. Furthermore, in May 2024, the Group began commercial operations under MPSA 245-2007-III after receiving approval for its mining plan.

Application of Deposit on Asset Purchase

As at December 31, 2024 and 2023, deposit on asset purchase amounting to ₱627.7 million and ₱368.3 million, respectively, were reclassified and included as additions to property, plant and equipment (see Note 13). This transaction is considered as a noncash financial information in the consolidated statements of cash flows.

Disposals

In 2024, the Group sold various items of property, plant and equipment with carrying amounts aggregating ₱26,595 for ₱1.7 million resulting to a gain on sale of property, plant and equipment of ₱1.6 million (see Note 21).

In 2023, the Group disposed various items of property, plant and equipment for ₱3.9 million resulting to a gain on sale of property, plant and equipment of ₱2.7 million (see Note 21).

In 2022, the Group sold items of property, plant and equipment with carrying amount of ₱1.5 million for ₱4.9 million resulting to gain on sale of property, plant and equipment of ₱3.4 million (see Note 21).

Depreciation and Amortization

Details of depreciation and amortization are as follows:

	Note	**2024**	2023	2022
Included in profit or loss:				
Property, plant and equipment		**₱1,425,595,412**	₱1,395,518,011	₱1,262,233,239
ROU assets	23	**20,063,257**	14,307,268	12,376,470
Mining rights and computer software	12	**72,164,218**	59,634,118	57,286,094
		1,517,822,887	1,469,459,397	1,331,895,803
Recognized as component of inventories		**(1,659,828)**	6,306,443	(13,178,752)
		₱1,516,163,059	₱1,475,765,840	₱1,318,717,051

Depreciation and amortization are distributed in the consolidated statements of comprehensive income as follows:

	Note	**2024**	2023	2022
Cost of goods sold	19	**₱1,356,948,796**	₱1,318,313,004	₱1,172,161,336
Operating expenses	20	**159,214,263**	157,452,836	146,555,715
		₱1,516,163,059	₱1,475,765,840	₱1,318,717,051

In 2024, the Group change its policy on the measurement of land from revaluation model to cost model to align with the accounting policy of its Ultimate Parent Company. The management believes that this will provide more reliable and relevant information about the land on the Group's financial position, financial performance or cash flows. Accordingly, investment properties are carried at cost as at December 31, 2024 and 2023 (see Note 2).

CPIP

Construction projects in progress consists of the cost incurred in the construction of additional facilities and projects of the Group amounting to ₱1,176.7 million and ₱861.5 million as at December 31, 2024 and 2023, respectively.

The remaining contracted capital expenditures for the Group's outstanding construction projects as at December 31, 2024 and 2023 amounted to ₱830.7 million and ₱1,420.5 million, respectively.

12. **Intangible Assets**

The balances and movements in this account as at and for the years ended December 31, 2024 and 2023 are as follows:

		2024			
	Note	**Mining Rights**	**Computer Software**	**Goodwill**	**Total**
Cost					
Balance at beginning of year		**₱1,209,969,143**	**₱269,105,687**	**₱1,258,952,704**	**₱2,738,027,534**
Additions		**54,096,763**	**29,872,042**	**–**	**83,968,805**
Balance at end of year		**1,264,065,906**	**298,977,729**	**1,258,952,704**	**2,821,996,339**
Accumulated Amortization					
Balance at beginning of year		**84,975,712**	**59,155,014**	**–**	**144,130,726**
Amortization	11	**40,924,390**	**31,239,828**	**–**	**72,164,218**
Balance at end of year		**125,900,102**	**90,394,842**	**–**	**216,294,944**
Carrying Amounts		**₱1,138,165,804**	**₱208,582,887**	**₱1,258,952,704**	**₱2,605,701,395**

		2023			
	Note	Mining Rights	Computer Software	Goodwill	Total
Cost					
Balance at beginning of year		₱1,209,969,143	₱219,032,217	₱1,258,952,704	₱2,687,954,064
Additions		–	50,073,470	–	50,073,470
Balance at end of year		1,209,969,143	269,105,687	1,258,952,704	2,738,027,534
Accumulated Amortization					
Balance at beginning of year		49,239,408	35,257,200	–	84,496,608
Amortization	11	35,736,304	23,897,814	–	59,634,118
Balance at end of year		84,975,712	59,155,014	–	144,130,726
Carrying Amounts		₱1,124,993,431	₱209,950,673	₱1,258,952,704	₱2,593,896,808

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 Group assigns to the lenders under TLFSA its rights and interest under MPSA No. 181-2002-III. In May 2023, the Group has prepaid in full the remaining principal balance.

In 2024, the Group incurred development costs amounting to ₱29.8 million related to drilling, exploration, and topographic surveying within the area covered by the existing MPSA.

Computer Software

This account pertains to enterprise resource planning (ERP) system.

Goodwill

Provisional goodwill amounting to ₱226.1 million was recognized as a result of the acquisition by the Parent Company of 100% ownership in Armstrong in 2022. Total net cash outflow of the Parent Company from acquiring Armstrong amounted to ₱420.1 million (net of cash acquired from Armstrong amounting to ₱87.9 million).

In 2023, the Parent Company obtained appraisal report from an independent asset valuation firm. Accordingly, goodwill recognized as a result of the acquisition of Armstrong amounted to ₱927.4 million. Adjustments to the goodwill amounting to ₱701.3 million as a result of the updated fair values was reflected retrospectively as at the acquisition date.

Goodwill amounting to ₱327.8 million was recognized as a result of the acquisition by the Parent Company of 100% ownership in SNMC in 2021. Total net cash outflow of the Parent Company from acquiring SNMC amounted to ₱3,308.5 million (net of cash acquired from SNMC amounting to ₱263.5 million).

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).

Goodwill is tested for impairment annually. The recoverable amount of goodwill has been determined based on a valuation method using cash flow projections. The values assigned to the key assumptions represent management's assessment of future trends in the cement manufacturing industry and considered historical data from both internal and external sources.

The key assumptions used in the estimation of value in use were as follows:

	2024	2023
Discount rate	**8.50%**	6.99%
Growth rate	**5.00%**	5.00%

No impairment loss on goodwill was recognized in 2024, 2023 and 2022.

13. Other Noncurrent Assets

This account consists of:

	2024	2023
Financial assets:		
Restricted cash	**₱108,746,619**	₱81,379,994
Refundable deposits - noncurrent portion	**56,291,164**	63,575,285
Deposit in escrow	**56,034,399**	49,879,815
Nonfinancial assets:		
Deposit on asset purchase	**142,267,455**	227,972,602
Deferred exploration and evaluation costs	**60,199,195**	58,969,734
Deposit for future investment	**4,765,796**	4,371,745
	₱428,304,628	₱486,149,175

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.

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.

Refundable deposits is classified as follows:

	Note	2024	2023
Current portion	9	**₱26,782,323**	₱–
Noncurrent portion		**56,291,164**	63,575,285
		₱83,073,487	₱63,575,285

Deposit in Escrow

Deposit in escrow pertains to cash in escrow account related to a pending legal case.

Deposit on Asset Purchase

Deposit on asset purchase represents advance payments for the acquisition of machinery and equipment and long-term deposit for inventory acquisition.

The balances and movements in this account as at and for the years ended December 31, 2024 and 2023 are as follows:

	Note	2024	2023
Balance at beginning of year		**₱227,972,602**	₱143,574,696
Additions		**541,972,293**	452,717,197
Applied	11	**(627,677,440)**	(368,319,291)
Balance at end of year		**₱142,267,455**	₱227,972,602

The application of advances to suppliers to property, plant and equipment is considered as noncash financial information in the consolidated statements of cash flows.

Deferred Exploration and Evaluation Costs

Deferred exploration and evaluation costs pertain to costs incurred for the exploration and development in the mining properties of the Group.

The carrying amount of deferred exploration and evaluation costs amounted to ₱60.2 million and ₱59.0 million as at December 31, 2024 and 2023, respectively. No impairment loss was recognized in 2024, 2023 and 2022.

The assets, expenses, and operating and investing cash flows from the deferred exploration and evaluation costs are as follows:

	2024	2023
Total assets	**₱60,199,195**	₱58,969,734
Total liabilities	**410,697,360**	413,835,519
Expenses	**13,894,079**	11,457,074
Net cash used in operating activities	**12,535,517**	12,538,932
Net cash used in investing activities	**1,229,461**	1,148,783

Long-term Placements

Long-term placements represent a 5-year investment in time deposits bearing an annual average interest of 5.50%. Interest income on long-term placements amounted to ₱1.7 million, ₱3.5 million and ₱28.4 million in 2024, 2023 and 2022 respectively (see Note 5).

14. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade:			
Third parties		**₱1,288,238,989**	₱1,667,993,347
Related parties	17	**1,184,650,187**	1,336,140,248
Accruals for:			
Sales rebates		**499,861,527**	452,568,599
Advertising and promotions		**352,983,744**	219,716,204
Personnel costs		**148,937,021**	239,363,890
Advances from customers		**321,204,549**	280,943,293
Output VAT payable		**125,403,594**	288,030,838
Income tax payable		**65,928,353**	189,241,392
Statutory payables		**46,299,516**	49,875,264
Retention payable		**26,746,797**	47,581,583
Current portion of installment payable		**3,607,677**	3,297,671
Deferred rent	23	**–**	7,776,648
Others		**6,150,940**	11,778,178
		₱4,070,012,894	₱4,794,307,155

Trade payables are noninterest-bearing, and are generally settled in varying periods, within one (1) year, depending on the arrangements with suppliers.

Accruals for sales rebates, outside services, personnel costs and interests are usually settled within one (1) year.

Advances from customers are collections received for inventory purchases to be delivered by the Group within 30 days after collection date.

Statutory payables include withholding taxes and statutory contributions that are remitted to the government agencies on a monthly or quarterly basis.

Retention payable represents retention fees of contractors and is normally settled within one (1) year.

Deferred rent pertains to advance payments made by a tenant for rental of land (see Note 23).

Other payables are noninterest-bearing, and are normally settled within one (1) year.

Installment Payable

Installment payable pertains to an installment contract entered in 2016 with a third party for the supply and commissioning on site of a fly-ash carbon separator, the supply of belts for $3.8 million (₱173.5 million).

The balances and movements in this account as at and for the years ended December 31, 2024 and 2023 are as follows:

	Note	**2024**	2023
Original Amount			
Balance at beginning of year		**₱20,763,750**	₱25,089,750
Payments		**(3,334,239)**	(4,113,600)
Foreign exchange adjustments		**(76,011)**	(212,400)
Balance at end of year		**17,353,500**	20,763,750
"Day 1" Difference			
Balance at beginning of year		**2,644,004**	3,762,080
Accretion of interest		**(893,300)**	(1,003,692)
Foreign exchange adjustments		**118,184**	(114,384)
Balance at end of year		**1,868,888**	2,644,004
		15,484,612	18,119,746
Less current portion		**3,607,677**	3,297,671
Noncurrent portion	15	**₱11,876,935**	₱14,822,075

Accretion of "Day 1" difference is included as "Finance Costs" in the consolidated statements of comprehensive income.

15. Other Noncurrent Liabilities

This account consists of:

	Note	**2024**	2023
Provision for mine rehabilitation and decommissioning		**₱91,239,916**	₱53,504,011
Lease liabilities – net of current portion	23	**61,372,764**	18,437,796
Installment payable – net of current portion	14	**11,876,935**	14,822,075
		₱164,489,615	₱86,763,882

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 discount rates ranging from 6.31% to 6.65% and 4.60% in 2024 and 2023, respectively.

The balance and movements in this account are as follows:

	Note	2024	2023
Balance at beginning of year		**₱53,504,011**	₱52,436,173
Additions	11	**34,205,067**	–
Accretion		**3,530,838**	1,067,838
Balance at end of year		**₱91,239,916**	₱53,504,011

Finance Costs

Details of finance costs charged to consolidated statements of comprehensive income are as follows:

	Note	2024	2023	2022
Accretion of provision for mine rehabilitation and decommissioning		**₱3,530,838**	₱1,067,838	₱2,409,325
Interest expense on lease liabilities	23	**2,411,772**	2,723,794	3,687,998
Interest expense on installment payable		**893,300**	1,003,692	966,172
Bank charges		**176,260**	101,073,543	16,992,359
Interest expense and other financing costs on loans payable		**–**	97,018,425	269,002,399
		₱7,012,170	₱202,887,292	₱293,058,253

Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activity, including both cash and noncash changes.

	2024		
	Installment Payable	**Lease Liabilities** (see Note 23)	**Dividends Payable**
Balances at beginning of year	**₱18,119,746**	**₱33,510,767**	**₱–**
Noncash changes:			
Dividend declaration	**–**	**–**	**6,700,000,008**
Additions	**–**	**67,472,942**	**–**
Accretion of interest	**893,300**	**2,411,772**	**–**
Foreign exchange adjustment	**(194,195)**	**–**	**–**
Cash changes:			
Payment of dividends	**–**	**–**	**(6,699,867,320)**
Payment of liabilities	**(3,334,239)**	**(23,230,512)**	**–**
Balances at end of year	**₱15,484,612**	**₱80,164,969**	**₱132,688**

	2023				
	Loans Payable	Installment Payable	Lease Liabilities (see Note 23)	Advances from a Related Party	Dividends Payable
Balances at beginning of year	₱4,040,380,818	₱21,327,670	₱35,445,789	₱73,285,999	₱–
Noncash changes:					
Dividend declaration	–	–	–	–	5,600,000,006
Additions	–	–	12,661,900	6,606,822	–
Amortization of debt issuance cost	9,119,182	–	–	–	–
Accretion of interest	–	1,003,692	2,723,794	–	–
Foreign exchange adjustment	–	(98,016)	–	–	–
Cash changes:					
Payment of dividends	–	–	–	–	(5,600,000,006)
Payment of liabilities	(4,049,500,000)	(4,113,600)	(17,320,716)	(79,892,821)	–
Payment of interest	–	–	–	–	–
Balances at end of year	₱–	₱18,119,746	₱33,510,767	₱–	₱–

16. **Equity**

Capital Stock

The capital stock of the Parent Company as at December 31, 2024 and 2023 is as follows:

Common – stock – ₱1 par value	₱5,000,000,006
Preferred – stock – ₱1 par value	3,000,000,000
Treasury stock	(3,000,000,000)
	₱5,000,000,006

Common Stock

Details of the Parent Company's common stock at ₱1.00 par value as at December 31 are as follows:

	2024		2023		2022	
	Number of Shares	**Amount**	Number of Shares	Amount	Number of Shares	Amount
Authorized						
Balance at beginning and end of year	**5,500,000,000**	**₱5,500,000,000**	5,500,000,000	₱5,500,000,000	5,500,000,000	₱5,500,000,000
Issued						
Balance at beginning and end of year	**5,000,000,005**	**₱5,000,000,005**	5,000,000,005	₱5,000,000,005	5,000,000,005	₱5,000,000,005
Issuance	**1**	**1**	–	–	–	–
Balance at end of year	**5,000,000,006**	**₱5,000,000,006**	5,000,000,005	₱5,000,000,005	5,000,000,005	₱5,000,000,005

Preferred Stock

Details of the Parent Company's preferred stock at ₱1.00 par value are as follows:

	2024		2023		2022	
	Number of Shares	**Amount**	Number of Shares	Amount	Number of Shares	Amount
Authorized						
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

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.

Treasury Stock

On March 13, 2020, the Parent Company's BOD approved the redemption of its preferred stock 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. The redemption resulted to a recognition of treasury stock amounting to ₱3,000.0 million.

Section 8 of the SEC Rules Governing Redeemable and Treasury Shares states that redeemable shares may be issued by a corporation when expressly provided by the articles of incorporation. These shares may be redeemed from the holders upon expiration of a fixed period, and upon such other terms and conditions provided by the articles of incorporation and by the certificate of stock, subject to the rules of the SEC, regardless of the existence of unrestricted retained earnings. Accordingly, no appropriation of retained earnings was made upon redemption of the preferred shares.

Dividend Declaration

The Parent Company's BOD authorized the declaration of the following cash dividends in 2024, 2023 and 2022:

2024

Type	**Declaration Date**	**Record Date**	**Payment Date**	**Dividend Per Share**	**Amount**
Common	**March 12, 2024**	**March 26, 2024**	**April 24, 2024**	**₱0.20**	**₱1,000,000,001**
Common	**July 18, 2024**	**August 01, 2024**	**August 08, 2024**	**0.20**	**1,000,000,001**
Common	**August 15, 2024**	**September 03, 2024**	**September 23, 2024**	**0.20**	**1,000,000,001**
Common	**November 12, 2024**	**November 26, 2024**	**December 09, 2024**	**0.20**	**1,000,000,001**
Common	**December 03, 2024**	**December 17, 2024**	**December 26, 2024**	**0.54**	**2,700,000,004**
					₱6,700,000,008

2023

Type	Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount
Common	July 19, 2023	August 2, 2023	August 9, 2023	₱0.56	₱2,800,000,003
Common	November 14, 2023	December 11, 2023	December 18, 2023	0.56	2,800,000,003
					₱5,600,000,006

2022

Type	Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount
Common	May 12, 2022	May 26, 2022	June 10, 2022	₱0.40	₱2,000,000,002
Common	August 4, 2022	August 18, 2022	September 7, 2022	0.40	2,000,000,002
					₱4,000,000,004

Appropriation of Retained Earnings

Details of appropriated retained earnings as at December 31, 2024 are as follows:

Year of Appropriation	Amount	Project Completion
2023	₱8,500,000,000	To be completed in 2028
2023	5,000,000,000	To be completed in 2028
2023	2,500,000,000	To be completed in 2028
2023	500,000,000	To be completed in 2026
2023	100,000,000	To be completed in 2025
	₱16,600,000,000	

On February 2, 2023, the Group's BOD approved appropriation of retained earnings amounting to ₱100.0 million to fund the cost of budgeted capital expenditures and other improvement projects expected to be completed in December 2025.

On November 14, 2023, the Group's BOD approved extension of previous appropriation of unrestricted retained earnings amounting to ₱16,000.0 million to fund the construction of its fourth manufacturing line and production facility in Cebu, and other future expansion projects which are expected to be completed in 2028.

On November 23, 2023, the Group's BOD approved appropriation of retained earnings amounting to ₱500.0 million to fund acquisitions of land, and expansion of manufacturing plant which are expected to be completed in 2026.

Other Equity Reserves

Details of the Group's other equity reserves are as follows:

	Note	**2024**	2023
Cumulative remeasurement gains on retirement liability or net retirement asset (net of deferred tax)	24	**₱92,758,424**	₱58,230,473
Cumulative unrealized losses on financial assets at FVOCI	10	**(2,266,950)**	(3,333,750)
		₱90,491,474	₱54,896,723

17. 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, 2024 and 2023 are as follows:

		2024		2023	
Nature of Relationship	Nature of Transactions	**Amount of Transactions**	**Outstanding Balance**	Amount of Transactions	Outstanding Balance
Cash and Cash Equivalents					
Entities under common key management	Cash deposits and investment in short-term placements	**₱478,069,283**	**₱5,693,407,720**	₱416,523,213	₱7,455,345,257
Financial Assets at FVPL					
Entity under common key management	Investment in quoted debt securities	**₱–**	**₱49,221,000**	₱–	₱48,812,370
Trade Receivables (see Note 7)					
Entities under common control	Sale of inventories	**₱1,133,710,246**	**₱258,360,547**	₱803,659,630	₱253,350,216
Entity under common key management	Sale of inventories	**2,664,511**	**471,724**	2,258,841	386,313
Intermediate Parent Company	Sale of inventories	**1,999,316**	**302,400**	–	–
			₱259,134,671		₱253,736,529
Receivable from a related party (see Note 7)					
Entities under common key management	Assignment of receivable	**₱–**	**₱1,300,000,000**	₱1,300,000,000	₱1,300,000,000
Due from Related Parties					
Entities under common key management	Working capital advances	**₱–**	**₱334,132,935**	₱75,257	₱328,915,938
Dividends Receivable (see Note 7)					
Intermediate Parent Company	Dividends earned	**₱6,808,051**	**₱1,702,013**	₱86,800,231	₱1,702,013
Advances to Suppliers					
Entity under common control	Purchase of services	**₱600,000**	**₱600,000**	₱10,451,507	₱10,451,507
Financial Assets at FVOCI (see Note 10)					
Intermediate Parent Company	Investments in quoted equity instruments	**₱–**	**₱97,745,550**	₱–	₱96,678,750

Nature of Relationship	Nature of Transactions	2024 Amount of Transactions	2024 Outstanding Balance	2023 Amount of Transactions	2023 Outstanding Balance
Refundable Deposits					
Entity under common control	Supply of services	**₱17,990**	**₱55,548,062**	₱187,035	₱55,530,073
Entities under common key management	Supply of services	**–**	**500,000**	–	500,000
			₱56,048,062		₱56,030,073
Trade and Other Payables (see Note 14)					
Entity under common control	Hauling, rental and other services	**₱4,450,997,777**	**₱772,464,936**	₱5,343,093,940	₱834,927,176
Entities under common key management	Purchase of raw materials and outside services	**933,955,455**	**356,584,806**	1,214,857,943	302,616,809
Immediate Parent Company	Management and technical fees	**895,589,393**	**55,115,304**	414,694,939	198,596,263
	Purchase of services	**493,962**	**485,141**	–	–
			₱1,184,650,187		₱1,336,140,248
Deferred Rent (see Note 23)					
Entity under common control	Deferred rent	**₱–**	**₱–**	₱7,776,648	₱7,776,648
Dividends Payable					
Immediate Parent Company	Dividends Paid	**₱6,697,190,919**	**₱–**	₱5,597,652,115	₱–
Loans Payable					
Entity under common key management	Borrowings	**₱–**	**₱–**	₱18,685,371	₱–

Terms and Conditions of Transactions and Balances with Related Parties

Trade and other receivables, dividend receivable, trade payables, due to and from related parties and dividend payable are unsecured, noninterest-bearing except for cash and cash equivalents which earn interest at prevailing bank deposit rates and generally settled within the respective related parties' normal settlement period. No allowance for ECL was provided for trade and other receivables and due from related parties.

Advances to suppliers and deposit on asset purchase for payments of purchases of inventories and services, are settled upon delivery which are expected within one year from date of the advance payment.

Refundable deposits are noninterest-bearing and refundable upon termination of services.

Assignment of Receivables

On June 16, 2023, ECC assigns to FEHI the deposit for future subscription of ECC to the common shares of KSHI amounting to ₱1,300.0 million. Receivable from a related party is unsecured, noninterest-bearing, and shall be collectible on demand but within two (2) years.

Financial Assets at FVPL and FVOCI

Financial assets at FVPL pertains to unquoted redeemable perpetual securities of a related party which earns dividend income with a distribution rate of 5.0% per annum to be distributed quarterly, and quoted debt securities of a related party which earns interest income at rates ranging from 5.17% to 6.25%. In May 2023, the Group redeemed the unquoted perpetual redeemable securities.

Financial assets at FVOCI pertains to quoted equity securities of a related party which earns dividend income.

Technical and Service Agreement

On July 31, 2023, the Group entered into an agreement with the Immediate Parent Company for the latter to provide technical assistance, training and research and development, with technical fees as consideration. On the same date, the Group also entered into a service agreement with the Immediate Parent Company for support services, human resource, and financial accounting and budgeting, payable in fixed quarterly management fees.

Loans Payable

In 2016, the Group entered into a loan facility agreement with local banks, including a related party. The loan principal is payable in 32 quarterly installments commencing on the 9th quarter from availment and will be fully paid on March 2, 2026. In May 2023, the Group has prepaid in full the remaining principal balance of the loan.

Assets Held for Sale

In November 2022, the BOD of the Group approved the sale of the 100% ownership over KSHI to FEHI. As of December 31, 2022, the carrying amount of assets held for sale amounting to ₱2,614.0 million is lower than its fair value less cost to sell.

In June 2023, the sale transaction was executed for a consideration of ₱1,618.5 million resulting in a loss on sale of asset held for sale of ₱995.5 million (see Note 21).

All related party transactions are in compliance with the related party transactions policy of the Group including the required approval process. This includes review of the related party committee and approval of the BOD for transactions exceeding certain thresholds and approval criteria.

Compensation of Key Management Personnel

The compensation of key management personnel consists of the following:

	2024	2023
Salaries and other employee benefits	**₱7,118,220**	₱7,625,561
Net retirement benefit liability	**92,160,033**	88,675,867
	₱99,278,253	₱96,301,428

18. Net Sales

Net sales of the Group amounted to ₱23,874.5 million, ₱25,443.0 million and ₱26,384.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

All sales of the Group pertain to cement products within Luzon area. All sales are recognized upon delivery to customers or at a point in time at which the Group has no more obligation that could affect the acceptance of goods by customers.

19. **Cost of Goods Sold**

This account consists of:

	Note	**2024**	2023	2022
Cost of inventories	8	**₱9,161,282,309**	₱9,227,689,056	₱9,456,912,433
Utilities		**3,175,088,468**	3,649,444,963	5,207,298,427
Depreciation and amortization	11	**1,356,948,796**	1,318,313,004	1,172,161,336
Repairs and maintenance		**827,772,733**	934,939,056	1,026,051,895
Technical fees		**710,347,672**	325,620,481	–
Personnel costs	22	**376,652,503**	361,981,777	327,653,636
Fuel and oil		**337,974,785**	108,294,062	286,484,039
Outside services		**293,073,872**	300,487,866	277,766,387
Taxes and licenses		**266,304,419**	265,207,003	292,085,563
Rental	23	**66,517,055**	54,219,098	106,993,266
Insurance		**47,217,993**	56,017,700	44,938,333
Others		**101,054,292**	55,964,410	46,742,473
		₱16,720,234,897	₱16,658,178,476	₱18,245,087,788

20. **Operating Expenses**

This account consists of:

	Note	**2024**	2023	2022
Freight, trucking, and handling		**₱1,586,700,342**	₱1,782,561,767	₱1,759,100,681
Personnel costs	22	**263,948,101**	271,634,668	276,912,500
Advertising		**183,011,546**	265,719,557	124,565,485
Depreciation and amortization	11	**159,214,263**	157,452,836	146,555,715
Professional fees		**139,062,104**	88,773,181	47,568,808
Outside services		**102,875,886**	92,923,879	87,254,590
Dues and subscriptions		**44,512,756**	44,089,737	3,195,083
Taxes and licenses		**15,371,752**	17,067,353	12,211,224
Rental	23	**34,426,974**	13,079,866	12,258,386
Corporate social responsibility		**24,221,369**	29,573,258	48,757,644
Transportation and travel		**21,840,556**	21,807,587	23,864,972
Repairs and maintenance		**17,541,498**	18,697,019	55,420,832
Supplies		**13,812,972**	14,965,241	12,056,445
Communication		**11,336,076**	11,434,281	13,622,669
Representation		**7,852,388**	7,042,865	4,084,226
Utilities		**3,752,257**	6,639,309	11,827,410
Others		**75,328,246**	98,943,422	85,221,225
		₱2,704,809,086	₱2,942,405,826	₱2,724,477,895

21. **Other Income (Loss) -** Net

This account consists of:

	Note	**2024**	2023	2022
Foreign exchange gains (losses) – net		**₱71,877,074**	(₱33,132,957)	₱143,753,481
Dividend income	6	**6,808,051**	86,797,575	208,460,225
Gain on sale of property, plant and equipment	11	**1,624,721**	2,660,424	3,424,290
Gains (losses) on financial assets at FVPL	6	**1,339,007**	37,453,486	(93,108,937)
Loss on sale of assets held for sale	17	**–**	(995,485,243)	–
Gain on remeasurement of previously-held equity interest	4	**–**	–	701,252,190
Others		**12,894,634**	4,639,624	3,596,201
		₱94,543,487	(₱897,067,091)	₱967,377,450

Others mainly pertain to forfeited deferred rent charged to a related party (see Note 23).

22. **Personnel Costs**

This account consists of:

	Note	**2024**	2023	2022
Salaries and wages		**₱404,786,836**	₱396,076,012	₱391,220,997
Other short-term employee benefits		**211,329,982**	224,283,703	175,005,482
Retirement benefit costs	24	**22,375,066**	18,942,859	29,245,812
		₱638,491,884	₱639,302,574	₱595,472,291

	Note	**2024**	2023	2022
Included in profit or loss:				
Cost of goods sold	19	**₱376,652,503**	₱361,981,777	₱327,653,636
Operating expenses	20	**263,948,101**	271,634,668	276,912,500
		640,600,604	633,616,445	604,566,136
Recognized as component of inventories		**(2,108,720)**	5,686,129	(9,093,845)
		₱638,491,884	₱639,302,574	₱595,472,291

23. **Leases**

<u>Group as a Lessee</u>

The Group has various lease contracts for its office space, warehouses and land with lease terms ranging from three (3) to ten (10) years. The terms of some lease contracts include extension options, variable lease payments, and escalation rates ranging from 3% to 10%. In 2024 and 2023, the Group entered into lease contracts for the rental of warehouse and parcels of land.

The carrying amount of the ROU assets (included as component of property, plant and equipment) are as follows (see Note 11):

	2024	2023
Balance at beginning of year	**₱27,841,263**	₱29,486,631
Additions	**67,472,942**	12,661,900
Amortization	**(20,063,257)**	(14,307,268)
Balance at end of year	**₱75,250,948**	₱27,841,263

The carrying amount of lease liabilities and movements during the year are as follows:

	Note	2024	2023
Balance at beginning of year		**₱33,510,767**	₱35,445,789
Additions		**67,472,942**	12,661,900
Payments		**(23,230,512)**	(17,320,716)
Accretion	15	**2,411,772**	2,723,794
Balance at end of year		**₱80,164,969**	₱33,510,767
Current		**₱18,792,205**	₱15,072,971
Non-current	15	**61,372,764**	18,437,796
		₱80,164,969	₱33,510,767

The Group recognized the following lease-related expenses:

	Note	2024	2023	2022
Variable lease payments		**₱94,703,121**	₱65,929,662	₱111,866,002
Amortization of ROU assets	11	**20,063,257**	14,307,268	12,376,470
Expense related to short-term leases		**5,014,667**	8,282,234	9,483,415
Interest expense on lease liabilities	15	**2,411,772**	2,723,794	3,687,998
		₱122,192,817	₱91,242,958	₱137,413,885

Consequently, the Group’s lease-related expenses are distributed as follows:

	Note	2024	2023	2022
Included in profit or loss:				
Cost of goods sold	19	**₱66,517,055**	₱54,219,098	₱106,993,266
Operating expenses - rental	20	**34,426,974**	13,079,866	12,258,386
Operating expenses - depreciation	11	**20,063,257**	14,307,268	12,376,470
Finance costs	15	**2,411,772**	2,723,794	3,687,998
		123,419,058	84,330,026	135,316,120
Recognized as component of inventories		**(1,226,241)**	6,912,932	2,097,765
		₱122,192,817	₱91,242,958	₱137,413,885

The total cash outflows for leases in 2024, 2023 and 2022 amounted to ₱122.9 million, ₱91.5 million and ₱137.3 million, respectively.

Future minimum lease payments under the noncancellable leases are as follows:

	2024	2023
Within one year	**₱27,193,781**	₱20,188,414
After one year but not more than five years	**84,689,274**	28,526,573
More than five years	**58,570,061**	38,411,604
	₱170,453,116	₱87,126,591

Group as a Lessor

On October 31, 2023, the Group entered into a lease agreement with an entity under common control covering parcels of land. The lease term is for five (5) years commencing on the start of operations of the lessee's manufacturing plant.

Deferred rent recognized in the consolidated statements of financial position amounted to ₱7.8 million as at December 31, 2023 (see Note 17).

In 2024, the parties mutually agreed to terminate the agreement, resulting in a gain of ₱7.8 million is presented as "Others" under "Other income" account in the consolidated statements of comprehensive income (see Note 21).

24. Retirement Liability (Net Retirement Asset)

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 as at December 31, 2024 is based on the actuarial valuation report dated January 10, 2025.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. The plan is not exposed to significant concentrations of risk on the plan assets.

The components of retirement benefit costs included under "Personnel costs" account (see Note 22) in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Current service cost	**₱23,680,215**	₱18,842,603	₱23,777,434
Net interest cost (income)	**(1,664,489)**	100,256	5,468,378
Past service cost	**211,459**	–	–
Interest on the effect of the asset ceiling	**147,881**	–	–
	₱22,375,066	₱18,942,859	₱29,245,812

Retirement benefit costs were distributed as follows:

	2024	2023	2022
Cost of goods sold	**₱13,201,073**	₱18,259,830	₱28,512,113
Operating expenses	**9,173,993**	683,029	733,699
	₱22,375,066	₱18,942,859	₱29,245,812

Net retirement asset and retirement liability presented in the consolidated statements of financial position as at December 31, 2024 and 2023 are as follows:

	2024	2023
Net retirement asset	**₱54,884,828**	₱30,382,564
Retirement liability	**(627,777)**	(631,230)
	₱54,257,051	₱29,751,334

Movements in retirement liability (net retirement asset) recognized in the consolidated statements of financial position are as follows:

	2024	2023
Balance at beginning of year	**(₱29,751,334)**	₱72,336,757
Retirement benefit costs	**22,375,066**	18,942,859
Contributions	**(843,515)**	(146,762,019)
Remeasurement losses (gains) on:		
Defined benefit obligation	**(43,434,503)**	20,934,368
Plan assets	**(7,195,074)**	2,376,388
Changes in the effect of asset ceiling	**4,592,309**	2,420,313
Balance at end of year	**(₱54,257,051)**	(₱29,751,334)

The funded status and amounts recognized in the consolidated statements of financial position for the retirement liability (net retirement asset) as at December 31, 2024 and 2023 are as follows:

	2024	2023
Present Value of Defined Benefits Obligation (PVBO)	**₱143,580,945**	₱162,872,447
Fair Value of Plan Assets (FVPA)	**(204,998,499)**	(195,044,094)
	(61,417,554)	(32,171,647)
Effect of asset ceiling	**7,160,503**	2,420,313
Retirement liability (Net retirement asset)	**(₱54,257,051)**	(₱29,751,334)

The following tables present the changes in the PVBO and FVPA:

PVBO

	2024	2023
Balance at beginning of year	**₱162,872,447**	₱119,560,181
Current service cost	**23,680,215**	18,842,603
Past service cost	**211,459**	–
Benefit paid	**(9,301,810)**	(5,088,892)
Interest cost	**9,980,843**	8,624,187
Remeasurement losses (gains) recognized in OCI:		
Change in financial assumptions	**(19,430,479)**	21,078,885
Experience adjustments	**(24,431,730)**	(144,517)
Balance at end of year	**₱143,580,945**	₱162,872,447

FVPA

	2024	2023
Balance at beginning of year	**₱195,044,094**	₱47,223,424
Contributions paid	**843,515**	146,762,019
Interest income	**11,645,332**	8,523,931
Benefits paid	**(9,301,810)**	(5,088,892)
Remeasurement gain (loss)	**6,767,368**	(2,376,388)
Balance at end of year	**₱204,998,499**	₱195,044,094
Actual return on plan assets	**₱18,412,700**	₱6,147,543

Plan assets consist of the following:

	2024	2023
Investments in:		
Debt instruments	**91.91%**	74.64%
Unit investment trust fund	**6.81%**	13.73%
Cash and cash equivalents	**1.28%**	11.16%
Others	**0.00%**	0.47%
	100.00%	100.00%

The principal assumptions used in determining net retirement benefit liability are as follows:

	2024	2023
Discount rate	**6.09%**	6.01%
Future salary increase rate	**5.00%**	7.10%

Sensitivity analyses for principal assumptions as at December 31, 2024 and 2023 are as follows:

		Effect on Defined Benefit Obligation	
	Change in Assumption	**2024**	2023
Discount rate	+1.00%	**(₱16,168,074)**	(₱19,308,216)
	-1.00%	**19,759,167**	23,665,900
Salary increase rate	+1.00%	**₱19,777,740**	₱23,400,023
	-1.00%	**(16,461,692)**	(19,456,476)

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 retirement liability (net retirement asset) recognized in the consolidated statements of comprehensive income are as follows:

	2024		
	Cumulative Remeasurement Gains	**Deferred Tax Expense**	**Net**
Balances at beginning of year	**₱77,640,631**	**(₱19,410,158)**	**₱58,230,473**
Remeasurement gains	**46,037,268**	**(11,509,317)**	**34,527,951**
Balances at end of year	**₱123,677,899**	**(₱30,919,475)**	**₱92,758,424**

	2023		
	Cumulative Remeasurement Gains	Deferred Tax Expense	Net
Balances at beginning of year	₱103,371,700	(₱25,842,925)	₱77,528,775
Remeasurement loss	(25,731,069)	6,432,767	(19,298,302)
Balances at end of year	₱77,640,631	(₱19,410,158)	₱58,230,473

	2022		
	Cumulative Remeasurement Gains	Deferred Tax Expense	Net
Balances at beginning of year	₱63,256,226	(₱15,814,056)	₱47,442,170
Remeasurement gains	40,115,474	(10,028,869)	30,086,605
Balances at end of year	₱103,371,700	(₱25,842,925)	₱77,528,775

As at December 31, 2024, the maturity analysis of the undiscounted net retirement benefit liability expected to be paid for the next ten years is as follows:

Year	Amount
More than one year to five years	₱65,425,269
More than five years to ten years	63,101,804
	₱128,527,073

As at December 31, 2024, the average duration of the net retirement benefit liability is 12.5 years.

25. **Registration with the Board of Investments (BOI)**

<u>Parent Company</u>
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 entitles it to the following fiscal and nonfiscal incentives available to its registered project, among others:

- 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 (5) years from the date of registration; and
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In April 2022, the ITH incentive expired.

On September 14, 2022, the BOI approved the application of the Parent Company as an expanding producer of cement in under Tier 1, "All Qualified Manufacturing Activities including Agro-Processing" of the 2022 Strategic Investment Priority Plan (SIPP). The Parent Company's registration with the BOI entitled to provide for the following fiscal and nonfiscal incentives:

- ITH for income directly attributable to Finishing Mill 5 for two (2) years from December 2022 or actual start of commercial operations, whichever is earlier;
- After ITH, enhanced deductions for five (5) years;
- Duty exemption on importation of capital equipment, raw materials, spare parts, or accessories for 11 years from date of registration, unless otherwise extended in the Strategic Investment Priority Plan;
- Employment of foreign nationals; and,
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

In 2024 and 2023, the Parent Company availed benefits from ITH amounting to ₱397.8 million and ₱326.8 million, respectively.

SNMC
On March 23, 2018, the BOI approved the application of SNMC as a new producer of good, fine and coarse limestone on a non-pioneer status. SNMC's registration with the BOI entitles it to the following fiscal and nonfiscal incentives available to its registered project, among others:

- Four-year ITH incentive, starting April 1, 2019, for activities directly attributable in producing good, fine and coarse limestone;
- 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;
- Exemption from wharfage dues, and any export tax, duty, impost and fee for a period of 10 years from date of registration; and
- Additional deduction from taxable income of expenses incurred in the development of necessary and major infrastructure facilities.

On October 5, 2020, the BOI granted the deferment of the Company's ITH availment for taxable year 2020 due to the adverse effects of the COVID-19 pandemic. The Company is entitled to its remaining ITH entitlement equivalent to three (3) years and three (3) months or from January 1, 2021 to March 31, 2024. In 2024 and 2023, ITH incentives availed by the Company amounted to ₱16.3 million and ₱64.3 million, respectively.

SWCC
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. SWCC's 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 ongoing processing of permits in the Cebu site.

On September 6, 2022, the BOI approved the request of the Company for the movement of start of commercial operation from December 2023 to January 2027 and partially granted the request for the movement of ITH reckoning date of December 2023 to December 2025 noting that its operation has been affected by the COVID-19 pandemic for 2 years. Accordingly, no tax benefits from ITH incentives have been availed of in 2024 and 2023.

AFLCI

On December 1, 2017, the BOI approved the application of the Company as a New Producer of Hi Carbon Fly-ash (Ecotherm) and Low Carbon Fly-ash (ProAsh) on a Non-Pioneer Status. The 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 the revenue generated from the registered project Ecotherm and ProAsh for four (4) 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 (5) five years from the date of registration; and
- Simplification of customs procedures for the importation of equipment, spare parts, raw materials and supplies.

On May 1, 2018, the Company started its commercial operations.

On September 17, 2020, the BOI granted the deferment of the Company's ITH availment for taxable year 2020 up to April 2023 due to the adverse effects of the COVID-19 pandemic. The Company has availed ITH incentive amounting to nil and ₱10.3 million in 2024 and 2023, respectively.

26. Income Taxes

The components of the income tax expense (benefit) are as follows:

	2024	2023
Reported in Profit or Loss		
Current	**₱838,714,978**	₱1,065,337,915
Deferred	**(31,027,654)**	3,461,072
	₱807,687,324	₱1,068,798,987
Reported in OCI		
Deferred tax expense (benefit) on:		
Remeasurement gains (losses) on retirement liability (net retirement asset)	**₱11,509,317**	(₱6,432,767)

The current income tax expense pertains to regular corporate income tax in 2024, 2023 and 2022. The components of the Group's net deferred tax liabilities are as follows:

	2024	2023
Deferred tax assets:		
Accrued expenses	**₱72,560,503**	₱33,207,435
Cumulative balance of proceeds from testing of property, plant and equipment	**50,454,901**	61,512,296
Provision for mine rehabilitation and decommissioning	**22,809,980**	13,376,004
Lease liabilities	**9,348,412**	1,340,294
Excess of cost over fair value of financial assets at FVPL	**3,983,814**	3,655,140
Carrying amount of discount not capitalized	**2,022,552**	1,944,604
Unrealized foreign exchange loss	**871,523**	244
Retirement liability	**156,944**	157,808
Deferred revenue	**–**	1,944,162
Unamortized past service cost	**–**	306,556
	₱162,208,629	₱117,444,543
Deferred tax liabilities:		
Excess of acquisition-date fair values over carrying amounts	**194,643,364**	194,643,364
Carrying amount of ROU assets	**14,174,835**	11,384,280
Net unrealized foreign exchange gains	**14,186,074**	5,196,267
Net retirement benefit asset	**13,721,207**	7,595,641
Carrying amount of capitalized mine rehabilitation and decommissioning costs	**10,159,887**	2,833,445
	246,885,367	221,652,997
Net deferred tax liabilities	**₱84,676,738**	₱104,208,454

The components of the Group's unrecognized deferred tax assets are as follows:

	2024	2023
NOLCO	**₱12,993,782**	₱9,996,154
Lease liabilities	**10,692,830**	7,455,330
	₱23,686,612	₱17,451,484

The reconciliation between the income tax expense based on statutory income tax rate and effective income tax rate is as follows:

	2024	2023	2022
Income tax at statutory tax rate	**₱1,653,387,744**	₱1,638,319,469	₱1,426,508,779
Increase (decrease) in income tax resulting from:			
Taxable income subject to ITH	**(760,086,332)**	(454,285,673)	(362,093,726)
Interest income subjected to final tax	**(164,521,481)**	(150,704,909)	(58,199,916)
Difference arising from the use of optional standard deduction	**69,870,793**	23,438,240	3,716,342
Nondeductible expenses	**6,093,245**	31,410,062	17,191,375
Dividend income exempt from income tax	**(1,702,013)**	(21,699,394)	(52,115,056)
Others	**4,645,368**	2,321,192	8,904,222
Income tax at effective tax rate	**₱807,687,324**	₱1,068,798,987	₱983,912,020

27. Financial Risk Management Objectives and Policies

The Group's financial instruments consist mainly of cash in banks and cash equivalents, financial assets at FVPL, trade and other receivables (excluding advances to officers and employees), 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), and lease liabilities.

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 liabilities and their Philippine Peso equivalent:

	2024		2023	
	US Dollar	**Philippine Peso**	US Dollar	Philippine Peso
Financial assets:				
Cash and cash equivalents	**$570,167**	**₱32,981,286**	$53,563	₱2,965,781
Deposit in escrow	**968,699**	**56,034,399**	900,845	49,879,815
	1,538,866	**89,015,685**	954,408	52,845,596
Financial liabilities:				
Trade and other payables	**459,766**	**26,595,162**	628,162	34,781,303
Installment payable	**267,691**	**15,484,612**	327,248	18,119,746
	727,457	**42,079,774**	955,410	52,901,049
Net US Dollar-denominated financial assets (liabilities)	**$811,409**	**₱46,935,911**	($1,002)	(₱55,453)

The following table shows the Group's Euro-denominated monetary financial asset and liability and their Philippine Peso equivalent:

	2024		2023	
	Euro	**Philippine Peso**	Euro	Philippine Peso
Financial asset - Cash in banks	**€6,649**	**₱402,088**	€20,061	₱1,233,254
Financial liability - Trade and other payables	**754,593**	**45,633,130**	517,679	31,823,724
Net Euro-denominated financial liability	**(€747,944)**	**(₱45,231,042)**	(€497,618)	(₱30,590,470)

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 ₱57.85 per US $1 and ₱60.47 per €1 as at December 31, 2024 and ₱55.37 per US $1 and ₱61.47 per €1 as at December 31, 2023.

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
December 31, 2024	**+2.07**	**₱1,679,615**
	-2.07	**(1,679,615)**
December 31, 2023	+2.55	(₱2,554)
	-2.55	2,554
December 31, 2022	+2.61	₱36,596,347
	-2.61	(36,596,347)

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
December 31, 2024	**+1.58**	**(₱1,181,752)**
	-1.58	**1,181,752**
December 31, 2023	+1.92	(₱955,216)
	-1.92	955,216
December 31, 2022	+1.13	(₱139,493)
	-1.13	139,493

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 quoted 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.

Exposure of the Group to changes in share price is insignificant.

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.

<u>Credit Risk</u>

The Group's exposure to credit risk arises when a counterparty fails 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 80% of the total revenues for the past three (3) 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, 2024 and 2023, the exposure to credit risk for trade receivables by type of counterparty are as follows:

	2024		
	Neither Past due nor Impaired	**Past Due but not Impaired**	**Total**
Major term customers	**₱160,582,695**	**₱223,659,346**	**₱384,242,041**
Related parties	**68,152,641**	**190,982,029**	**259,134,670**
Others	**17,900,037**	**30,446,605**	**48,346,642**
	₱246,635,373	**₱445,087,980**	**₱691,723,353**

	2023		
	Neither Past due nor Impaired	Past Due but not Impaired	Total
Major term customers	₱171,900,928	₱96,312,915	₱268,213,843
Related parties	225,855,707	27,880,822	253,736,529
Others	99,106,424	–	99,106,424
	₱496,863,059	₱124,193,737	₱621,056,796

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	**2024**	2023
1 to 30 Days	**₱208,638,678**	₱46,423,527
31 to 90 Days	**130,134,430**	52,439,417
91 to 365 Days	**94,435,333**	14,410,081
366 days or more	**11,879,539**	10,920,712
Total	**₱445,087,980**	₱124,193,737

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 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 refundable deposits and other receivables (including interest receivable, dividends receivable and other receivables), credit risk is low since the Group transacts only with reputable counterparties and with good credit standing.

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.

	2024				
	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	**₱8,535,330,189**	**₱–**	**₱–**	**₱–**	**₱8,535,330,189**
Other receivables*	**1,402,689,941**	**–**	**–**	**–**	**1,402,689,941**
Due from related parties	**334,132,935**	**–**	**–**	**–**	**334,132,935**
Debt securities at FVPL	**–**	**–**	**–**	**437,981,214**	**437,981,214**
Restricted cash	**108,746,619**	**–**	**–**	**–**	**108,746,619**
Refundable deposits	**83,073,487**	**–**	**–**	**–**	**83,073,487**
Deposit in escrow	**56,034,399**	**–**	**–**	**–**	**56,034,399**
	₱10,520,007,570	**₱–**	**₱–**	**₱437,981,214**	**₱10,957,988,784**

**Includes receivable from a related party, interest receivable, dividends receivable, and other receivables.*

	2023				
	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	₱10,746,019,148	₱–	₱–	₱–	₱10,746,019,148
Other receivables*	1,388,844,456	–	–	–	1,388,844,456
Due from related parties	328,915,938	–	–	–	328,915,938
Debt securities at FVPL	–	–	–	1,011,642,206	1,011,642,206
Long-term placements	150,000,000	–	–	–	150,000,000
Restricted cash	81,379,994	–	–	–	81,379,994
Refundable deposits	63,575,285	–	–	–	63,575,285
Deposit in escrow	49,879,815	–	–	–	49,879,815
	₱12,808,614,636	₱–	₱–	₱1,011,642,206	₱13,820,256,842

**Includes receivable from a related party, interest receivable, 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, 2024 and 2023:

	2024				
	On Demand	**>1 to 3 Months**	**>3 to 12 Months**	**>1 to 5 Years**	**Total**
Trade and other payables*	**₱3,155,222,373**	**₱398,615,496**	**₱23,267,365**	**₱–**	**₱3,577,105,234**
Installment payable	**–**	**–**	**3,445,075**	**13,908,425**	**17,353,500**
Lease liabilities	**1,811,968**	**3,370,659**	**22,011,154**	**143,259,335**	**170,453,116**
	₱3,157,034,341	**₱401,986,155**	**₱48,723,594**	**₱157,167,760**	**₱3,764,911,850**

**Excluding nonfinancial and statutory liabilities amounting to ₱493.0 million as at December 31, 2024.*

	2023				
	On Demand	>1 to 3 Months	>3 to 12 Months	>1 to 5 Years	Total
Trade and other payables*	₱2,965,401,866	₱656,820,827	₱545,458,419	₱–	₱4,167,681,112
Installment payable	–	–	3,297,671	14,822,075	18,119,746
Lease liabilities	1,243,367	2,486,733	16,458,314	28,526,573	48,714,987
	₱2,966,645,233	₱659,307,560	₱565,214,404	₱43,348,648	₱4,234,515,845

**Excluding nonfinancial and statutory liabilities amounting to ₱626.6 million as at December 31, 2023.*

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 ₱36,903.1 million and ₱39,191.7 million as at December 31, 2024 and 2023, 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 subject to any externally imposed capital requirements.

28. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Group's assets measured at fair value and assets and liability for which fair value is disclosed and the corresponding fair value hierarchy:

		2024			
			Fair Value		
	Note	**Carrying Amount**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Financial Assets:					
Quoted financial asset at FVPL	6	**₱437,981,214**	**₱437,981,214**	**₱–**	**₱–**
Financial assets at FVOCI	10	**97,745,550**	**97,745,550**	**–**	**–**
		₱535,726,764	**₱535,726,764**	**₱–**	**₱–**

		2023			
			Fair Value		
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:					
Quoted financial asset at FVPL	6	₱1,011,642,206	₱1,011,642,206	₱–	₱–
Financial assets at FVOCI	10	96,678,750	96,678,750	–	–
		₱1,108,320,956	₱1,108,320,956	₱–	₱–

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, 2024 and 2023 are carried at fair values based on quoted market prices from active markets classified under the Level 1 category.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements in 2024 and 2023.

The table below presents the financial assets and liability whose carrying amounts approximate their fair values as at December 31, 2024 and 2023:

	2024	2023
Financial assets at amortized cost:		
Cash in banks and cash equivalents	**₱8,535,330,189**	10,746,010,924
Trade and other receivables*	**2,094,413,294**	2,009,901,252
Due from related parties	**334,132,935**	328,915,938
Restricted cash	**108,746,619**	81,379,994
Refundable deposits	**83,073,487**	63,575,285
Deposit in escrow	**56,034,399**	49,879,815
Long-term placements	**–**	150,000,000
	₱11,211,730,923	₱13,429,663,208
Financial liability at amortized cost -		
Trade and other payables**	**₱3,577,105,235**	₱4,167,681,112

**Excluding nonfinancial assets amounting to ₱9.4 million and ₱7.5 million as at December 31, 2024 and 2023, respectively.*
***Excluding nonfinancial liabilities amounting to ₱493.0 million and ₱626.6 million as at December 31, 2024 and 2023, respectively.*

Current Financial Assets and Liability. The carrying amounts of cash in banks and cash equivalents, due from related parties, trade and other receivables, 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, restricted cash, refundable deposits, and deposit in escrow approximate fair value. Management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is insignificant.

29. 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 ₱47.7 million, ₱61.2 million, and ₱13.4 million in 2024, 2023 and 2022, 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.

  Allotment for community development activities amounted to ₱13.6 million, ₱6.6 million, and ₱12.6 million in 2024, 2023 and 2022, respectively.

Operating Lease Commitments

The Group has various operating lease agreements primarily for its office space, warehouse and heavy equipment with periods ranging from one (1) year to five (5) years. Future minimum lease commitments within one year under amounted to ₱27.2 million as at December 31, 2024.

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.

30. EPS

Basic and diluted EPS are calculated as follows:

	2024	2023	2022
Net income attributable to common stockholders of the Parent Company	**₱4,411,331,375**	₱4,322,014,151	₱5,378,478,260
Weighted average number of common shares outstanding	**5,000,000,006**	5,000,000,005	5,000,000,005
Per share amounts: Basic and diluted EPS	**₱0.88**	₱0.86	₱1.08

Diluted earnings per share is equal to the basic earnings per share since the Group does not have potential dilutive shares.

BOA/PRC Accreditation No. 4782
April 14, 2024 valid until June 6, 2026
SEC Registration No. PP201007009

BDO Towers Valero
8741 Paseo de Roxas
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Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

**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 basic consolidated financial statements of Eagle Cement Corporation and Subsidiaries (the Group) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 and have issued our report dated March 11, 2025. 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:

- Schedules required by Part II of Revised SRC Rule 68 as at December 31, 2024
- Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2024

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.

MANUEL P. BUENSUCESO, JR.
Partner
CPA Certificate No. 143561
Tax Identification No. 311-867-595-000
BOA Accreditation No. 4782/P-025; Valid until June 6, 2026
SEC Accreditation No. 143561-SEC Group A
Issued August 17, 2023
Valid for Financial Periods 2023 to 2027
BIR Accreditation No. 08-005144-020-2025
Valid until January 7, 2028
PTR No. 10467123
Issued January 2, 2025, Makati City

March 11, 2025
Makati City, Metro Manila

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SEC SUPPLEMENTARY SCHEDULE AS REQUIRED BY PAR. 6 PART II OF THE REVISED SECURITIES REGULATION CODE RULE 68

DECEMBER 31, 2024

Table of Contents

Schedule	*Description*	*Page*
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	N/A
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	N/A
E	Indebtedness to Related Parties	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	7
H	Supplementary Schedule of External Auditor Fee-Related Information Pursuant to Sec Memorandum Circular 18-2024	8
I	Map Showing the Relationships Between and Among the Companies in the Group, its Ultimate Parent Company and Co-Subsidiaries	9

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE A
FINANCIAL ASSETS
DECEMBER 31, 2024

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statements of Financial Position	Income Received and Accrued
Cash Equivalents			
Bank of Commerce	–	₱5,284,399,961	₱475,410,236
Banco de Oro	–	2,230,570,000	77,001,125
Land Bank of the Philippines	–	230,000,000	973,800
Philippine Commercial Capital, Inc. (PCCI Capital)	–	30,000,000	–
Rizal Commercial Banking Corporation	–	–	99,841,592
Metro Bank Trust Corporation	–	–	2,144,189
East West Bank	–	–	280,167
		₱7,774,969,961	₱655,651,109
Cash in Banks			
Bank of Commerce	–	₱339,916,557	₱437,551
Banco de Oro	–	146,630,464	90,691
Security Bank Corporation	–	98,206,985	77,302
Metro Bank Trust Corporation	–	46,936,506	37,136
Philippine National Bank	–	43,766,015	29,306
Land Bank of the Philippines	–	35,903,233	12,478
Bank of the Philippine Islands	–	9,047,219	2,444
Philippine Bank of Communications	–	8,404,949	5,514
China Banking Corporation	–	7,888,298	12,031
East West Bank	–	6,867,534	34,984
Asia United Bank	–	6,294,058	6,655
Rizal Commercial Banking Corporation	–	5,424,710	1,108,057
Union Bank of the Philippines	–	2,955,905	30,294
Standard Chartered Bank	–	1,903,059	–
Sterling Bank of Asia	–	126,095	370
Hongkong and Shanghai Banking Corporation, Ltd.	–	88,641	–
		₱760,360,228	₱1,884,813
Deposit in Escrow			
Bank of Commerce	–	₱56,034,399	₱–
Development Bank of the Philippines	–	51,376,325	–
		₱107,410,724	₱–
Restricted Cash			
Land Bank of the Philippines	–	₱57,370,294	₱–
Long-term Placements			
Rizal Commercial Banking Corporation	–	₱–	₱550,000
Financial Assets at Fair Value through Profit or Loss (FVPL)			
RTB 5-15	200,000,000	₱195,439,247	₱7,789,842
RTB 5-14	200,000,000	193,320,967	7,396,542
Series K Bonds	50,000,000	49,221,000	2,221,497
RTB 5-12	500,000,000	–	5,204,583
SM Prime Holdings, Inc.	75,000,000	–	1,292,075
		₱437,981,214	₱23,904,539
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)			
Preferred Shares-San Miguel Corporation	1,333,500	₱97,745,550	₱2,266,950

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE B
AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES
AND PRINCIPAL STOCKHOLDERS
DECEMBER 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
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, 2024.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE C
AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at End of Period
Eagle Cement Corporation	₱296,985,406	₱1,659,141,493	₱1,868,551,477	₱–	₱87,575,422	₱–	₱87,575,422
Solid North Mineral Corp.	2,553,891	–	2,399,086	–	154,805	–	154,805
Armstrong Fly-Ash and Logistics Company, Inc.	660,396	2,110,494	2,387,364	–	383,526	–	383,526
South Western Cement Corp.	86,380	34,274	–	–	120,654	–	120,654
	₱300,286,073	₱1,661,286,261	₱1,873,337,927	₱–	₱88,234,407	₱–	₱88,234,407

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE D
LONG-TERM DEBT
DECEMBER 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Loans Payable" in Related Statements of Financial Position	Amount Shown Under Caption “Loans Payable - Net of Current Portion" in Related Statements of Financial Position	Interest Rate	Maturity Date
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE E
INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2024

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
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, 2024.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE F
GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024

	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE G
CAPITAL STOCK
DECEMBER 31, 2024

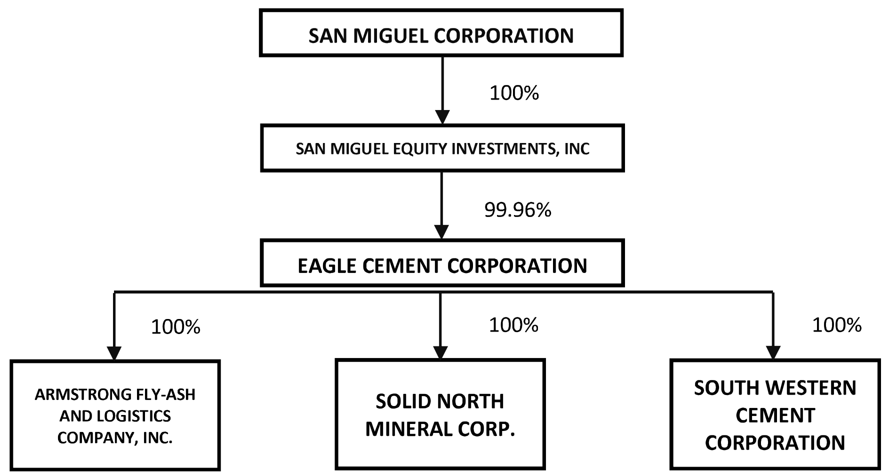
Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Statements of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common stock	5,500,000,000	5,000,000,006	–	4,997,903,674	14	2,096,318

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SCHEDULE H
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION PURSUANT TO SEC MEMORANDUM CIRCULAR 18-2024
DECEMBER 31, 2024 AND 2023

	2024	2023
Total Audit Fees	**₱3,100,000**	₱3,100,000
Non-audit services fees:		
Other assurance services	**–**	–
Tax services	**–**	–
All other services	**–**	–
Total Non-audit Fees	**–**	–
TOTAL AUDIT AND NON-AUDIT FEES	**₱3,100,000**	₱3,100,000

EAGLE CEMENT CORPORATION
SUPPLEMENTARY SCHEDULE OF THE MAP OF THE CONGLOMERATE
DECEMBER 31, 2024



PARENT COMPANY'S RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

EAGLE CEMENT CORPORATION

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

		Amount
Unappropriated retained earnings, beginning of reporting period		₱9,509,825,254
Less: Category B: Items that are directly debited to unappropriated retained earnings		
Dividend declaration during the reporting period	(6,700,000,008)	
Sub-total		(6,700,000,008)
Unappropriated retained earnings, as adjusted		**2,809,825,246**
Add/less: Net income for the current year		**4,972,690,154**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(33,571,843)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVPL)	(11,889,521)	
Sub-total		(45,461,364)
Add: Category C.2: Unrealized income recognized in profit or loss in prior periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	11,770,583	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVPL	13,224,383	
Sub-total		24,994,966
Adjusted net income		**4,952,223,756**
Total retained earnings, end of the reporting period available for dividend		**₱7,762,049,002**

BOA/PRC Accreditation No. 4782
April 14, 2024 valid until June 6, 2026
SEC Registration No. PP201007009

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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 basic consolidated financial statements of Eagle Cement Corporation and Subsidiaries (the Group) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated March 11, 2025. 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) Accounting Standards 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 Accounting Standards. The components of the financial soundness indicators contained in the supplementary schedule have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and in our opinion, are fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

REYES TACANDONG & CO.

MANUEL P. BUENSUCESO, JR.
Partner
CPA Certificate No. 143561
Tax Identification No. 311-867-595-000
BOA Accreditation No. 4782/P-025; Valid until June 6, 2026
SEC Accreditation No. 143561-SEC Group A
Issued August 17, 2023
Valid for Financial Periods 2023 to 2027
BIR Accreditation No. 08-005144-020-2025
Valid until January 7, 2028
PTR No. 10467123
Issued January 2, 2025, Makati City

March 11, 2025
Makati City, Metro Manila

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS UNDER THE REVISED SECURITIES REGULATION CODE RULE 68

DECEMBER 31, 2024 AND 2023

	2024	2023
Current/Liquidity Ratio	**3.43**	3.55
Current assets	**₱14,032,903,161**	₱17,088,869,086
Current liabilities	**4,088,805,099**	4,809,380,126
Solvency Ratio	**1.37**	1.16
Net income before depreciation and amortization	**₱5,927,494,434**	₱5,797,779,991
Total liabilities	**4,338,599,229**	5,000,983,692
Debt-to-Equity Ratio	**0.12**	0.13
Total liabilities	**₱4,338,599,229**	₱5,000,983,692
Total equity	**36,993,572,373**	39,246,646,254
Asset-to-Equity Ratio	**1.12**	1.13
Total assets	**₱41,332,171,602**	₱44,247,629,946
Total equity	**₱36,993,572,373**	39,246,646,254
Interest Rate Coverage Ratio	**745.28**	27.57
Net income before interest expense and taxes	**₱5,226,030,869**	₱5,593,700,430
Interest expense	**7,012,170**	202,887,292
Return on Asset Ratio	**0.10**	0.10
Net income before interest expense after-tax	**₱4,418,343,545**	₱4,524,901,443
Average total assets	**42,789,900,774**	46,830,903,348
Return on Equity Ratio	**0.12**	0.11
Net income	**₱4,411,331,375**	₱4,322,014,151
Average total equity	**38,120,109,313**	39,896,955,207

The following document has been received:

Receiving: Ma. Theresa Mabuyo
Receipt Date and Time: May 15, 2025 10:43:46 AM

Company Information

SEC Registration No.: AS95005885
Company Name: EAGLE CEMENT CORPORATION
Industry Classification: D26950
Company Type: Stock Corporation

Document Information

Document ID: OST10515202583333823
Document Type: Quarterly Report
Document Code: SEC_Form_17-Q
Period Covered: March 31, 2025
Submission Type: Original Filing
Remarks: None

Acceptance of this document is subject to review of forms and contents

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 **31 March 2025**

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
2F 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
Common (Outstanding)	**5,000,000,006**

* The total issued and outstanding shares as at March 31, 2025 are:

Common	5,000,000,006

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

Yes [ ] No [**X**]

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

N.A.

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 [**X**] 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 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: 5 May 2025

PART I--FINANCIAL INFORMATION

Financial Statements

1. Unaudited Interim Consolidated Statement of Financial Position as at March 31, 2025 and Audited Consolidated Statement of Financial Position as at December 31, 2024

2. Unaudited Interim Consolidated Statements of Comprehensive Income for the Three Months Ended March 31, 2025 and 2024

3. Unaudited Interim Consolidated Statements of Changes in Equity for the Three Months Ended March 31, 2025 and 2024

4. Unaudited Interim Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2025 and 2024

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, 2024, and the unaudited interim consolidated financial statements as at March 31, 2025 and for the three months ended March 31, 2025 and 2024 and selected notes to the unaudited interim consolidated financial statements of Eagle Cement Corporation (ECC or the Parent Company) and its subsidiaries (collectively referred to as the "Group") are filed as part of this Form 17-Q.

ECC is primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products. The Parent Company is one of the largest players in the Philippine cement industry, with the fastest growing market share among all competitors in the industry since it started its commercial operations in 2010. The Parent Company was incorporated and registered with the Securities and Exchange Commission (SEC) on June 21, 1995.

The Group currently employs 611 individuals for its existing lines and business operations in Luzon. Neither ECC nor any of its subsidiaries has experienced a work stoppage as a result of labor disagreements. None of the employees of the Parent Company belong to a union since its incorporation in 1995.

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2025

(With Comparative Audited Figures as at December 31, 2024)

	Note	March 31, 2025	December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents	5	**₱9,794,051,880**	₱8,536,295,423
Financial assets at fair value through profit or loss (FVPL)	6	**442,001,133**	437,981,214
Trade and other receivables	7	**2,151,992,663**	2,437,912,468
Inventories	8	**2,070,560,253**	2,227,267,470
Other current assets	9	**559,926,807**	393,446,586
Total Current Assets		**₱15,018,532,736**	₱14,032,903,161
Noncurrent Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	10	**98,679,000**	97,745,550
Property, plant and equipment	11	**24,123,468,579**	24,112,632,040
Intangible assets	12	**2,597,159,123**	2,605,701,395
Net retirement asset		**50,961,206**	54,884,828
Other noncurrent assets	13	**458,747,913**	428,304,628
Total Noncurrent Assets		**27,329,015,821**	27,299,268,441
Total Assets		**₱42,347,548,557**	₱41,332,171,602
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	14	**₱5,246,711,406**	₱4,070,012,894
Current portion of lease liabilities		**14,909,775**	18,792,205
Total Current Liabilities		**5,261,621,181**	4,088,805,099
Noncurrent Liabilities			
Net deferred tax liabilities	18	**84,676,738**	84,676,738
Other noncurrent liabilities	15	**157,237,369**	164,489,615
Net retirement benefit liability		**268,189**	627,777
Total Noncurrent Liabilities		**242,182,296**	249,794,130
Total Liabilities		**₱5,503,803,477**	₱4,338,599,229
Equity	16		
Capital stock		**₱8,000,000,006**	₱8,000,000,006
Additional paid-in capital		**6,525,506,098**	6,525,506,098
Retained earnings:			
Appropriated		**16,600,000,000**	16,600,000,000
Unappropriated		**8,626,814,052**	8,777,574,795
Other equity reserves		**91,424,924**	90,491,474
Treasury stock		**(3,000,000,000)**	(3,000,000,000)
Total Equity		**36,843,745,080**	36,993,572,373
		₱42,347,548,557	₱41,332,171,602

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

	Note	2025	2024
NET SALES		**₱6,002,741,882**	₱6,298,306,288
COST OF GOODS SOLD		**4,465,899,493**	4,240,043,704
GROSS PROFIT		**1,536,842,389**	2,058,262,584
OPERATING EXPENSES		**569,647,641**	761,773,450
INCOME FROM OPERATIONS		**967,194,748**	1,296,489,134
FINANCE COSTS		**(2,844,939)**	(1,695,222)
INTEREST INCOME		**107,045,339**	166,510,659
OTHER INCOME - Net		**10,671,245**	(1,470,477)
INCOME BEFORE INCOME TAX		**1,082,066,393**	1,459,834,094
INCOME TAX EXPENSE	18	**232,827,135**	247,237,345
NET INCOME		**849,239,258**	1,212,596,749
OTHER COMPREHENSIVE INCOME			
Unrealized gains (losses) on financial assets at FVOCI		**933,450**	(3,533,775)
		933,450	(3,533,775)
TOTAL COMPREHENSIVE INCOME		**₱850,172,708**	₱1,209,062,974
Basic/Diluted Earnings Per Share	19	**₱0.17**	₱0.24

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

							Other Equity Reserves				
		Capital Stock - ₱1 par value		Additional	Retained Earnings		Revaluation Surplus	Cumulative Remeasurement Gains (Losses) on Net Retirement Benefits Liability	Cumulative Unrealized Gains (Losses) on Financial		
	Note	Common Stock	Preferred Stock	Paid-in Capital	Appropriated	Unappropriated	(Net of Deferred Tax)	(Net of Deferred Tax)	Assets at FVOCI	Treasury Stock	Total Equity
Balances as at December 31, 2024		**₱5,000,000,006**	**₱3,000,000,000**	**₱6,525,506,098**	**₱16,600,000,000**	**₱8,777,574,795**	**₱–**	**₱92,758,424**	**(₱2,266,950)**	**(₱3,000,000,000)**	**₱36,993,572,373**
Net income		**–**	**–**	**–**	**–**	**849,239,258**	**–**	**–**	**–**	**–**	**849,239,258**
Other comprehensive income		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**933,450**	**–**	**933,450**
Cash dividends declared	15	**–**	**–**	**–**	**–**	**(1,000,000,001)**	**–**	**–**	**–**	**–**	**(1,000,000,001)**
Balances as at March 31, 2025		**₱5,000,000,006**	**₱3,000,000,000**	**₱6,525,506,098**	**₱16,600,000,000**	**₱8,626,814,052**	**₱–**	**₱92,758,424**	**(₱1,333,500)**	**(₱3,000,000,000)**	**₱36,843,745,080**
Balances as at December 31, 2023		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,600,000,000	₱11,069,490,159	₱3,056,387,347	₱58,230,473	(₱3,333,750)	(₱3,000,000,000)	₱42,306,280,332
Prior period adjustment due to change in accounting policy		–	–	–	–	(3,246,731)	(3,056,387,347)	–	–	–	(3,059,634,078)
Balances as at December 31, 2023, as restated		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,600,000,000	₱11,066,243,428	₱–	₱58,230,473	(₱3,333,750)	(₱3,000,000,000)	₱39,246,646,254
Net income		–	–	–	–	1,212,596,749	–	–	–	–	1,212,596,749
Other comprehensive income		–	–	–	–	–	–	–	(200,025)	–	(200,025)
Cash dividends declared	15	–	–	–	–	(1,000,000,001)	–	–	–	–	(1,000,000,001)
Balances as at March 31, 2024		₱5,000,000,005	₱3,000,000,000	₱6,525,506,098	₱16,600,000,000	₱11,278,840,176	₱–	₱58,230,473	(₱3,533,775)	(₱3,000,000,000)	₱39,459,042,977

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,082,066,393**	₱1,459,834,094
Adjustments for:		
Depreciation and amortization	**401,196,604**	366,743,581
Finance costs	**2,844,940**	1,695,222
Interest income	**(107,045,339)**	(166,510,659)
Dividend income	**(1,702,013)**	(1,700,003)
Trading losses (gains) on financial assets at FVPL	**(4,019,919)**	2,143,213
Unrealized foreign exchange gains	**(59,848)**	(1,701,353)
Retirement benefit costs	**4,049,554**	4,402,108
Gain on sale of assets	**(373,814)**	(296,281)
Operating income before working capital changes	**1,376,956,558**	1,664,609,922
Decrease (increase) in:		
Trade and other receivables	**265,727,980**	(157,096,334)
Inventories	**232,722,829**	63,606,966
Other current assets	**(289,284,663)**	(296,571,083)
Other noncurrent assets	**(77,318,521)**	(49,261,219)
Increase in trade and other payables	**(6,600,752)**	76,902,107
Net cash generated from operations	**1,502,203,431**	1,302,190,359
Interest received	**127,237,164**	158,688,848
Contribution to plan assets	**(485,521)**	–
Net cash provided by operating activities	**1,628,955,074**	1,460,879,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment	**(351,753,308)**	(237,694,219)
Intangible asset	**(11,064,554)**	(44,779,750)
Dividends received	**1,702,013**	1,700,003
Proceeds from sale of:		
Financial assets at FVPL	**–**	500,000,000
Property, plant and equipment	**6,576,041**	296,281
Net cash provided by (used in) investing activities	**(354,539,808)**	219,522,315
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Installment payable	**(4,499,554)**	(3,119,681)
Lease liability	**(9,370,272)**	(4,043,602)
Net cash used in financing activities	**(13,869,826)**	(7,163,283)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,260,545,440**	1,673,238,239
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(2,788,983)**	1,701,353
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**8,536,295,423**	10,746,976,158
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱9,794,051,880**	₱12,421,915,750

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

AGING OF TRADE AND OTHER RECEIVABLES

AS AT MARCH 31, 2025

	Total	Current	1- 30 Days	31- 90 Days	91-365 Days	365 Days or More
Trade	**₱429,701,041**	₱148,015,232	₱84,896,052	₱116,635,792	₱65,388,402	₱14,765,563
Nontrade	**1,716,192,581**	1,327,496,632	164,093	52,154,470	882,244	335,495,142
Others	**6,099,041**	6,099,041	-	-	-	-
Total	**₱2,151,992,663**	₱1,481,610,905	₱85,060,145	₱168,790,262	₱66,270,646	₱350,260,705

EAGLE CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE THREE MONTHS ENDED MARCH 31, 2025

(With Comparative Information for 2024)

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. It is primarily engaged in the business of manufacturing, marketing, sale and distribution of cement products.

The Parent Company was listed on the Philippine Stock Exchange (PSE) in May 2017. In December 2022, San Miguel Equity Investments, Inc. (SMEII) became the owner of 99.9581% of the common shares in the Parent Company by way of share purchase and tender offer of shares.

Following SMEII's acquisition of 99.9581% equity interest in the Parent Company, the latter filed a petition for voluntary delisting of its common shares listed on the main board of the PSE. In January 2023, the PSE approved the delisting of the Parent Company effective end of business on February 28, 2023.

SMEII is a wholly-owned subsidiary of San Miguel Corporation (SMC or the Intermediate Parent Company). SMC is a public company under Section 17.2 of the Securities Regulation Code (SRC), and its shares are listed in the PSE. The Ultimate Parent Company is Top Frontier Investment Holdings, Inc. (TFIHI), a holding company incorporated and domiciled in the Philippines and its shares are also listed in the PSE.

The Parent Company holds office at 2/F SMITS Corporate Center, 155 EDSA, Barangay Wack-Wack, Mandaluyong City, Metro Manila. It operates a cement manufacturing plant in Barangay Akle, San Ildefonso, Bulacan.

Subsidiaries

The following are the subsidiaries of the Parent Company, which are all incorporated in the Philippines and registered with the SEC:

		Percentage (%) of Ownership		
Name of Subsidiary	Principal Activity	**2025**	2024	2023
South Western Cement Corporation (SWCC)	Manufacturing, marketing, sale and distribution of cement products	**100**	100	100
Solid North Mineral Corp. (SNMC)	Mining activities and processing of limestones	**100**	100	100
Armstrong Fly-ash and Logistics Company, Inc. (AFLCI)	Processing of fly ash	**100**	100	100

The Parent Company and its subsidiaries are collectively referred to herein as "the Group".

SWCC has not started commercial operations as at May 5, 2025.

Status of Mining 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/Renewal	Commodity	Status of Operations
Luzon sites:					
ECC*	245-2007-III	Dona Remedios Trinidad and San Ildefonso, Bulacan	July 25, 2007	Limestone	Commercial Operations
ECC**	181-2002-III	Akle, San Ildefonso, Bulacan	June 20, 2022	Limestone	Commercial Operations
SNMC***	161-00-III	Akle, San Ildefonso, Bulacan	September 12, 2000	Limestone, shale and pozzolan	Commercial Operations
Cebu sites:					
ECC	100-97-VII	Ginatilan, Cebu	December 29, 1997	Limestone	Exploration
ECC	101-97-VII	Ginatilan and Malabuyoc, Cebu	December 29, 1997	Limestone	Exploration
SWCC	059-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020	Limestone	Development
SWCC	060-96-VII	Lo-oc, Malabuyoc, Cebu	August 6, 2020	Limestone	Development

** Started commercial operations for the production of limestone in 2024.*
***Started commercial operations for the production of limestone in 2010.*
****Started commercial operations for the production of shale and pozzolan, and pulverized limestone in January 2016 and April 2019, respectively.*

The foregoing MPSAs have a term of 25 years from the issuance date and may be renewed thereafter for another term not exceeding 25 years.

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.

In 2024, the Parent Company secured a 25-year extension for its MPSA 181-2002-III. Furthermore, in May 2024 the Parent Company began commercial operations under MPSA 245-2007-III after receiving approval for its mining plan.

In August 2022, the Group applied for an extension of the term of MPSAs 100-97-VII and 101-97-VII in Cebu sites. As at May 5, 2025, the Group has not yet received the approval for the extension.

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2. Summary of Material Accounting Policy Information

Basis of Preparation

The unaudited interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting* and do not include all the information required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as at December 31, 2024.

The unaudited interim consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on May 5, 2025.

The principal accounting policies adopted in the preparation of the unaudited interim consolidated financial statements of the Group are consistent with those followed in the most recent annual audited consolidated financial statements, except for the changes in accounting policies as explained below.

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of new and amendments to standards as part of Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Measurement Bases

The unaudited interim consolidated financial statements are presented in Philippine Peso, the Group's functional currency. All values are rounded to the nearest Peso, 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
Net retirement asset or retirement liability	Present value of the defined benefit retirement obligation less the fair value of the plan assets
Provision for mine rehabilitation and decommissioning	Present value of expected rehabilitation and decommissioning cost
Lease liabilities	Present value of discounted minimum lease payments

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.

In 2024, the Group changed its policy on the measurement of its land classified as property, plant and equipment from the revaluation model to cost model to align with the accounting policy of its Ultimate Parent Company.

Basis of Consolidation

The unaudited interim 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 the unaudited interim consolidated statements of comprehensive income. Any investment retained is recognized at fair value.

Adoption of Amendments to Standards
The Group has adopted the Lack of Exchangeability (Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*) effective January 1, 2025. The amendments clarify that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable, an entity needs to estimate a spot rate. The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the entity because the currency is not exchangeable.

The adoption of the amendments to standards did not have a material effect on the unaudited interim consolidated financial statements.

New and Amendments to Standards Not Yet Adopted
A number of new and amendments to standards are effective for annual reporting periods beginning after January 1, 2025 and have not been applied in preparing the unaudited interim consolidated financial statements. Unless otherwise indicated, none of these is expected to have a significant effect on the unaudited interim consolidated financial statements.

The Group will adopt the following new and amendments to standards on the respective effective dates:

- Classification and Measurement of Financial Instruments (Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures*). The amendments clarify that financial assets and financial liabilities are recognized and derecognized on the settlement date, except for regular way purchases or sales of financial assets and financial liabilities that meet the conditions for an exception. The exception allows entities to elect to derecognize certain financial liabilities settled through an electronic payment system before the settlement date.

  The amendments also provide guidelines for assessing the contractual cash flow characteristics of financial assets that include environmental, social, and governance-linked features and other similar contingent features.

  Entities are required to disclose additional information about financial assets and financial liabilities with contingent features, and equity instruments classified at fair value through other comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Contracts Referencing Nature-dependent Electricity (Amendments to PFRS 9 and PFRS 7). The amendments clarify the application of the own-use exemption for contracts referencing electricity from nature-dependent renewable energy sources, amend the hedge accounting requirements to allow these contracts to be designated as hedging instruments if certain conditions are met, and introduce additional disclosure requirements on the impact of these contracts on the financial performance and future cash flow.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted.

- Annual Improvements to PFRS Accounting Standards - Volume 11. This cycle of improvements contains amendments to two standards:

  - Gain or Loss on Derecognition (Amendments to PFRS 7). The amendments replaced the reference to 'inputs that were not based on observable market data' in the obsolete paragraph 27A of PFRS 7, with reference to 'unobservable inputs' in paragraphs 72-73 of PFRS 13, *Fair Value Measurement*.

  - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9). The amendments:

    - added a cross-reference to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee applies the requirement that the difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss; and

    - replaced the term 'their transaction price (as defined in PFRS 15, *Revenue from Contracts with Customers*)' with 'the amount determined by applying PFRS 15' because a receivable might be initially measured at an amount that differs from the transaction price recognized as revenue, for example, when you recognize full amount for consideration that's unconditionally receivable but at the same time recognize expected refund liability with respect to retrospective rebates. Consequently, the definition of the transaction price has been deleted.

    The amendments apply for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- PFRS 18, *Presentation and Disclosure in Financial Statements*, replaces PAS 1, *Presentation of Financial Statements*. The new standard introduces the following key requirements:

  - Entities are required to classify all income and expenses into five categories in the statement of income: operating, investing, financing, income tax, and discontinued operations. Subtotals and totals are presented in the statement of income for operating profit or loss, profit or loss before financing and income taxes, and profit or loss;

  - Management-defined performance measures are disclosed in a single note to the financial statements; and

  - Enhanced guidance is provided on how to group information in the financial statements.

  In addition, all entities are required to use the operating profit or loss subtotal as the starting point for the statement of cash flows when presenting cash flows from operating activities under the indirect method.

PFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with retrospective application required. Early adoption is permitted.

- PFRS 17, *Insurance Contracts*, replaces the interim standard, PFRS 4, *Insurance Contracts*, and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The new standard applies to all insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  PFRS 17 aims to increase transparency and to reduce diversity in the accounting for insurance contracts. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and simplified approach (the premium allocation approach) mainly for short-duration contracts.

  On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two years after its effective date as decided by the International Accounting Standards Board.

  On February 14, 2025, the FSRSC further deferred the date of initial application by two years, making PFRS 17 effective for annual reporting periods beginning on or after January 1, 2027, with comparative figures required. Early adoption is permitted. The Insurance Commission issued CL No. 2025-04, aligning with this deferral.

The Group continues to assess the impact of the above new and amendments to standards effective subsequent to 2025 on the unaudited interim consolidated financial statements in the period of initial application. Additional disclosures required by these amendments will be included in the unaudited interim consolidated financial statements when these amendments are adopted.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the unaudited interim consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other assets and liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent.

Financial Instruments

Recognition and Initial Measurement. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 the instrument.

A financial asset (unless a trade receivable without a significant financing component) or financial liability is initially measured at the fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated as fair value through profit or loss (FVPL), includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets
The Group classifies its financial assets at initial recognition, as subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the unaudited interim consolidated statements of comprehensive income when the financial asset is derecognized, modified or impaired.

As at March 31, 2025 and December 31, 2024, the Group's cash and cash equivalents, trade and other receivables (except advances to officers and employees), restricted cash, refundable deposits, and deposit in escrow are classified under this category (see Notes 5, 7, 9 and 13).

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial Assets at FVOCI. Investment in equity instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets at FVOCI are subsequently measured at fair value. Changes in fair value are recognized in other comprehensive income

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment on investment in debt instruments are recognized in the unaudited interim consolidated statements comprehensive of income. When investment in debt instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the unaudited interim consolidated statements of changes in equity are transferred to and recognized in the unaudited interim consolidated statements of comprehensive income.

Dividends earned on holding an investment in equity instrument are recognized as dividend income in the unaudited interim consolidated statement of comprehensive income when the right to receive the payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment. When investment in equity instruments at FVOCI is derecognized, the related accumulated gains or losses previously reported in the unaudited interim consolidated statement of changes in equity are never reclassified to the unaudited interim consolidated statements of comprehensive income.

As at March 31, 2025 and December 31, 2024, 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 10).

Financial Assets at FVPL. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVPL. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVPL.

At initial recognition, the Group may irrevocably designate a financial asset as at FVPL if the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on different bases.

The Group carries financial assets at FVPL using their fair values. Attributable transaction costs are recognized in the unaudited interim consolidated statements of comprehensive income as incurred. Changes in fair value and realized gains or losses are recognized in the unaudited interim consolidated statements of comprehensive income. Any interest earned from investment in debt instrument designated as at FVPL is recognized in the unaudited interim consolidated statements of comprehensive income. Any dividend income from investment in equity instrument is recognized in the unaudited interim consolidated statements of comprehensive income when the right to receive payment has been established, unless the dividend clearly represents a recovery of the part of the cost of the investment.

As at March 31, 2025 and December 31, 2024, the Group’s investments in listed debt securities are classified under this category (see Note 6).

<u>Financial Liabilities</u>
The Group determines the classification of its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings, net of directly attributable transaction costs.

Financial Liabilities at FVPL. Financial liabilities are classified under this category through the fair value option.

The Group carries financial liabilities at FVPL using their fair values and reports fair value changes in the unaudited interim consolidated statements of comprehensive income. Any interest expense incurred is recognized as part of "Finance costs" account in the unaudited interim consolidated statements of comprehensive income.

As at March 31, 2025 and December 31, 2024, the Group does not have financial liabilities at FVPL.

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Finance costs" account in the unaudited interim consolidated statements of comprehensive income. Gains and losses are recognized in the unaudited interim consolidated statements of comprehensive income when the liabilities are derecognized as well as through amortization process.

As at March 31, 2025 and December 31, 2024, the Group's trade and other payables (except advances from customers, statutory payables and output VAT payable), installment payable and lease liabilities are classified under this category (see Notes 14 and 15).

Derecognition of Financial Assets and Financial Liabilities

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; 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.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. 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. The difference in the respective carrying amounts is recognized in the unaudited interim consolidated statements of comprehensive income.

Impairment of Financial Assets

The Group recognizes allowance for expected credit loss (ECL) on financial assets at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the restructuring of a financial asset by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in the unaudited interim consolidated statements of comprehensive income.

Classification of Financial Instruments between Liability and Equity

Financial instruments are classified as liability or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as liability if it provides for a contractual obligation 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.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole or in part, the amount separately determined as the fair value of the liability component on the date of issue.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the unaudited interim consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). The cost of raw materials, spare parts and supplies comprises all purchase price and other costs incurred in bringing the inventories to its present location and condition. The cost of finished goods and goods in process comprises raw materials, direct labor and other direct costs and related production overheads.

The cost of raw materials is calculated based on moving average method while the cost of goods in process and finished goods is calculated based on standard costing method. Standard cost is adjusted to reflect actual cost which is principally determined using the moving average method. 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 the unaudited interim consolidated statements of comprehensive income 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 (1) year or if these can be used only in connection with an item of property, plant and equipment.

When the NRV of the inventories is lower than its cost, the Group provides for an allowance for the decline in value of inventory and recognizes the write-down as an expense in the unaudited interim consolidated statements of comprehensive income. The amount of any reversal of write-down of inventories, arising from an increase in NRV, is recognized in the unaudited interim consolidated statements of comprehensive income in the period in which the reversal occurs.

Other Nonfinancial Current Assets

Prepayments. Prepayments represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are recognized as expense in the unaudited interim consolidated statements of comprehensive income as they are consumed or expire with the passage of time.

Prepayments are classified as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Group’s normal operating cycle. Otherwise, these are classified as noncurrent assets.

Deferred Input VAT. Deferred input VAT represents the unamortized amount of input VAT on capital goods and on the unpaid portion of availed services. In accordance with the Revenue Regulation (RR) No. 16-2005, input VAT on purchases or imports of the Group with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1,000,000 are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter. Deferred input VAT that are expected to be claimed against output VAT for no more than 12 months after the financial reporting period are classified as other current assets. Otherwise, these are classified as other 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 ₱1,000,000, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Under Section 4.110-3 (c) of the RR 13-2018, the amortization of the input VAT shall only be allowed until December 31, 2021, after which, any unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized. The input VAT on the purchases or imports of capital goods exceeding ₱1,000,000 subsequent to December 31, 2021 may be claimed outright.

Prior to the implementation of the Ease of Paying Taxes (EoPT) Law, VAT was calculated based on gross receipts. Following the enactment of the EoPT Law, the tax base for VAT was revised to gross revenues.

Advances To Suppliers. Advances to suppliers represent advance payments made in relation to purchase of raw materials and services and are carried at cost. These are to be applied against the suppliers' billing upon the receipt of materials or services.

Other Current Assets. Other current assets pertain to assets which are expected to be realized within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included as part of "Operating expenses" account in the unaudited interim consolidated statements of comprehensive income.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition date fair value and any resulting gain or loss is recognized in the unaudited interim consolidated statements of comprehensive income.

The Group measures goodwill at the acquisition date as: a) the fair value of the consideration transferred; plus b) the recognized amount of any non-controlling interests in the acquiree; plus c) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less d) the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognized immediately in the unaudited interim consolidated statements of comprehensive income. Subsequently, goodwill is measured at cost less any accumulated impairment in value.

Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying amount may be impaired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the unaudited interim consolidated statements of comprehensive income. Costs related to the acquisition, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the unaudited interim consolidated statements of comprehensive income.

Goodwill in a Business Combination
Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units (CGU), or groups of CGU that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment determined in accordance with PFRS 8, *Operating Segments.*

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of CGU, to which the goodwill relates. Where the recoverable amount of the cash-generating unit or group of CGU is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit or group of CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained. An impairment loss with respect to goodwill is not reversed.

<u>Property, Plant and Equipment</u>
Property, plant and equipment, except for land, are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less impairment in value, if any.

In 2024, the Group changed its policy in the measurement of land from revaluation model to cost model to align with the accounting policy of its Ultimate Parent Company. The management believes that this will provide more reliable and relevant information about the land on the Group's financial position, financial performance or cash flows. Accordingly, land is carried at cost less impairment in value, if any.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes related asset retirement obligation (ARO), if any. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably. Construction projects in progress (CPIP) represents the amount of accumulated expenditures on unfinished and/or ongoing projects. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of plant and equipment are capitalized during the construction period. Upon completion of the projects, the related CPIP will be transferred to the specific property, plant and equipment accounts. CPIP is not depreciated until such time that the relevant assets are ready for use

Depreciation, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Machinery and equipment	5 to 30
Building and improvements	10 to 30
Furniture, fixtures and other office equipment	3 to 5
Transportation equipment	5
ROU assets	3 to 10

The remaining useful lives, residual values, and depreciation are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property, plant and equipment. The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully-depreciated assets are retained in the accounts until they are no longer in use.

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the unaudited consolidated statements of comprehensive income in the period of retirement or disposal.

<u>Leases</u>
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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:

- the Group has the right to obtain substantially all the economic benefits from the use of the identified asset; and
- the Group has the right to direct the use of the identified asset.

Group as a Lessee
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, ranging from three (3) to ten (10) years.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate (IBR). Generally, the Group uses its IBR as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- 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 under a residual value guarantee; 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.

The lease liability is measured at amortized cost using the effective interest method. The carrying amount of the lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognized in the unaudited interim consolidated statements of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases (i.e., lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. The Group recognizes the lease payments associated with these leases as expense on a straight-line basis over the lease term.

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 the unaudited interim consolidated statements of comprehensive income as operating costs when incurred.

Intangible Assets
Intangible assets include mining rights, computer software, and goodwill.

Mining Rights and Computer Software. Mining rights and computer software are stated at cost, which includes purchase price and other direct costs, less accumulated amortization and any impairment in value. Mining rights and computer software are amortized over their useful lives on a straight-line basis and assessed for impairment whenever there is an indication that the mining rights and computer software may be impaired.

The amortization period and the amortization method for intangible assets with 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 the unaudited interim statements of comprehensive income.

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 are as follows:

	Number of Years
Mining rights	10 to 25
Computer software	5

When mining rights and computer software 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 the unaudited interim statements of comprehensive income.

Goodwill. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and 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 the unaudited interim statements of comprehensive income.

After initial recognition, goodwill 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 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.

Deferred Exploration and Development Costs

Deferred exploration and development costs comprise of expenditures which are directly attributable to:

- Researching and analyzing existing exploration data;
- Conducting geological studies, exploratory drilling and sampling;

- Examining and testing extraction and treatment methods; and
- Compiling pre-feasibility and feasibility studies.

Deferred exploration and development costs also include expenditures incurred in acquiring mineral rights and evaluation assets, entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration assets are reassessed on a regular basis and tested for impairment provided that at least one of the following conditions is met:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If the project proceeds to development stage, the amounts included within deferred exploration and development costs are transferred to property, plant and equipment.

Deferred exploration and evaluation 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 the unaudited interim statements of comprehensive income. If the mining property is found to contain no commercial reserves, the deferred exploration and evaluation costs are charged to the unaudited interim statements of comprehensive income.

<u>Other Nonfinancial Noncurrent Assets</u>
Other nonfinancial noncurrent assets include deposit on asset purchase 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. Deposit on asset purchase are applied against acquisition of property, plant and equipment and long-term deposit for inventory acquisition.

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. Deposit for future investment is applied against subscription to common shares of stock of a business entity.

<u>Impairment of Nonfinancial Assets</u>
The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill with indefinite useful life is tested for impairment annually either individually or at the CGU level. If any such indication exists and if the carrying amounts exceeds the estimated recoverable amount, the assets or CGU are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less cost to sell and 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 between knowledgeable, willing

parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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. 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 the unaudited interim consolidated statements of comprehensive income in those expense categories consistent with the function of the impaired asset.

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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the unaudited interim consolidated statements of comprehensive income. After such reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. An impairment loss with respect to goodwill is not reversed.

Advances from Customers

Advances from customers consist of amounts received by the Group from its customers as advance payments 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.

Fair Value Measurements

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the unaudited interim consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the unaudited interim consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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 the unaudited interim consolidated statements of comprehensive income.

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 the unaudited interim consolidated statements of comprehensive income as part of finance cost.

Rehabilitation funds committed for use in satisfying environmental obligations are classified as "Restricted cash" included in "Other noncurrent assets" account in the unaudited interim consolidated statements of financial position (see Note 13).

Equity

Common Stock. Common stock is classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preferred Stock. Preferred stock is classified as equity if it is non-redeemable, or redeemable only at the option of Parent Company, and any dividends thereon are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Parent Company.

Preferred stock is classified as a liability if they are redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in the unaudited interim consolidated statements of comprehensive income as accrued.

Additional Paid-in Capital (APIC). When the shares are sold at premium, the difference between the proceeds and the par value is credited to the "Additional paid-in capital" account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. In case the shares are issued to extinguish or settle the liability of the Parent Company, the shares are measured either at the fair value of the shares issued or fair value of the liability settled, whichever is more reliably determinable.

Retained Earnings. Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments.

Appropriated retained earnings represent that portion which is restricted and therefore not available for any dividend declaration

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.

Treasury Stock. Own equity instruments which are reacquired are carried at cost and deducted from equity. No gain or loss is recognized on the purchase, sale, reissuance or cancellation of the Parent Company's own equity instruments. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Dividends Declaration. Dividends are recognized as a liability and deducted from equity upon declaration. Dividends for the year that are declared after the reporting date are dealt with as an event after the reporting date.

Other Equity Reserves. Other equity reserves comprise of items of income and expense, net of any deferred tax expense or benefit, that are not recognized in the unaudited interim statements of comprehensive income in accordance with PFRS Accounting Standards. Other equity reserves of the Group pertain to cumulative remeasurement gains or losses on net retirement benefits liability (net retirement asset) and cumulative unrealized gains or losses on financial assets at FVOCI.

Revenue

The Group recognized revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (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. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it acts as a principal as it controls the goods or services before transferring to the customer. 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 to the buyer, which is normally upon delivery or pick-up of goods, the seller has no obligation that could affect the buyer's acceptance of goods and the amount of sales can be measured reliably. The sales are net of returns, trade discounts and sale rebates.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15:

Interest Income. Interest income is recognized using the effective interest method. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset.

Dividend Income. Dividend income is recognized when the Group's right to receive the payment is established.

Other Income. Income from other sources is recognized when earned during the period.

Sales Rebates. The Group provides sales 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 sales 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 (Note 14).

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the reporting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Expenses are recognized when incurred.

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.

Other Expenses. Other expenses are recognized when incurred during the period.

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 capitalized borrowing costs, are recognized in the unaudited interim statements of comprehensive income in the period they are incurred.

Employee Benefit

Short-term Benefits. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Cost. The net defined benefit retirement liability or asset is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit retirement plan is actuarially determined using the projected unit credit method. Projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning projected salaries of employees. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

Defined benefit costs comprise the following:

- Service costs
- Net interest on the defined benefit retirement liability or asset; and
- Remeasurements of defined benefit retirement liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit retirement liability or asset is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the net defined benefit retirement liability or asset. Net interest on the net defined benefit retirement liability or asset is recognized as expense or income in the unaudited interim consolidated statements of comprehensive income.

Remeasurements of the net retirement benefit liability or asset comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to the unaudited interim statements of comprehensive income in subsequent periods.

When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the unaudited interim consolidated statements of comprehensive income. The Group recognizes gains and losses on the settlement of a defined benefit retirement plan when the settlement occurs.

Foreign Currency

Transactions in foreign currencies are initially recorded in the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and monetary liabilities denominated in foreign currencies are translated to the functional currency at exchange rate at the reporting date.

Non-monetary assets and non-monetary liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the unaudited interim consolidated statements of comprehensive income, except for differences arising on the translation of monetary items that in substance form part of a net investment in a foreign operation and hedging instruments in a qualifying cash flow hedge or hedge of a net investment in a foreign operation, which are recognized in other comprehensive income.

Taxes

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred Tax. Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or 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; and

- with respect to taxable temporary differences associated with investments in shares of stock of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused tax credits - minimum corporate income tax (MCIT) and unused tax losses - net operating loss carry over (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefits of MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference 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; and

- with respect to deductible temporary differences associated with investments in shares of stock of subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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.

Current tax and deferred tax are recognized in the unaudited interim consolidated statements of comprehensive income, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax 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.

Value-Added Tax (VAT). Revenues, 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 tax 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 (see Note 14).

<u>Related Parties</u>
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 individuals or corporate entities.

<u>Earnings Per Share (EPS)</u>
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.

Provisions

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. The expense relating to any provision is presented in the unaudited interim consolidated statements of comprehensive income. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. The increase in the provision due to the passage of time is recognized as interest expense.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to consolidated financial statements 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.

Events After the Reporting Date

Events after the reporting date that provide additional information about the Group's financial position at the 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.

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, accounting estimates and assumptions 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 Instruments. The Group exercises judgment in classifying financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the unaudited interim consolidated statements of financial position.

The Group uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Notes 6 and 10.

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 unaudited interim 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

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.

As at May 5, 2025, 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 ₱60.2 million as at March 31, 2025 and December 31, 2024 (see Note 13).

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 (1) 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, 2025 and 2024. The carrying amount of trade receivables is ₱429.7 million and ₱691.7 million as at March 31, 2025 and December 31, 2024, 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 counterparty.

The Group also considers financial assets that are more than 60 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 counterparty.

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 as at March 31, 2025 and December 31, 2024.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	**March 31, 2025**	December 31, 2024
Cash in banks and cash equivalents	5	**₱9,793,085,880**	₱8,535,330,189
Other receivables*	7	**1,716,192,581**	1,736,822,876
Refundable deposits	9, 13	**72,578,594**	83,073,487
Deposit in escrow	13	**55,942,858**	56,034,399
Restricted cash	13	**111,360,353**	108,746,619

**Includes interest receivable, receivable from a related party, 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 March 31, 2025 and December 31, 2024, the cost of inventories is lower than its NRV. The carrying amount of inventories is ₱2,070.6 million and ₱2,227.3 million as at March 31, 2025 and December 31, 2024, respectively (see Note 8).

Estimation of Useful Lives of Property, Plant and Equipment (Excluding Land and CPIP) and Intangible Assets. The Group estimates the useful lives of its property, plant and equipment (excluding land and CPIP) and intangible assets 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 (excluding land and CPIP) and intangible assets 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 (excluding land and CPIP) and intangible assets is based on internal technical evaluation, and experience with similar assets. The Group amortizes mining rights for ten (10) to twenty-five (25) years, in line with the expiration of MPSAs as approved by the MGB.

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, mining rights and computer software 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, mining rights and computer software for the three months ended March 31, 2025 and 2024.

The carrying amount of property, plant and equipment and intangible assets are as follows:

	Note	**March 31, 2025**	December 31, 2024
Property, plant and equipment*	11	**20,434,446,851**	₱20,670,752,600
Mining rights	12	**1,127,736,543**	1,138,165,804
Computer software	12	**210,469,876**	208,582,887

**excluding land and CPIP aggregating to ₱3,689.02 million and ₱3,441.9 million as at March 31, 2025 and December 31, 2024.*

Leases – Estimation of the IBR. The Group uses its 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 IBR ranging from 2.25% to 8.31% for the computation of lease liabilities and ROU assets. Lease liabilities amounted to ₱72.0 million and ₱80.2 million as at March 31, 2025 and December 31, 2024, respectively. ROU assets amounted to ₱67.0 million and ₱75.3 million as at March 31, 2025 and December 31, 2024, respectively.

Assessment for Impairment of Nonfinancial Assets (Excluding Goodwill). 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, 2025 and for the year ended December 31, 2024. The carrying amounts of nonfinancial assets are as follows:

	Note	**March 31, 2025**	December 31, 2024
Property, plant and equipment	11	**₱24,123,468,579**	₱24,112,632,040
Intangible assets*	12	**1,338,206,419**	1,346,748,691
Prepayments	9	**369,075,417**	243,922,947
Deposits on asset purchase	13	**170,392,095**	142,267,455
Deferred input VAT	9	**65,336,475**	64,656,833
Deferred exploration and development costs	13	**60,199,195**	60,199,195
Advances to suppliers	9	**50,429,511**	26,054,887
Advances to officers and employees	7	**6,099,041**	9,366,239
Deposits for future investment	13	**4,805,349**	4,765,796
Other current assets		**5,226,686**	6,089,371

**excluding goodwill amounting to 1,259.0 million as at March 31, 2025 and December 31, 2024.*

Assessment of Goodwill Impairment. The Group determines whether goodwill is impaired at least annually. This requires the estimation of value in use of the CGU to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate to calculate the present value of those cash flows.

No impairment loss was recognized as at March 31, 2025 and December 31, 2024. The carrying amount of goodwill amounted to ₱1,259.0 million as at March 31, 2025 and December 31, 2024.

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 as at March 31, 2025 and December 31, 2024. The carrying amount of deferred exploration and evaluation costs amounted to ₱60.2 million as at March 31, 2025 and December 31, 2024 (see Note 13).

Estimation 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 ₱92.1 million and ₱91.2 million as at March 31, 2025 and December 31, 2024, respectively (see Note 15).

Determination of Retirement Liability (Net Retirement Asset). The determination of the net retirement liability (net retirement asset) is dependent on the assumptions used by the actuary in calculating such amounts. These assumptions 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 retirement liability (net retirement asset).

Net retirement asset amounted to and ₱51.0 million and ₱54.9 million as at March 31, 2025 and December 31, 2024, respectively. Retirement liability amounted to ₱0.3 million and P0.6 million as at March 31, 2025 and December 31, 2024, respectively. Cumulative remeasurement gains on retirement liability (net retirement asset) (net of deferred tax) amounted to ₱92.8 million as at March 31, 2025 and December 31, 2024.

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 ₱23.7 million were not recognized as at March 31, 2025 and December 31, 2024. 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 18).

Deferred tax assets recognized amounted to ₱162.2 million as at March 31, 2025 and December 31, 2024 (see Note 18).

4. **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), 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), and lease liabilities.

The main financial risks arising from the Group's use of financial instruments include market risks, 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 monetary financial assets and liability.

The following table shows the Group's US dollar-denominated monetary financial assets and liability and their Philippine Peso equivalent:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	US Dollar	**Philippine Peso**	US Dollar	Philippine Peso
Financial assets:				
Cash and cash equivalents	**$6,169,176**	**₱354,483,221**	$570,167	₱32,981,286
Deposit in escrow	**977,851**	**55,942,858**	968,699	56,034,399
	7,174,027	**410,426,079**	1,538,866	89,015,685
Financial liability -				
Trade and other payables	**1,580,799**	**90,437,537**	459,766	26,595,162
Installment payable	**205,323**	**11,746,529**	267,691	15,484,612
	1,786,122	**102,184,066**	727,457	42,079,774
Net US Dollar-denominated financial liability	**$5,387,905**	**₱308,242,014**	$811,409	₱46,935,911

The following table shows the Group's Euro-denominated monetary financial asset and liability and their Philippine Peso equivalent:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	US Dollar	**Philippine Peso**	US Dollar	Philippine Peso
Financial asset -				
Cash in banks	**€124,728**	**₱7,713,156**	€6,649	₱402,088
Financial liability -				
Trade and other payables	**1,268,129**	**78,421,123**	754,593	45,633,130
Net Euro-denominated financial liability	**(€1,143,401)**	**(₱70,707,967)**	(€747,944)	(₱45,231,042)

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 ₱57.21 per US $1 and ₱61.84 per €1 as at March 31, 2025 and ₱57.85 per US $1 and ₱60.47 per €1 as at December 31, 2024.

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
March 31, 2025	**+1.64**	**₱8,821,197**
	-1.64	**(8,821,197)**
December 31, 2024	+2.07	₱1,679,615
	-2.07	(1,679,615)

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
March 31, 2025	**+1.42**	**(₱1,623,326)**
	-1.42	**1,623,326**
December 31, 2024	+1.58	(₱1,181,752)
	-1.58	1,181,752

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 quoted 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. Exposure of the Group to changes in share price is insignificant.

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; exposure of the Group to changes in the interest rates is not significant.

Credit Risk

The Group's exposure to credit risk arises when a counterparty fails 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 March 31, 2025 and December 31, 2024, the exposure to credit risk for trade receivables by type of counterparty are as follows:

	March 31, 2025		
	Neither Past due nor Impaired	**Past Due but not Impaired**	**Total**
Major term customers	**₱58,547,112**	**₱71,245,117**	**₱129,792,229**
Related parties	**81,138,802**	**178,217,187**	**259,355,989**
Others	**8,329,318**	**32,223,505**	**40,552,823**
	₱148,015,232	**₱281,685,809**	**₱429,701,041**

	December 31, 2024		
	Neither Past due nor Impaired	Past Due but not Impaired	Total
Major term customers	₱160,582,695	₱223,659,346	₱384,242,041
Related parties	68,152,641	190,982,029	259,134,670
Others	17,900,037	30,446,605	48,346,642
	₱246,635,373	₱445,087,980	₱691,723,353

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, 2025**	December 31, 2024
1 to 30 Days	**₱84,896,052**	₱208,638,678
31 to 90 Days	**116,635,792**	130,134,430
91 to 365 Days	**65,388,402**	94,435,333
366 days or more	**14,765,563**	11,879,539
Total	**₱281,685,809**	₱445,087,980

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 deposit in escrow and restricted cash.

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 refundable deposits and other receivables (including interest receivable, dividends receivable and other receivables), credit risk is low since the Group transacts only with reputable counterparties and with good credit standing

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 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.

	March 31, 2025				
	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	**₱9,793,085,880**	**₱–**	**₱–**	**₱–**	**₱9,793,085,880**
Other receivables*	**1,382,344,433**	**–**	**–**	**–**	**1,382,344,433**
Due from related parties	**333,848,148**	–	–		**333,848,148**
Debt securities at FVPL	**–**	**–**	**–**	**442,001,133**	**442,001,133**
Restricted cash	**111,360,353**	**–**	**–**	**–**	**111,360,353**
Refundable deposits	**72,578,594**	**–**	**–**	**–**	**72,578,594**
Deposit in escrow	**55,942,858**	**–**	**–**	**–**	**55,942,858**
	₱11,749,160,266	**₱–**	**₱–**	**₱442,001,133**	**₱12,191,161,399**

**Includes receivable from a related party, dividends receivable, interest receivable, and other receivables*

	December 31, 2024				
	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	₱8,535,330,189	₱–	₱–	₱–	₱8,535,330,189
Other receivables*	1,402,689,941	–	–	–	1,402,689,941
Due from related parties	334,132,935	–	–	–	334,132,935
Debt securities at FVPL	–	–	–	437,981,214	437,981,214
Restricted cash	108,746,619	–	–	–	108,746,619
Refundable deposits	83,073,487	–	–	–	83,073,487
Deposit in escrow	56,034,399	–	–	–	56,034,399
	₱10,520,007,570	₱–	₱–	₱437,981,214	₱10,957,988,784

**Includes receivable from a related party, dividends receivable, interest 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, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)				
	On Demand	**>1 to 3 Months**	**>3 to 12 Months**	**>1 to 5 Years**	**Total**
Trade and other payables*	**₱3,985,121,194**	**₱504,634,014**	**₱77,604,248**	**₱–**	**₱4,567,359,456**
Installment payable	**–**	**–**	**4,290,750**	**8,581,500**	**12,872,250**
Lease liabilities	**1,706,464**	**5,119,390**	**13,923,172**	**113,993,609**	**134,742,635**
	₱3,986,827,658	**₱509,753,404**	**₱95,818,170**	**₱122,575,109**	**₱4,714,974,341**

**Excluding nonfinancial and statutory liabilities amounting to ₱679.4 million as at March 31, 2025.*

	December 31, 2024 (Audited)				
	On Demand	>1 to 3 Months	>3 to 12 Months	>1 to 5 Years	Total
Trade and other payables*	₱3,155,222,373	₱398,615,496	₱23,267,365	₱–	₱3,577,105,234
Installment payable	–	–	3,445,075	13,908,425	17,353,500
Lease liabilities	1,811,968	3,370,659	22,011,154	143,259,335	170,453,116
	₱13,157,034,34	₱401,986,155	₱48,723,594	₱157,167,760	₱3,764,911,850

**Excluding nonfinancial and statutory liabilities amounting to ₱492.9 million as at December 31, 2024.*

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 to ₱36,752.3 million and ₱36,903.1 million as at March 31, 2025 and December 31, 2024, respectively. The Group manages the capital structure and makes adjustments to it in light of 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 subject to any externally imposed capital requirements.

5. Cash and Cash Equivalents

This account consists of:

	March 31, 2025	December 31, 2024
Cash on hand	**₱966,000**	₱965,234
Cash in banks	**927,093,263**	760,360,228
Short-term placements	**8,865,992,617**	7,774,969,961
	₱9,794,051,880	₱8,536,295,423

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 4.25% to 8.00% for the three months ended March 31, 2025 and 5.25% to 8.00% for the three months ended March 31, 2024.

6. **Financial Assets at FVPL**

The financial assets at FVPL is composed of debt securities amounting to ₱442.0 million and ₱438.0 million as at March 31, 2025 and December 31, 2024, respectively.

Financial assets at FVPL consist of quoted debt securities held for trading purposes.

Debt securities are quoted and earn annual interest rate ranging from 4.63% to 5.91% for the three months ended March 31, 2025 and 2024.

The Group's quoted debt securities at FVPL are carried at fair values based on quoted market or bidding dealer price quotations from active markets as at the reporting period.

7. **Trade and Other Receivables**

This account consists of:

	Note	**March 31, 2025**	December 31, 2024
Trade:			
Third parties		**₱170,345,052**	₱432,588,682
Related parties	17	**259,355,989**	259,134,671
Due from related parties	17	**1,633,848,148**	1,634,132,935
Interest receivable		**26,024,264**	46,216,089
Advances to officers and employees		**6,099,041**	9,366,239
Dividends receivable	17	**1,702,013**	1,702,013
Others		**54,618,156**	54,771,839
		₱2,151,992,663	₱2,437,912,468

Trade receivables are noninterest-bearing and are generally on a 60-day credit term.

Interest receivable pertains to interest income earned but not yet received by the Group and are normally settled within 35 days.

Advances to officers and employees are subject to liquidation within a period of seven (7) days after the transaction has occurred or through salary deduction.

Other receivables are non-interest bearing and normally settled within 12 months from the reporting date.

8. **Inventories**

This account consists of:

	March 31, 2025	December 31, 2024
Raw materials	**₱758,691,134**	₱917,016,102
Spare parts	**525,408,424**	517,157,162
Goods in process	**451,851,988**	462,625,873
Supplies	**299,129,676**	288,637,541
Finished goods	**35,479,031**	41,830,792
	₱2,070,560,253	₱2,227,267,470

Cost of inventories as at March 31, 2025 and December 31, 2024 is lower than its NRV.

9. Other Current Assets

This account consists of:

	March 31, 2025	December 31, 2024
Prepayments for:		
Taxes	**₱393,535,232**	₱226,832,654
Insurance	**2,540,185**	17,090,293
Deferred input VAT	**65,336,475**	64,656,833
Current portion of refundable deposits	**16,530,531**	26,782,323
Advances to suppliers	**50,429,511**	26,054,887
Others	**31,554,873**	32,029,596
	₱559,926,807	₱393,446,586

Advances to suppliers represent advance payments for purchases of inventories and services that are applied against subsequent deliveries. The amounts have been outstanding for less than one (1) year from initial recognition. These are reversed upon receipt of goods and services from suppliers.

10. Financial Assets at FVOCI

This account consists of quoted equity securities amounting to ₱98.7 million and ₱97.7 million as at March 31, 2025 and December 31, 2024, respectively.

Dividend income earned from financial assets at FVOCI amounted to ₱1.7 million as at March 31, 2025 and 2024.

Roll forward analysis of cumulative unrealized gains (losses) on financial assets at FVOCI is shown below:

	March 31, 2025	December 31, 2024
Balance at beginning of year	**(₱2,266,950)**	(₱3,333,750)
Unrealized gains (losses) for the year	**933,450**	1,066,800
Balance at end of year	**(₱1,333,500)**	(₱2,266,950)

The Group's financial assets at FVOCI as at March 31, 2025 and December 31, 2024 are carried at fair value based on quoted market prices or bidding dealer price quotations from active markets as at the reporting date.

11. **Property, Plant and Equipment**

The balances and movements in this account are as follows:

	March 31, 2025							
	Land	**Machinery and Equipment**	**Building and Improvements**	**Furniture, Fixtures, and Other Office Equipment**	**Transportation Equipment**	**ROU Assets**	**CPIP**	**Total**
Cost/Revalued Amount								
Balances at beginning of year	**₱2,265,180,592**	**₱25,989,386,495**	**₱5,377,031,541**	**₱347,045,899**	**₱189,529,118**	**₱154,184,141**	**₱1,176,698,848**	**₱35,499,056,634**
Additions/(Adjustment)	**–**	**8,182,381**	**(575,211)**	**–**	**–**	**(3,724,340)**	**379,693,936**	**383,576,766**
Disposals	**–**	**(500,000)**	**–**	**(1,005,656)**	**(6,361,890)**	**–**	**–**	**(7,867,546)**
Settlement of CPIP	**–**	**60,669,759**	**61,925,082**	**9,956,807**	**–**	**–**	**(132,551,648)**	**–**
Balances at end of year	**2,265,180,592**	**26,057,738,635**	**5,438,381,412**	**355,997,050**	**183,167,228**	**150,459,801**	**1,423,841,136**	**35,874,765,854**
Accumulated Depreciation and Amortization								
Balances at beginning of year	**–**	**8,714,686,711**	**2,147,595,870**	**267,534,564**	**177,674,256**	**78,933,193**	**–**	**11,386,424,594**
Depreciation and amortization	**–**	**300,697,478**	**54,515,468**	**9,780,502**	**1,152,913**	**4,526,457**	**–**	**370,672,818**
Disposals	**–**	**(500,000)**	**–**	**(1,005,656)**	**(4,294,481)**	**–**	**–**	**(5,800,137)**
Balances at end of year	**–**	**9,014,884,189**	**2,202,111,338**	**276,309,410**	**174,532,688**	**83,459,650**	**–**	**11,751,297,275**
Carrying Amounts	**₱2,265,180,592**	**₱17,042,854,446**	**₱3,236,270,074**	**₱79,687,640**	**₱8,634,540**	**₱67,000,151**	**₱1,423,841,136**	**₱24,123,468,579**

	December 31, 2024							
	Land	Machinery and Equipment	Building and Improvements	Furniture, Fixtures, and Other Office Equipment	Transportation Equipment	ROU Assets	CPIP	Total
Cost/Revalued Amount								
Balances at beginning of year	₱2,126,579,496	₱25,131,811,744	₱5,198,766,678	₱310,757,084	₱210,093,566	₱86,711,199	₱861,509,660	₱33,926,229,427
Additions	–	262,785,663	35,161,476	364,581	–	67,472,942	1,263,556,209	1,629,340,871
Disposals	–	(2,669,118)	–	(609,472)	(30,557,945)	–	(18,511,708)	(52,348,243)
Reclassification	(50,000)	–	–	(4,115,421)	–	–	–	(4,165,421)
Settlement of CPIP	138,651,096	597,458,206	143,103,387	40,649,127	9,993,497	–	(929,855,313)	–
Balances at end of year	2,265,180,592	25,989,386,495	5,377,031,541	347,045,899	189,529,118	154,184,141	1,176,698,848	35,499,056,634
Accumulated Depreciation and Amortization								
Balances at beginning of year	–	7,547,672,086	1,931,713,912	238,188,031	198,131,899	58,869,936	–	9,974,575,864
Depreciation and amortization	–	1,169,683,743	215,881,958	29,956,005	10,073,706	20,063,257	–	1,445,658,669
Disposals	–	(2,669,118)	–	(609,472)	(30,531,349)	–	–	(33,809,939)
Balances at end of year	–	8,714,686,711	2,147,595,870	267,534,564	177,674,256	78,933,193	–	11,386,424,594
Carrying Amounts	₱2,265,180,592	₱17,274,699,784	₱3,229,435,671	₱79,511,335	₱11,854,862	₱75,250,948	₱1,176,698,848	₱24,112,632,040

Capitalized Mine Rehabilitation and Decommissioning Costs

The Group recognized the present value of the estimated costs of mine rehabilitation and decommissioning under "Building and improvements" account. Movement in the balances of capitalized costs are as follows:

	March 31, 2025	December 31, 2024
Cost		
Balance at beginning of year	**₱74,053,558**	₱39,848,491
Additions	**–**	34,205,067
Balance at end of year	**74,053,558**	74,053,558
Accumulated Amortization		
Balance at beginning of year	**33,414,011**	28,454,975
Amortization	**1,124,346**	4,959,036
Balance at end of year	**34,538,357**	33,414,011
Carrying Amount	**₱39,515,201**	₱40,639,547

In 2024, the Group secured a 25-year extension for its MPSA 181-2002-III. Furthermore, in May 2024, the Group began commercial operations under MPSA 245-2007-III after receiving approval for its mining plan.

12. **Intangible Assets**

The balances and movements in this account as at March 31, 2025 and for the year ended December 31, 2024 are as follows:

	March 31, 2025			
	Mining Rights	**Computer Software**	**Goodwill**	**Total**
Cost				
Balance at beginning of year	**₱1,264,065,906**	**₱298,977,729**	**₱1,258,952,704**	**₱2,821,996,339**
Additions	**–**	**11,064,554**	**–**	**11,064,554**
Balance at end of year	**1,264,065,906**	**310,042,284**	**1,258,952,704**	**2,833,060,893**
Accumulated Amortization				
Balance at beginning of year	**125,900,102**	**90,394,842**	**–**	**216,294,944**
Amortization	**10,429,261**	**9,177,565**	**–**	**19,606,826**
Balance at end of year	**136,329,363**	**99,572,407**	**–**	**235,901,770**
Carrying Amounts	**₱1,127,736,543**	**₱210,469,876**	**₱1,258,952,704**	**₱2,597,159,123**

	December 31, 2024			
	Mining Rights	Computer Software	Goodwill	Total
Cost				
Balance at beginning of year	₱1,209,969,143	₱269,105,687	₱1,258,952,704	₱2,738,027,534
Additions	54,096,763	29,872,042	–	83,968,805
Balance at end of year	1,264,065,906	298,977,729	1,258,952,704	2,821,996,339
Accumulated Amortization				
Balance at beginning of year	84,975,712	59,155,014	–	144,130,726
Amortization	40,924,390	31,239,828	–	72,164,218
Balance at end of year	125,900,102	90,394,842	–	216,294,944
Carrying Amounts	₱1,138,165,804	₱208,582,887	₱1,258,952,704	₱2,605,701,395

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.

Computer software pertains to enterprise resource planning (ERP) system.

Goodwill was recognized as a result of the acquisition by the Parent Company of 100% ownership in SWCC in 2016, SNMC in 2021 and AFLCI in 2022.

Goodwill is tested for impairment annually. No impairment loss on goodwill was recognized as at March 31, 2025 and for the year ended December 31, 2024.

13. Other Noncurrent Assets

This account consists of:

	March 31, 2025	December 31, 2024
Financial Assets:		
Restricted cash	**₱111,360,353**	₱108,746,619
Refundable deposits – noncurrent portion	**56,048,063**	56,291,164
Deposit in escrow	**55,942,858**	56,034,399
Nonfinancial assets:		
Deposit on asset purchase	**170,392,095**	142,267,455
Deferred exploration and evaluation costs	**60,199,195**	60,199,195
Deposit for future investment	**4,805,349**	4,765,796
	₱458,747,913	₱428,304,628

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.

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 pertains to cash in escrow account related to a pending legal case.

Deposit on asset purchase represents advance payments for the acquisition of machinery and equipment and long-term deposit for inventory acquisition.

Deferred exploration and evaluation costs pertain to costs incurred for the exploration and development in the mining properties of the Group.

Deposit for future investment pertains to deposit made for future subscription to the common shares of stock of business entities the Group is planning to venture.

14. **Trade and Other Payables**

This account consists of:

	Note	**March 31, 2025**	December 31, 2024
Trade:			
Third parties		**₱1,388,662,660**	₱1,288,238,989
Related parties	17	**1,125,939,967**	1,184,650,187
Dividends payable		**1,000,059,019**	132,688
Accrued Expenses		**763,061,136**	1,001,782,292
Advances from customers		**353,265,576**	321,204,549
Output VAT payable		**288,681,822**	125,403,594
Income tax payable		**249,343,584**	65,928,353
Retention payable		**29,583,266**	26,746,797
Statutory payables		**37,404,553**	46,299,516
Current portion of installment payable		**3,736,442**	3,607,677
Others		**6,973,381**	6,018,252
		₱5,246,711,406	₱4,070,012,894

Trade payables are noninterest-bearing and are generally settled in varying periods, within one (1) year, depending on arrangements with suppliers.

Accrued expenses include accrual for sales rebates, personnel costs and advertising, which are usually settled within one (1) year.

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 (1) year.

Statutory payables include withholding taxes and statutory contributions that are remitted to the government agencies on a monthly or quarterly basis.

Installment payable pertains to an installment contract entered in 2016 with a third party for the supply and commissioning on site of a fly-ash carbon separator, the supply of belts, and the provision of technical services for $3.8 million (₱173.5 million).

Other payables are noninterest-bearing and normally settled within one (1) year.

15. **Other Noncurrent Liabilities**

This account consists of:

	March 31, 2025	December 31, 2024
Provision for mine rehabilitation and decommissioning	**₱92,118,702**	₱91,239,916
Lease liabilities – net of current portion	**57,108,581**	61,372,764
Installment payable – net of current portion	**8,010,086**	11,876,935
	₱157,237,369	₱164,489,615

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 discount rates ranging from 6.31% to 6.65%.

16. **Equity**

Capital Stock
The Parent Company's authorized, issued and outstanding capital stock as at March 31, 2025 and December 31, 2024 are as follows:

Common stock – ₱1 par value	₱5,000,000,006
Preferred stock – ₱1 par value	3,000,000,000
Treasury stock	(3,000,000,000)
	5,000,000,006

Dividends Declaration
The Parent Company's BOD authorized the declaration of the following cash dividends in 2025 and 2024:

2025

Type	Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount
Common	**March 11, 2025**	**March 25, 2025**	**April 23, 2025**	**₱0.20**	**₱1,000,000,001**
					₱1,000,000,001

2024

Type	Declaration Date	Record Date	Payment Date	Dividend Per Share	Amount
Common	March 12, 2024	March 26, 2024	April 24, 2024	₱0.20	₱1,000,000,001
Common	July 18, 2024	August 1, 2024	August 8, 2024	0.20	1,000,000,001
Common	August 15, 2024	September 3, 2024	September 23, 2024	0.20	1,000,000,001
Common	November 12, 2024	November 26, 2024	December 9, 2024	0.20	1,000,000,001
Common	December 3, 2024	December 17, 2024	December 26, 2024	0.20	2,700,000,004
					₱6,700,000,008

Appropriations of Retained Earnings
Details of appropriated retained earnings as at March 31, 2025 and December 31, 2024 are as follows:

Year of Appropriation	Amount	Project Completion
2023	₱8,500,000,000	To be completed in 2028
2023	5,000,000,000	To be completed in 2028
2023	2,500,000,000	To be completed in 2028
2023	500,000,000	To be completed in 2026
2023	100,000,000	To be completed in 2025
	₱16,600,000,000	

On February 2, 2023, the Group's BOD approved appropriation of retained earnings amounting to ₱100.0 million to fund the cost of budgeted capital expenditures and other improvement projects expected to be completed in December 2025.

On November 14, 2023, the Group's BOD approved extension of previous appropriation of unrestricted retained earnings amounting to ₱16,000.0 million to fund the construction of its fourth manufacturing line and production facility in Cebu, and other future expansion projects which are expected to be completed in 2028.

On November 23, 2023, the Group's BOD approved appropriation of retained earnings amounting to ₱500.0 million to fund acquisitions of land, and expansion of manufacturing plant which are expected to be completed in 2026.

Other Equity Reserves

Details of the Group's other equity reserves are as follows:

	March 31, 2025	December 31, 2024
Cumulative remeasurement gains on retirement liability or retirement asset (net of deferred tax)	**₱92,758,424**	₱92,758,424
Cumulative unrealized losses on financial assets at FVOCI	**(1,333,500)**	(2,266,950)
	₱91,424,924	₱90,491,474

17. 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 are as follows:

Nature of Relationship	Nature of Transactions	**March 31, 2025** Amount of Transactions	**March 31, 2025** Outstanding Balance	December 31, 2024 Amount of Transactions	December 31, 2024 Outstanding Balance
Cash and Cash Equivalents					
Entity under common key management	Cash deposits and investment in short-term placements	**₱54,840,929**	**₱4,591,438,445**	₱478,069,283	₱5,693,407,720
Financial Assets at FVPL (see Note 6)					
Entity under common key management	Investment in quoted debt securities	**₱–**	**₱49,697,750**	₱–	₱49,221,000
Trade Receivables (see Note 7)					
Entities under common control	Sale of inventories	**₱247,890,247**	**₱258,556,193**	₱1,133,710,246	₱258,360,547
Entity under common key management	Sale of inventories	**323,840**	**200,996**	2,664,511	471,724
Intermediate Parent Company	Sale of inventories	**296,400**	**598,800**	1,999,316	302,400
			₱259,355,989		₱259,134,671
Receivable from a related party (see Note 7)					
Entity under common key management	Assignment of receivable	**₱–**	**₱1,300,000,000**	₱–	₱1,300,000,000
Due from related parties (see Note 7)					
Entities under common key management	Working capital advances	**₱–**	**₱333,848,148**	₱–	₱334,132,935
Dividends receivable (see Note 7)					
Intermediate Parent Company	Dividends earned	**₱1,702,013**	**₱1,702,013**	₱6,808,051	₱1,702,013
Advances to Suppliers					
Entities under common control	Purchase of services	**₱–**	**₱600,000**	₱600,000	₱600,000
Financial Assets at FVOCI (see Note 10)					
Intermediate Parent Company	Investments in quoted equity instruments	**₱–**	**₱98,679,000**	₱–	₱97,745,550

Nature of Relationship	Nature of Transactions	March 31, 2025		December 31, 2024	
		Amount of Transactions	**Outstanding Balance**	Amount of Transactions	Outstanding Balance
Refundable Deposits					
Entity under common control	Supply of services	**₱–**	**₱55,548,062**	₱17,990	₱55,548,062
Entities under common key management	Supply of services	**–**	**500,000**	–	500,000
			₱56,048,062		₱56,048,062
Trade Payables (see Note 14)					
Entities under common control	Hauling, rental and other services	**₱1,167,110,931**	**₱482,735,962**	₱4,450,997,777	₱772,464,936
Entities under common key management	Purchase of raw materials and outside services	**292,880,678**	**417,089,851**	933,955,455	356,584,806
Immediate Parent Company	Management and technical fees	**232,685,904**	**225,629,013**	895,589,393	55,115,304
Intermediate Parent Company	Purchase of services	**–**	**485,141**	493,962	485,141
			₱1,125,939,967		₱1,184,650,187
Dividends Payable					
Immediate Parent Company	Dividends declared	**₱999,585,354**	**₱999,585,354**	₱6,697,190,919	₱–

Terms and Conditions of Transactions and Balances with Related Parties

Trade and other receivables, dividend receivables, trade payables, due to and from related parties and dividend payable are unsecured, noninterest-bearing except for cash and cash equivalents which earn interest at prevailing bank deposit rates and generally settled within the respective related parties' normal settlement period. No allowance for ECL was provided for trade and other receivables and due from related parties.

Advances to suppliers and deposit on asset purchase for payments of purchases of inventories and services, are settled upon delivery which are expected within one year from date of the advance payment.

Refundable deposits are noninterest-bearing and refundable upon termination of services.

Financial assets at FVPL pertains to quoted debt securities of a related party which earns interest income at a rate of 5.91%.

Financial assets at FVOCI pertains to quoted equity securities of a related party which earns dividend income.

Assignment of Receivables

On June 16, 2023, ECC assigns to Far East Holdings, Inc. (FEHI) the deposit for future subscription of ECC to the common shares of KB Space Holdings, Inc. (KSHI) amounting to ₱1,300.0 million. Receivable from a related party is unsecured, noninterest-bearing, and shall be collectible on demand but within two (2) years.

Technical and Service Agreement

On July 31, 2023, the Group entered into an agreement with the Immediate Parent Company for the latter to provide technical assistance, training and research and development, with technical fees as consideration. On the same date, the Group also entered into a service agreement with the Immediate Parent Company for support services, human resource, and financial accounting and budgeting, payable in fixed quarterly management fees.

18. **Income Taxes**

The components of income tax as reported in the unaudited interim consolidated statements of comprehensive income are as follows:

	For the Three-Month Periods Ended March 31	
	2025	2024
Reported in Profit or Loss		
Current tax expense	**₱232,827,135**	₱247,237,345

The components of the Group's net deferred tax liabilities are as follows:

	March 31, 2025	December 31, 2024
Deferred tax assets:		
Accrued expenses	**₱72,560,503**	₱72,560,503
Cumulative balance of proceeds from testing of property, plant and equipment	**50,454,901**	50,454,901
Provision for mine rehabilitation and decommissioning	**22,809,980**	22,809,980
Lease liabilities	**9,348,412**	9,348,412
Excess of cost over fair value of financial assets at FVPL	**3,983,814**	3,983,814
Carrying amount of discount not capitalized	**2,022,552**	2,022,552
Unrealized foreign exchange loss	**871,523**	871,523
Retirement liability	**156,944**	156,944
	₱162,208,629	₱162,208,629
Deferred tax liabilities:		
Excess of acquisition-date fair value over carrying amounts	**194,643,364**	194,643,364
Carrying amount of ROU assets	**14,174,835**	14,174,835
Net unrealized foreign exchange gains	**14,186,074**	14,186,074
Net retirement benefit asset	**13,721,207**	13,721,207
Carrying amount of capitalized mine rehabilitation and decommissioning costs	**10,159,887**	10,159,887
	246,885,367	246,885,367
Net deferred tax liabilities	**₱84,676,738**	₱84,676,738

19. **Earnings Per Share**

Basic and diluted EPS are calculated as follows:

<u>For the three months ended March 31</u>

	2025	2024
Net income attributable to common stockholders	**₱849,239,258**	₱1,212,596,749
Weighted average number of common shares outstanding	**5,000,000,006**	5,000,000,005
Per share amounts: Basic and diluted EPS	**₱0.17**	₱0.24

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

The following discussion and analysis relate to the unaudited interim consolidated statements of 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.

CONSOLIDATED RESULTS OF OPERATIONS

RESULTS OF OPERATIONS FOR THREE MONTHS ENDED MARCH 31, 2025 and MARCH 31, 2024

The Group posted consolidated revenues of ₱6.00 billion during the period, 5% lower against the ₱6.30 billion in previous year despite higher sales volume primarily due to the significant decline in selling price.

Cost of sales increased by 5% to ₱4.47 billion from ₱4.24 billion primarily due higher power rates, increased overhead costs, and additional depreciation from newly capitalized assets.

As a result, the gross profit declined by 25% to ₱1.54 billion with gross profit margin contracting from 33% during the first quarter of 2024 to 26% in the first quarter of 2025.

Operating expenses (OPEX) decreased by 25% to ₱569.65 million from ₱761.77 million, largely due to reduction in advertising and promotion spending during the quarter.

Finance costs rose by 68% to ₱2.84 million from ₱1.70 million, driven by the recognition of interest related to the asset retirement obligation under the company's newly approved mining plan, as outlined in the existing MPSA.

Interest income fell sharply by 36% to ₱107.05 million, reflecting lower investment values and declining yields on short-term placements.

Other income saw an 826% increase, largely due to realized and unrealized gains from foreign currency-denominated transactions and higher rates on bond investments.

Provision for income tax dropped by 6% to ₱232.83 million, in line with the lower taxable income for the period.

Net income after tax (NIAT) declined by 30% to ₱849.24 million from ₱1.21 billion last year. This translated to EPS of ₱0.17, lower than last year's ₱0.24 by 30%.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) likewise decreased by 18% to ₱1.38 billion from ₱1.68 billion, with EBITDA margin registering at 23%.

The table below summarizes the unaudited interim consolidated results of operations of the Group for the three months ended March 31, 2025 and 2024.

	For the Three Months Ended March 31			
	2025	2024	Increase (Decrease)	Percentage of change
Net sales	**₱6,002,741,882**	₱6,298,306,288	(₱295,564,406)	-5%
Cost of goods sold	**4,465,899,493**	4,240,043,704	225,855,789	5%
Gross profit	**1,536,842,389**	2,058,262,584	(521,420,195)	-25%
Operating expenses	**569,647,641**	761,773,450	(192,125,809)	-25%
Income from operations	**967,194,748**	1,296,489,134	(329,294,386)	-25%
Finance costs	**(2,844,939)**	(1,695,222)	(1,149,717)	68%
Interest income	**107,045,339**	166,510,659	(59,465,320)	-36%
Other income (loss) - net	**10,671,245**	(1,470,477)	12,141,722	826%
Income before income tax	**1,082,066,393**	1,459,834,094	(377,767,701)	-26%
Less income tax expense	**232,827,135**	247,237,345	(14,410,210)	-6%
Net income	**₱849,239,258**	₱1,212,596,749	(₱363,357,491)	-30%

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

	For the Three Months Ended March 31	
	2025	2024
Net income	**₱849,239,258**	₱1,212,596,749
Add:		
Depreciation and amortization	**401,196,604**	366,489,477
Income tax expense	**232,827,135**	247,237,345
Finance costs	**2,844,939**	1,695,222
Foreign exchange losses (gains) -net	**(1,975,261)**	14,046,859
Less:		
Interest income	**107,045,339**	166,510,659
EBITDA	**₱1,377,087,336**	₱1,675,554,993

RESULTS OF OPERATIONS FOR THREE MONTHS ENDED MARCH 31, 2024 and MARCH 31, 2023

The Group posted consolidated revenues of ₱6.30 billion during the first three months of the year, 10% lower against the ₱7.01 billion during the same period last year primarily due to the significant decline in selling price.

Cost of sales decreased by 9% to ₱4.24 billion from ₱4.67 billion as a result of the improvement of major input cost mainly power and fuel.

Thus, the gross profit dropped by 12% to ₱2.06 billion with no change in gross profit margin at 33%.

OPEX decreased by 2% to ₱761.77 million from ₱777.53 million substantially due to lower distribution costs of SNMC.

Finance costs declined by 97% to ₱1.70 million from ₱60.88 million last year due to the full prepayment of the Term Loan Facility and Security Agreement (TLFSA) last May 2023.

Interest income increased by 28% to ₱166.51 million due to higher yield from short-term investments following the interest hike by BSP.

Other income (loss) decreased by 103% to (₱1.47) million, as a result of the redemption of the ₱4.00 billion SMC perpetual shares.

The income tax provision decreased by 17% to ₱247.24 million from ₱297.95 million as a result of lower taxable income this period as against the same period last year.

Net income after tax (NIAT) dropped by 12% to ₱1.21 billion from ₱1.37 billion last year. This translated to earnings per share (EPS) of ₱0.24, lower than last year's ₱0.27 by 11%.

EBITDA consequently decreased by 14% to ₱1.68 billion from ₱1.96 billion, EBITDA margin registered at 21%.

The table below summarizes the unaudited interim consolidated results of operations of the Group for the three months ended March 31, 2024 and 2023.

	For the Three Months Ended March 31			
	2024	2023	Increase (Decrease)	Percentage of change
Net sales	₱6,298,306,288	₱7,006,153,513	(₱707,847,225)	-10%
Cost of goods sold	4,240,043,704	4,671,744,671	(431,700,967)	-9%
Gross profit	2,058,262,584	2,334,408,842	(276,146,258)	-12%
Operating expenses	761,773,450	777,532,876	(15,759,426)	-2%
Income from operations	1,296,489,134	1,556,875,966	(260,386,832)	-17%
Finance costs	(1,695,222)	(60,877,829)	59,182,607	-97%
Interest income	166,510,659	130,166,371	36,344,288	28%
Other income - net	(1,470,477)	42,256,330	(43,726,807)	-103%
Income before income tax	1,459,834,094	1,668,420,838	(208,586,744)	-13%
Less income tax expense	247,237,345	297,952,859	(50,715,514)	-17%
Net income	₱1,212,596,749	₱1,370,467,979	(₱157,871,230)	-12%

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

	For the Three Months Ended March 31	
	2024	2023
Net income	₱1,212,596,749	₱1,370,467,979
Add:		
Depreciation and amortization	366,489,477	360,310,364
Income tax expense	247,237,345	297,952,859
Finance costs	1,695,222	60,877,829
Foreign exchange losses (net)	14,046,859	–
Less:		
Interest income	166,510,659	130,166,371
EBITDA	₱1,675,554,993	₱1,959,442,660

FINANCIAL POSITION

Comparative balances for March 31, 2025 and December 31, 2024

The financial position of the Group for the period ended March 31, 2025 remains stable with the 2% increase in total assets to ₱42.35 billion, compared to ₱41.33 billion as at end of 2024.

Cash and cash equivalents increased by 15% to ₱9.79 billion mainly due to higher cash generated from operations, partially offset by the ₱409.69 million spent on acquisition of assets.

Non-current assets remain steady at ₱27.33 billion.

Current liabilities significantly rose by 29% to ₱5.26 billion driven by the ₱1.00 billion dividend payable to shareholders.

Non-current liabilities fell by 3% to ₱242.18 million, due to lease payments and annual payment related to the installment contract entered in 2016.

Overall, total liabilities amounted to ₱5.50 billion, representing a 27% decrease from ₱4.34 billion in 2024.

After accounting for net income, cash dividend declaration and other equity reserves, consolidated stockholders' equity decreased by ₱149.83 million to ₱36.84 billion.

The Group's debt-to-equity ratio stood at a conservative 0.15x, providing ample financial flexibility to support future investment plans. The current ratio remains strong at 2.85x, while return on equity ended at 2%.

The below table summarizes the unaudited interim consolidated financial position of the Group as at March 31, 2025 (Unaudited) and December 31, 2024 (Audited):

	March 31, 2025	December 31, 2024	Increase (Decrease)	Percentage Change
Current Assets	**₱15,018,532,736**	₱14,032,903,161	₱985,629,575	7%
Noncurrent Assets	**27,329,015,821**	27,299,268,441	29,747,380	0%
Total Assets	**42,347,548,557**	₱41,332,171,602	1,015,376,955	2%
Current Liabilities	**5,261,621,181**	4,088,805,099	1,172,816,082	29%
Noncurrent Liabilities	**242,182,296**	249,794,130	(7,611,834)	-3%
Total Liabilities	**5,503,803,477**	4,338,599,229	1,165,204,248	27%
Equity	**36,843,745,080**	36,993,572,373	(149,827,293)	0%
Total Liabilities and Equity	**₱42,347,548,557**	₱41,332,171,602	₱1,015,376,955	2%

Key Performance Indicators

Relevant Financial Ratios

The following are the major financial indicators being used by the Group:

Financial KPI	Definition	2025	2024
Current/liquidity ratio*	Current assets / Current liabilities	2.85	3.43
Solvency ratio**	Net income before depreciation / Total liabilities	0.23	0.25
Debt-to-equity ratio*	Total liabilities / Total equity	0.15	0.12
Asset-to-equity ratio*	Total assets / Total equity	1.15	1.12
Return on asset ratio**	Net income before interest expense after tax / Average total assets	0.02	0.03
Return on equity ratio**	Net income / Average total equity	0.02	0.03

**Comparative balance for 2024 is as at December 31, 2024.*

***Comparative balance for 2024 is as at and for the three months ended March 31, 2024.*

Comparative balances for March 31, 2024 and December 31, 2023

The financial position of the Company for the period ended March 31, 2024 remains stable with total assets increasing by 3% to ₱45.74 billion from ₱44.25 billion as at end of 2023.

Current assets increased by 9% to ₱18.67 billion.

Cash and cash equivalents increased by 16% to ₱12.42 billion mainly due to higher cash generated from operations and ₱500.00 million maturity of investment in bonds.

Noncurrent assets slightly dropped to ₱27.07 billion from ₱27.16 billion as at end of 2023 mainly because of depreciation of property, plant and equipment.

Current liabilities is up by 27% to ₱6.10 billion largely attributable to the ₱1.00 billion dividends payable to common shareholders.

Noncurrent liabilities decrease by 2% from ₱191.60 million as at end-2023 to ₱186.84 million in the first quarter of 2024.

Total liabilities stood at ₱6.29 billion, 26% higher than the ₱5.00 billion registered last year.

After accounting for net income, cash dividends declaration and other equity reserves, consolidated stockholders' equity increased by 1% to ₱39.46 billion.

The Company's debt-to-equity ratio registered at 0.16x. The current gearing gives the Company more flexibility to support its investment plans. Meanwhile, current ratio stood at 3.06x while return on equity ended at 3%.

The below table summarizes the unaudited interim consolidated financial position of the Group as at March 31, 2024 (Unaudited) and December 31, 2023 (Audited):

	March 31, 2024 – as restated	December 31, 2023 – as restated	Increase (Decrease)	Percentage Change
Current Assets	₱18,673,696,738	₱17,088,869,086	₱1,584,827,652	9%
Noncurrent Assets	27,070,537,206	27,158,760,860	(88,223,654)	-0%
Total Assets	45,744,233,944	44,247,629,946	1,496,603,998	3%
Current Liabilities	6,098,354,772	4,809,380,126	1,288,974,646	27%
Noncurrent Liabilities	186,836,193	191,603,566	(4,767,373)	-2%
Total Liabilities	6,285,190,965	5,000,983,692	1,284,207,273	26%
Equity	39,459,042,979	39,246,646,254	212,396,725	1%
Total Liabilities and Equity	₱45,744,233,944	₱44,247,629,946	₱1,496,603,998	3%

Key Performance Indicators

Relevant Financial Ratios

The following are the major financial indicators being used by the Group:

Financial KPI	Definition	2024 – As restated	2023 – As restated
Current/liquidity ratio*	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.06	3.55
Solvency ratio**	$\frac{\text{Net income before depreciation}}{\text{Total liabilities}}$	0.25	0.17
Debt-to-equity ratio*	$\frac{\text{Total liabilities}}{\text{Total equity}}$	0.16	0.13
Asset-to-equity ratio*	$\frac{\text{Total assets}}{\text{Total equity}}$	1.16	1.13
Return on asset ratio**	$\frac{\text{Net income before interest expense after tax}}{\text{Average total assets}}$	0.03	0.03
Return on equity ratio**	$\frac{\text{Net income}}{\text{Average total equity}}$	0.03	0.03

**Comparative balance for 2023 is as at December 31, 2023, as restated.*
***Comparative balance for 2023 is as at and for the three months ended March 31, 2023.*

Liquidity and Capital Resources

Cash Flows

COMPARATIVE FOR THREE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2024

The primary sources and uses of cash of the Group for the three months ended March 31, 2025 and 2024 are summarized below.

	March 31, 2025	March 31, 2024
Net cash provided by operating activities	**₱1,628,955,074**	₱1,460,879,207
Net cash provided by (used in) investing activities	**(354,539,808)**	219,522,315
Net cash used in financing activities	**(13,869,826)**	(7,163,283)
Net increase (decrease) in cash and cash equivalents	**1,260,545,440**	1,673,238,239
Effects of exchange rate changes	**(2,788,983)**	1,701,353
Cash and cash equivalents at beginning of period	**8,536,295,423**	10,746,976,158
Cash and cash equivalents at end of period	**₱9,794,051,880**	₱12,421,915,750

Net cash provided by operating activities arises from the following:

	March 31, 2025	March 31, 2024
Operating income before working capital changes	**₱1,376,956,558**	₱1,664,609,922
Decrease/(Increase) in net working capital	**125,246,873**	(362,419,563)
Interest received	**127,237,164**	158,688,848
Contribution to plan assets	**(485,521)**	–
Net cash provided by operating activities	**₱1,628,955,074**	₱1,460,879,207

The net increase in net working capital pertains mainly to the increase in receivables and inventories during the first three months of 2025.

Net cash used in investing activities are mainly attributable to the acquisition of capital expenditures and intangible assets amounting to ₱362.82 million.

Net cash used in financing activities consist of the ₱9.37 million lease payments and ₱4.50 million annual payment related to the installment contract entered in 2016 for a supply of equipment.

COMPARATIVE FOR THREE MONTHS ENDED MARCH 31, 2024 AND MARCH 31, 2023

The primary sources and uses of cash of the Group for the three months ended March 31, 2024 and 2023 are summarized below.

	March 31, 2024	March 31, 2023
Net cash provided by operating activities	₱1,460,879,207	₱1,609,835,669
Net cash provided by (used in) investing activities	219,522,315	(309,587,746)
Net cash used in financing activities	(7,163,283)	(374,337,299)
Net increase (decrease) in cash and cash equivalents	1,673,238,239	925,910,624
Effects of exchange rate changes	1,701,353	(1,859,418)
Cash and cash equivalents at beginning of period	10,746,976,158	9,547,285,514
Cash and cash equivalents at end of period	₱12,421,915,750	₱10,471,336,720

Net cash provided by operating activities arises from the following:

	March 31, 2024	March 31, 2023
Operating income before working capital changes	₱1,664,609,922	₱1,913,935,231
Decrease in net working capital	(362,419,563)	(433,428,654)
Interest received	158,688,848	129,329,092
Net cash provided by operating activities	₱1,460,879,207	₱1,609,835,669

The net decrease in net working capital pertains mainly to the decrease in receivables and other current and noncurrent assets during the first three months of 2024.

Net cash provided by investing activities are mainly attributable to the ₱500.00 million maturities of investment in bonds negated by acquisition of capital expenditures and intangible assets amounting to ₱282.47 million.

Net cash used in financing activities consist of the ₱4.04 million lease payments and ₱3.12 million annual payment related to the installment contract entered in 2016 for a supply of equipment.

Capital Expenditure

The total capital expenditure of the Company for the three months ended March 31, 2025 amounted to ₱351.75 million. Of that amount, 99% was spent for plant building, machinery and equipment, while the remaining 1% was spent for transportation equipment, furniture, fixtures and office equipment.

EAGLE CEMENT CORPORATION
Minutes of the Annual Meeting of the Stockholders
18 July 2024; Thursday; 2:00 PM
At the Principal Office
via Videoconference

STOCKHOLDERS PRESENT:	TYPE OF SHARES	NO. OF SHARES
In Person:		
Ramon S. Ang	Common	1
John Paul L. Ang	Common	1
Manny C. Teng	Common	1
Monica L. Ang-Mercado	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
Martin S. Villarama, Jr.	Common	1
Teresita J. Leonardo-de Castro	Common	1
By Proxy:		
San Miguel Equity Investments Inc. Represented by: Ramon S. Ang	Common	4,997,903,671
Total No. of Shares Present or Represented at the Meeting	Common	4,997,903,682
Total No. of Shares Issued and Outstanding	Common	5,000,000,005
Percentage of Shares of Stock Present	Common	99.96%

DIRECTORS PRESENT:

RAMON S. ANG
JOHN PAUL L. ANG
MANNY C. TENG
MONICA L. ANG-MERCADO
MARIO K. SURIO
MANUEL P. DAWAY
LUIS A. VERA CRUZ, JR.
MELINDA GONZALES-MANTO *(ID)*
RICARDO C. MARQUEZ *(ID)*
MARTIN S. VILLARAMA, JR. *(ID)*

ALSO PRESENT:

FERDINAND K. CONSTANTINO
FABIOLA B. VILLA
MARLON P. JAVARRO
MARIA FARAH Z.G. NICOLAS-SUCHIANCO
CHERYL S. SALDAÑA-DE LEON
JULIAN ELIZAR D. TORCUATOR

VOTING RESULTS: Please see ***Annex A***

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 President and CEO, Mr. John Paul L. Ang, was appointed as Chairman of the Meeting. Mr. 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 NOTICE AND QUORUM

The Board of Directors approved a resolution dated 08 May 2024 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 was being recorded, which recording would 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 published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days, or on 25 and 26 June 2024. The Corporate Secretary noted that copies of the Information Statement, Management Report, Minutes of the 2023 Annual Stockholders' Meeting, and Annual Report were available and could be accessed through the Corporation's website.

In accordance with the Information Statement, the votes of stockholders cast through ballots or proxies submitted on or before 08 July 2024 at 2:00PM, were verified and tabulated by the Office of the Corporate Secretary, ascertaining the votes on each agenda item for approval, as further discussed below.

As confirmed by the Corporation's Stock Transfer Agent, San Miguel Corporation Stock Transfer Corporation, the Corporate Secretary certified that out of 5,000,000,005 issued and outstanding common shares, stockholders owning a total of 4,997,903,682 common shares, representing 99.96% of the total issued and outstanding common shares of the Corporation, were present through remote communication and by proxy. Proxies and the votes on each agenda item were tabulated by the office of the Corporate Secretary. There was, therefore, a quorum present for the transaction of business.

IV. APPROVAL OF THE PREVIOUS STOCKHOLDERS' MEETING MINUTES

The Chairman of the Meeting presented the minutes of the previous stockholders' meeting held on 19 July 2023 for ratification by the stockholders. Following validation of votes cast, and upon motion duly made and seconded, the stockholders passed and approved the following resolution:

> "RESOLVED, that the minutes of the Annual Meeting of Stockholders held on 19 July 2023 be approved and ratified."

V. PRESENTATION OF THE ANNUAL REPORT

The Chairman of the Meeting called the Chief Operating Officer, Director Manny C. Teng, to deliver the Annual Report to the stockholders.

A. 2023 Financial Performance and 2024 Latest Interim Financial Performance

Mr. Teng announced that the Corporation recorded net sales of P25.4 billion, a 4% decline against the P26.4 billion it made in the previous year. Despite the decline in sales, gross profit margin widened to 35% as a result of lower input costs, particularly on fuel and power. Sales of Bagged Cement remains the largest sales contributor accounting for 82% of the total sales, while Bulk Cement represents 19%. EBITDA increased by 5% with an improved margin of 29%. Net Income ended higher by 13% to P5.3 billion, with margin ending at 21%.

The Corporation reached net sales of P6.3 billion for the first quarter of 2024. Inflationary cost pressure pulled down EBITDA by 14% and net income by 12%.

Mr. Teng also reported that the Corporation continues to maintain an optimal balance between stability and growth. The Corporation's total assets increased to PhP51.6 billion, total liabilities increased by 20% from end-2023 level, and shareholders' equity improved by 0.5%. The Corporation also has a strong cash flow generation that helped maintain its very healthy debt profile.

B. Sustainable Development and Corporate Social Responsibility

Mr. Teng reported that the Corporation continues to undertake its Social and Development Management Program and Corporate Social Responsibility activities as follows:

1. *Family and Community* – The Corporation continues its feeding program for children from low-income families to promote health and nutrition. In December, the Corporation held its 8th Krismasaya Outreach Program in partnership with SNMC and SDMP Scholars. Each of the 500 children from Barangays Akle, Talbak, Alagao, and Gabihan received a bag of Christmas goodies, meals, and toys.

2. *Livelihood* – The Corporation also conducted training for the Kabalingay group of women in Barangay Talbak to enhance economic opportunities and to equip participants with the necessary skills to process and preserve food, enabling them to create value-added products and increase their income. Additionally, the Corporation supports the Akle Women's League in their mini-Canteen and Wealth on Waste project, which aims to enhance economic stability, promote sustainable practices, and improve the overall quality of life of the residents of the local communities.

3. *Heath and Emergency Response* – The Corporation continues to provide various healthcare services, medical supplies, and equipment to various communities. Among these programs, the Corporation conducts a weekly community clinic to provide free treatment and medication to community residents. Moreover, the Corporation, in partnership with Medicard Foundation, conducted a medical mission at Barangay Talbak. A total of 500 patients were attended to for medical, optical, and dental services.

4. *Environment-related Programs* – In celebration of the Environmental Month, the Corporation conducted various activities such as the Clean Up Drive, Plogging: Takbo Para sa Kalikasa, and tree planting. These initiatives aim to strengthen community bonds and foster a sense of shared responsibility for the environment.

5. *Scholarship Program and Support to Public Schools* – The Corporation continues to implement its scholarship program, which aims to provide enriching learning opportunities and promote educational support within local communities. In partnership with DUALTECH, nine scholars have successfully completed their six months of training and are now working for the Corporation.

6. *Community Support* – As part of the Corporation's commitment to supporting the communities in its areas of operations, the Corporation provided assistance to Barangays Akle, Talbak, and Casalat by donating an ambulance for each barangay.

7. *Expanding Partnership with Philippine Eagle Foundation* – The Corporation also continues to support the ongoing efforts of the Philippine Eagle Foundation in protecting one of the identified critically endangered species by the International Union for Conservation of Nature (IUCN) that is endemic to Philippine forests.

   The Corporation has adopted three more eagles namely: Nalya, a 25-year-old retired breeder; Taylor, a less than 10-year-old eagle with an amputated right wing; and Lyra, a nine-year-old eagle with a blind right eye. The Corporation's first adopted eagle, Viggo, remains one of the most charismatic birds at the Philippine Eagle Center. Viggo was chosen to be the image in the new design of the 1,000-peso bill denomination.

   Through this collaboration, the Company commits to providing foster care to its adopted eagles such as food, shelter maintenance, and keeper and veterinary care.

8. *Awards and Recognitions* – The Corporation defines excellence by integrating sustainability in every aspect of its business. In 2023, the Company won the Presidential Mineral Industry Environmental Award and secured second 2nd runner-up for the Best Mining Forest Award in the Non-Metallic Category. These accolades demonstrate our ongoing commitment to environmental stewardship and responsible operations.

   The Corporation also received the Highest Tenement, Safety, Health, Environment and Social Development (TSHES) Score for 2023 in the Non-Metallic Category during the 3rd Regional Mining Summit- Region 3 held in Subic, Olongapo City on 04 to 06 June 2024. This award underscores the Corporation's steadfast commitment and advocacy for safety, health, environment and social development.

   In September 2023, the Institute of Corporate Directors conferred Eagle Cement with a three-Golden Arrow Recognition during the ACGS Golden Arrow Recognition for its exemplary performance in the 2022 ASEAN Corporate Governance Scorecard.

The Chairman of the Meeting thanked Director Teng for the Report and opened the floor for questions from the audience. The stockholders were also given the opportunity to send their questions and/or comments to the Corporate Secretary's email prior to and during the meeting, as indicated in the Definitive Information Statement.

Following validation of votes cast, there being no questions, and upon motion duly made and seconded, the stockholders passed and approved the following resolution:

"RESOLVED, that the Annual Report of the Corporation as presented be approved."

VI. APPROVAL AND RATIFICATION OF ACTS AND PROCEEDINGS 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 19 July 2023 up to the date of this meeting. The summary of all acts was thereafter flashed on the screen. The stockholders thereafter approved and ratified the acts as presented to them.

Following validation of votes cast, and upon motion duly made and seconded, the following resolution was passed and approved:

> "RESOLVED, that 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 19 July 2023, up to 18 July 2024, be approved, confirmed and ratified."

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman of the Meeting requested Director Melinda Gonzales-Manto, the Chairperson of the Audit and Risk Committee, to make a recommendation on the appointment of an external auditor. Director Gonzales-Manto recommended the re-appointment of the professional services firm of Reyes Tacandong & Co., CPAs, as the Corporation's external auditor for the year 2024.

Following validation of votes cast, and upon motion duly made and seconded, the stockholders passed and approved the following resolutions:

> "RESOLVED, that the professional services firm of Reyes Tacandong & Co., CPAs, is hereby appointed as the Corporation's external auditor for the year 2024."

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 Corporate Governance 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-Mercado	Director
Manuel P. Daway	Director
Mario K. Surio	Director
Luis A. Vera Cruz, Jr.	Director
Melinda Gonzales-Manto	Independent Director
Gen. Ricardo C. Marquez (Ret.)	Independent Director
Justice Martin S. Villarama, Jr. (Ret.)	Independent Director
Chief Justice Teresita J. Leonardo-de Castro (Ret.)	Independent Director

Ballots and proxies were received by the Office of the Corporate Secretary and were thereafter verified and tabulated. Considering that the number of directors to be elected was eleven (11) and there were only eleven (11) nominees, upon motion duly made and seconded, all eleven (11) nominees were considered unanimously elected as Directors of the Corporation 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

ANNEX A

VOTING RESULTS

Election of the Board of Directors			
No.	**Nominee**	**Position**	**Total**
1	Ramon S. Ang	Director	4,997,903,682
2	John Paul L. Ang	Director	4,997,903,682
3	Manny C. Teng	Director	4,997,903,682
4	Monica L. Ang-Mercado	Director	4,997,903,682
5	Manuel P. Daway	Director	4,997,903,682
6	Mario K. Surio	Director	4,997,903,682
7	Luis A. Vera Cruz, Jr.	Director	4,997,903,682
8	Melinda Gonzales-Manto	Independent Director	4,997,903,682
9	Gen. Ricardo C. Marquez (Ret.)	Independent Director	4,997,903,682
10	Justice Martin S. Villarama, Jr. (Ret.)	Independent Director	4,997,903,682
11	Chief Justice Teresita J. Leonardo-de Castro (Ret.)	Independent Director	4,997,903,682

Approval of Resolutions	For		Against		Abstain		Total
Approval of the Previous Stockholders' Meeting Minutes	4,997,903,682	99.96%	0	0%	0	0%	4,997,903,682
Approval of the Annual Report of the Corporation for the year ended 31 December 2024	4,997,903,682	99.96%	0	0%	0	0%	4,997,903,682
Approval and Ratification of Acts and Proceedings of the Board of Directors and Management	4,997,903,682	99.96%	0	0%	0	0%	4,997,903,682
Appointment of Reyes Tacandong & Co., CPAs as external auditors of the Corporation for the year 2024	4,997,903,682	99.96%	0	0%	0	0%	4,997,903,682