



CONCRETE AGGREGATES CORPORATION

15 April 2024

**THE PHILIPPINE STOCK EXCHANGE, INC.**

9th Floor, PSE Tower  
28th Street corner 5th Avenue  
Bonifacio Global City, Taguig

Attention: **Ms. Alexandra D. Tom Wong**  
Officer-in-Charge, Disclosure Department

Gentlemen:

In compliance with the Disclosure Rules of the Philippine Stock Exchange, we are submitting a copy of the Corporation's annual report for the year 2023 (SEC Form 17-A), which we also filed with the Securities and Exchange Commission.

Thank you and best regards.

Very truly yours,

A handwritten signature in black ink.

**Jose Antonio V. Evangelista III**  
Corporate Information Officer



PSE Security Code \_\_\_\_\_  
SEC Number 36140  
File Number \_\_\_\_\_

**CONCRETE AGGREGATES CORP.**

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(Company's Full Name)

**7TH FLOOR, WEST WING, ESTANCIA OFFICES, CAPITOL COMMONS,  
MERALCO AVENUE, PASIG CITY**

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(Company's Address)

**(02) 8631-1231 / Fax no.: (02) 8631-6517**

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(Company's Telephone Number)

**DECEMBER 31**

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(Fiscal Year Ending)  
(Month & Day)

**SEC FORM 17- A (Year 2023)**

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(FORM TYPE)

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(Amendment Designation if Applicable)

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Period Ended Date

**PERMIT TO OFFER SECURITIES FOR SALE**

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(Secondary License Type, if any)

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-A**

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

1. For the fiscal year ended **31 December 2023**
2. SEC Identification Number: **36140**      3. BIR Tax Identification No.: **000-201-881**
4. Exact name of issuer as specified in its charter: **CONCRETE AGGREGATES CORP.**
5. Province, Country or other jurisdiction of incorporation or organization: **Philippines**
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. Address of principal office: **7th Floor, West Wing, Estancia Offices, Capitol Commons, Meralco Avenue, Pasig City**  
Postal code: **1600**
8. Issuer's telephone number: **(02) 8631-1231**  
Fax number: **(02) 9631-6517**
9. Former name, former address and formal fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the Revised Securities Act (RSA):

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Liability Outstanding (as of 31 December 2023)</u>
<b>Common Shares</b>	<b>27,466,449</b>

Amount of consolidated liability outstanding as of 31 December 2023: **₱ 47,865,283**
11. Are any or all of these securities listed on a Stock Exchange?  
Yes (x)    No ( )      **Classes Common "A" and Common "B"**
12. Check whether the issuer:
  - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the Revised Securities Act (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 that the issuer was required to file such reports);  
Yes (x)    No ( )
  - (b) has been subject to such filing requirements for the past 90 days.  
Yes (x)    No ( )

13. Aggregate market value of the voting stock held by non-affiliates:

The aggregate market value of the voting stock held by non-affiliates is about Php977.48 million as of 31 December 2023 based on the closing price of CAC common shares at that date.

14. Pursuant to SEC Memorandum Circular No. 4-2019, CAC's Sustainability Report for 2023 is attached to and submitted together with this SEC Form 17-A.

## PART I – BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### Business Development

The Company began doing business upon its incorporation in 1959 as CONCRETE AGGREGATES, INC. (CAI). Since then, the Company has supplied the construction industry with quality processed aggregates, ready mix concrete, bituminous concrete mix and pre-stressed/pre-cast concrete. In 1973, CAI merged with BUILD-ON AGGREGATES CORPORATION (BAC) and the resulting entity was named CONCRETE AGGREGATES CORPORATION (CAC). CAC conducted its quarrying activities in Angono, Rizal, which is the source of the best aggregates for the construction industry.

In 1978, Ortigas & Company, Limited Partnership (OCLP) purchased a controlling interest in CAC and took over the management of the Company. The direction of the Company at that time was geared towards the acquisition of additional equipment and installation of new plants to enhance service facilities. Ramrod Blocks was purchased in 1980 and was eventually renamed CAC Power Blocks. A pre-stressed/pre-cast plant was also set up in the same year, 1980, and a Construction Services Division was formed in 1982. The Company then acquired Stressworld in 1989 and a Ready-Mix Concrete (RMC) Plant was likewise installed to complement the pre-stressed/pre-cast plant.

By 1995, significant efforts were made to beef up CAC's resources to keep up with the demands of the construction industry. Towards the end of the year, purchases of vital equipment, machineries and capital expenditures (e.g., setting up of satellite plants in strategic locations and various improvements in plant facilities) were made. In the succeeding years, the equipment and facilities of CAC came to a total of two RMC plants, three Bituminous Concrete Mix (BCM) plants, four aggregates quarry/crushing plants and three pre-stressed/pre-cast concrete plants. These provided jobs and opportunities for many employees.

However, the economic crisis that hit the country in 1998 significantly affected CAC's business. Financial forecasts which perceived a steady path towards economic boom burst with the currency turmoil and debilitating high interest rates that prevailed for several years. Amidst this precarious scenario, CAC took a calculated stance, whereby sales were limited to controllable levels. The volume of transactions dropped, and this cut profitability, but receivables were maintained at a safe level. Moreover, the continuing slump in the construction and real estate industry which occurred at the end of 1997 impelled the Company to adopt cost-shortening actions, cutback policies, short- and medium-term objective re-evaluations and other fiscal measures to ensure stability and endurance.

The worsening economic crisis inevitably slowed down the construction industry and continued to bleed the Company. The crisis eventually compelled the Company to take drastic business decisions and measures. Unfortunately, despite efforts to reduce operational costs and maintain viability of operations during these difficult times, these efforts remained insufficient to sustain the Company's workforce at that time.

In light of the situation, after a series of careful deliberations and considerations, the Board of Directors of CAC, in an emergency meeting held on 14 September 1999, unanimously passed and approved the resolution authorizing the Company to undertake, due to heavy financial losses, the total and complete closure of the Engineering and Construction Division, composed of the following: RMC, BCM, Concrete Products Group and Construction, without prejudice to any existing contracts and commitments, and the reorganization and restructuring of the remaining divisions to conform with the level of efficiency necessary to maintain the Company's viability and survival.

Business development for the next several years devolved and focused on the proper maintenance, repair and rehabilitation of the Company's four (4) crushing plants for more efficient production activities at the optimum level possible, where breakdown/downtime will be minimized if not totally eliminated; retooling to increase production hours; development of the quarry area to ensure availability of materials or reserves for continuous processing by the crushing plants for the production of aggregates and its by-products. Special attention was given to intensify and pursue aggressive marketing campaigns, with the Company attaining ISO certification to ensure quality of products and

services and customer satisfaction. Environmental enhancement and protection were likewise meticulously advocated to ensure smooth and continuous operations. In 2006, in addition to continuing its efforts in the above-discussed areas, the Company also intensified its research and development activities with the goal of introducing new products to the market.

A significant event in the history of the Company was the execution of a Management Agreement between the Company and OCLP which was approved by the Board at a regular meeting held on 30 August 2005. Pursuant to the requirements of Article 44 of the Corporation Code, the Company held a Special Stockholders' Meeting on 24 January 2006 for the purpose of approving the proposed Management Agreement. On that date, all the proposed terms and conditions of the Management Agreement were approved unanimously by the stockholders present, representing more than 92% of the Company's outstanding capital stock. Thus, in 2006, the implementation of the terms and conditions of the Management Agreement began in earnest. Thereafter, the Management Agreement was renewed thrice – on 28 October 2010, on 29 October 2015, and on 1 November 2020 – each for a period of five years under the same terms and conditions, except that the latest amendment, which was approved unanimously by the stockholders during the Annual Stockholders' Meeting on June 25, 2020, was entered into with Ortigas Land Corporation (OLC), and provided for an increased management fee subject to annual escalation.

In 2007, events once again took place, which had a significant impact on the direction being taken by the Company. At a regular meeting held on 18 June 2007, the Board of Directors of the Company authorized the conduct of a bidding to select an operator of its Angono quarry for a period of fifteen (15) years. Three companies qualified to participate in the bidding of which two submitted formal bids on 16 November 2007. On 29 November 2007, the Company's Board of Directors declared that the consortium of Republic Cement Corporation and Lafarge Holdings (Philippines), Inc. (the "Consortium") won the bid for the right to operate the Company's Angono quarry.

The declaration that the Consortium was the winning bidder was affirmed by the Company's stockholders during a special meeting held on 18 January 2008, including the execution of all agreements necessary to implement the foregoing. After securing stockholders' approval, the Company and the Consortium entered into an Agreement on 18 January 2008, setting forth the actions to be taken by each party as well as the agreements to be executed by them to carry out their intentions.

Complying with its obligations under the 18 January 2008 Agreement, the Company incorporated Batong Angono Aggregates Corp. (BAAC). Thereafter, the Company and BAAC entered into an Operating Agreement on 23 January 2008, which became effective as of 1 June 2008. On 2 June 2008, the parties completed all the specified actions in the 18 January 2008 Agreement including the execution of the Asset Purchase Agreement, Trademark License Agreement and Transition Services Agreement by CAC and BAAC as well as the execution by CAC and the Consortium of a Share Purchase Agreement. With the execution of the Share Purchase Agreement, the Consortium became the owner of 100% of the outstanding capital stock of BAAC.

Under the Operating Agreement, BAAC was granted the right to operate the Angono quarry for fifteen (15) years subject to the conditions indicated in the agreement, CAC's Mineral Production Sharing Agreements (MPSAs) and its Environmental Compliance Certificate (ECC). During the latter part of 2013, BAAC changed its name to Lafarge Republic Aggregates, Inc. (LRAI). BAAC was eventually renamed to LafargeHolcim Aggregates, Inc. (LHAI) in 2015. A change of name was once again undertaken in 2022 wherein LHAI changed its name to Helix Aggregates Inc (HAI). An Addendum to the Operating Agreement was executed by and between CAC and HAI to extend the term of the Operating Agreement commencing on June 1, 2023 until March 31, 2028.

## **Business of Issuer**

### **Principal Products**

Prior to the effectivity of the Operating Agreement on 1 June 2008, the Company directly operated its aggregates plants – the source of the Company's quality aggregates – which are nestled at the foot of the mountains in the outskirts of Barangays San Isidro and San Roque, Angono, Rizal. Optimum workability was guaranteed because only well-graded aggregates, specifically, crushed and processed basalt rocks, are passed on to customers. The centralized in-pit crushing facilities were

capable of feeding crushed materials to four plants and the combined output of these plants reached approximately 7,700 cubic meters per day. Rigid quality control played a hand in every aspect of the Angono operations. Aggregates were carefully screened to secure the desired specifications, and thoroughly washed to remove any traces of organic impurities, which can affect and reduce the strength of concrete. Available aggregates sizes were base course, 3/4, 3/8, G-1, S-1, and S-3 , which met the standards set by the Department of Public Works and Highways (DPWH) and the American Society for Testings and Materials (ASTM). CAC followed the guidelines set by the government to help ensure adequate supply of aggregates, while maintaining the best balance between social, environmental and economic considerations.

Upon assumption by HAI as CAC's quarry operator, CAC's income from the quarry operations consists of the royalty payments made by HAI at the rate agreed upon by the parties.

### **Intellectual Property Rights**

The Company has registered the following trademarks with the Intellectual Property Office:

<b>Trademark</b>	<b>Registration No.</b>	<b>Expiration Date</b>	<b>Compliance with DAU</b>
Concrete Aggregates & Device	4-2010-004531	23 December 2030	5 <sup>th</sup> Year DAU filed with the IPO on 22 February 2022
Blue Sand (Word)	4-2006-008761	11 June 2027	5 <sup>th</sup> Year DAU filed with the IPO on 13 June 2023
Blue Sand & Device	4-2006-010699	22 October 2027	5 <sup>th</sup> Year DAU filed with the IPO on 11 October 2023
Blue Sand Vibro & Device	4-2007-004449	10 December 2027	5 <sup>th</sup> Year DAU filed with the IPO on 11 December 2023
Blue Rock (Word)	4-2006-008726	11 June 2027	5 <sup>th</sup> Year DAU filed with the IPO on 13 June 2023
Blue Rock & Device	4-2006-010698	22 October 2027	5 <sup>th</sup> Year DAU filed with the IPO on 11 October 2023

### **New Product or Service**

With the Operating Agreement being in place until 2028, the Company continues to look into the best use of its other real estate properties.

### **Aggregates Industry**

CAC belongs to a sector falling under the mining industry that produces aggregates stones from quarries from mountain rocks. The Company supplied aggregates for use in the production of ready-mix concrete and asphalt products.

Aggregates are a major component of concrete and are used in the mixing of asphalt in road construction. Ready-mix concrete and asphalt are extensively used in the construction of buildings, roads, and other infrastructure projects.

### **Geographic Area**

The market for the aggregates produced in the Angono quarry is defined largely by distance from the Company's plant. The limit of the area of delivery is about 100 kilometers from the quarry site in Angono, Rizal.

## **Contracts**

### *Management Agreement*

Under the current Management Agreement, OLC is responsible for the general management of and overall supervision of the affairs and business operations of the Company, such as, but not limited to, the following: strategic planning; domestic and international sales; marketing and distribution; real property management and development; accounting; finance; employee care and human resources development; information technology and information systems; audit and business process management; legal; and administrative services, including, without limitation, advisory and consulting services in relation to the supervision of independent auditors; the selection, retention and supervision of external legal counsel; the selection, retention and supervision of investment bankers or other financial advisors and such other consultants as OLC may deem necessary.

The current Management Agreement was approved unanimously by the stockholders during the Annual Stockholders' Meeting on 25 June 2020 and is valid until 31 October 2025. It provides for an increase in management fee, and an annual escalation.

### *Operating Agreement*

As discussed above, CAC decided in 2007 to engage a third party to operate its quarry in Angono, Rizal through a bidding process and on 29 November 2007, its Board of Directors declared the Consortium as the winning bidder. On 18 January 2008, the stockholders affirmed the declaration of the Consortium as the winning bidder and authorized all the transactions to be made to implement the turnover of the quarry operations to a third-party operator. Upon approval by the stockholders, the Company executed an Agreement, dated 18 January 2008, with the Consortium, which outlined the transactions to be implemented by the parties.

Thereafter, the Company incorporated BAAC and the two parties subsequently entered into an Operating Agreement on 23 January 2008, which became effective as of 1 June 2008. On 2 June 2008, the Company and the Consortium completed all the specified actions in the 18 January 2008 Agreement, including the execution of the Asset Purchase Agreement, Trademark License Agreement and Transition Services Agreement by CAC and BAAC as well as the execution by CAC and the Consortium of a Share Purchase Agreement. With the execution of the Share Purchase Agreement, the Consortium became the owner of 100% of BAAC.

The Company formally turned over its quarry operations to BAAC on 1 June 2008. Under the Operating Agreement, BAAC was granted the right to operate the Angono quarry for fifteen (15) years subject to the conditions indicated in the agreement, CAC's MPSAs and the ECC. In return, BAAC shall make periodic royalty payments to the Company at a specified rate. As previously mentioned, BAAC changed its name to Lafarge Republic Aggregates, Inc. (LRAI) in 2013, then renamed it in 2015 to Lafarge Holcim Aggregates, Inc. (LHAI) and once again, it was changed to Helix Aggregates Inc (HAI) in 2022.

An Addendum to the Operating Agreement was executed by and between CAC and LHAI to extend the term of the Operating Agreement commencing June 1, 2023 until March 31, 2028. The terms and conditions of the original Agreement remain in full force and effect for the entire duration of the revised term, and includes the following additional terms: [1] the obligation of HAI to extract aggregates based on the Production Schedule and following the Quarry Extraction Plan, [2] the obligation of HAI to rehabilitate the quarry site in accordance with the Quarry Rehabilitation Plan, and [3] the amount of royalty payable by HAI to CAC will be computed using the revised rate of four percent (4%) of the gross selling price of the aggregates sold, either by HAI or any party related or affiliated to HAI, to a third party or to non-affiliated customers, without any deductions.

## **Transactions with and/or dependence on related parties**

In terms of management, the Company is dependent on the managers seconded by OLC pursuant to the Management Agreement entered into by the Company with OLC (see discussion above).

## **Governmental Approvals and Regulations**

CAC's properties in Barangays San Isidro and San Roque, Angono, Rizal are owned by the Company and covered by a number of transfer certificates of title (TCTs), with an aggregate area of 213 hectares. Quarrying is allowed by virtue of two MPSAs entered into with the government, particularly: MPSA No. 032-95-IV and MPSA No. 055-96-IV.

MPSA No. 032-95-IV, which has an effectivity date of 15 June 1995 and was amended on 29 December 1995, authorizes mining activities on three (3) mining claims, namely Basalt 1, Basalt 2 and Basalt 3 for 25 years from effectivity. This MPSA covers an area of 192 hectares. MPSA No. 055-96-IV has an effectivity date of 15 November 1996 and warrants mining in the mining claim Basalt 8 for the next 25 years therefrom. This MPSA covers an area of 19.99 hectares.

In 1995, anticipating an increase in production without necessarily restructuring the existing plants, an ECC application was submitted to request permission to expand quarrying operations in Basalt 8. Thereafter, an ECC (ECC-715-RI-302-95) was granted to CAC by the DENR on 19 January 1996. Anticipating higher demand in the succeeding years, the Company embarked on a plant re-tooling program in the year 2000 to sustain the projected increase in production, and therefore was required to undergo the EIA System. The proceedings then resulted in the issuance of ECC No. 0009-526-302 on 9 December 2002 by the DENR for its *Quarry Expansion and Plant Retooling Project*, as amended by the Environmental Management Bureau (EMB) letter dated 23 July 2003. As for CAC's Environmental Protection and Enhancement Program (EPEP), the same was likewise approved and is presently being implemented.

Thereafter, in 26 February 2008, the Mines and Geosciences Bureau (MGB) of the DENR approved CAC's application for an increase in its maximum allowable extraction rate for its Angono quarry when it issued ECC No. 0707-018-2230. Under ECC No. 0707-018-2230, the Company's allowable extraction rate was increased to 5.25 million metric tons (MMT) from 2.7 MMT.

With the assumption by HAI of quarry operations beginning 1 June 2008, the responsibility of securing the necessary permits and licenses is now with HAI. The Operating Agreement likewise requires HAI to comply with the terms and conditions of the ECC and that of MPSA No. 032-95-IV and MPSA No. 055-96-IV on behalf of CAC. In 2018, CAC filed its formal application for the renewal of MPSA No. 032-95-IV and MPSA No. 055-96-IV. On 27 November 2020, the MGB issued a Memorandum allowing CAC to continue operations under the two (2) MPSAs, pending the DENR's decision on the application for renewal of the MPSAs. In 2021, the DENR renewed MPSA No. 032-95-IV for another 25-year term ending in 2045 and MPSA No. 055-96-IV with the same term ending in 2046.

Notably, the quarry still has approximately 15 million MT of mineable reserves. This amount of basalt can serve the demand for key infrastructure projects under the government's programs for the next four (4) years. The renewal of the MPSAs ensures continuous supply of premium aggregates that only the quarry can provide for some of the key infrastructure projects of the country, such as the MRT 7, Skyway Project (Segment 10), CALAX (Laguna side), SLEX and CAVITEX rehabilitations, North – South Commuter Railway System, Metro Manila Subway Project Phase 1, LRT Line 1 Cavite Extension Project, and Philippine National Railways South Long Haul Project, to name a few.

## **Research and Development**

Considering the assumption by HAI of quarry operations beginning 1 June 2008, the Company has spent only a minimal amount on research and development activities related to the quarry operations.

## **Major Business Risks**

Risk management involves identification, assessment and mitigation of risks that threaten the Company's corporate objectives. Risk management is a regular management accountability and is a key function to manage crisis, comply with good corporate governance standards, minimize business uncertainty, and exploit opportunities. Among the many risks that an ordinary going concern faces, the following have been identified as major business risks based on the impact of the event, action or inaction thereto would have on the Company, to wit:

1. Compliance by HAI with its obligations under the Operating Agreement.
2. Compliance by HAI with MPSA No. 032-95-IV and MPSA No. 055-96-IV on behalf of CAC.
3. Compliance by HAI with environmental requirements under applicable laws, CAC's ECC and its EPEP.
4. Compliance with listing disclosure requirements.

For the purposes of risk identification and management, major risks are defined as critical events but, with proper management monitoring, can be endured by the Company. CAC does its risk management by going through the following processes:

1. Identify risks affecting or may affect the Company and its business.
2. Analyze as to how and why the identified risks may impact on the Company, based on severity or level of gravity of the event and the likelihood of the event happening, using a provided risk matrix.
3. Formulate mitigating measures to address the risks.
4. Monitor the effectiveness of the controls and mitigating measures implemented.
5. Prepare a report and communicate on how the risk was handled and how the Company fared.

## **Employees and Labor Relations**

On 15 June 2008, with the exception of a few, the Company's regular workforce was transferred to HAI as the operator of CAC's quarry. As of 31 December 2023, the Company has two regular employees performing administrative and technical functions, including monitoring compliance by HAI with the terms of the Operating Agreement. In addition to the Company's regular employees, personnel assigned by OLC take charge of the general management and overall supervision of the affairs and business operations of the Company pursuant to the Management Agreement, as described above. The Company does not anticipate a significant increase or decrease in the number of its regular employees over the next twelve months.

There is, at present, no collective bargaining agreement between the Company and the employees and the Company has not experienced any strikes since its restructuring.

## **Community Relations – Safety, Health and Social Concerns**

The Company understands and responds to community concerns, and it works under the following principles which: (1) place a broad interpretation on the environment and the community; (2) listens to community concerns; and (3) acknowledges the various needs of special interest groups.

The Company and the community in which it operates implemented various development programs hand-in-hand and in accordance with the agreed schedule and manner of implementation indicated in the Company's approved Social Development and Management Program (SDMP), which was approved on 15 December 2004 by the MGB. CAC believes that community development programs produce continual and collective benefits for the company, the community and the environment. In 2008, CAC turned over the funds intended for the implementation of its SDMP for the community and the environment to HAI, pursuant to the terms of the Operating Agreement.

## **Compliance with Environmental Laws**

As the operator of the Company's Angono quarry pursuant to the Operating Agreement, HAI is responsible for the implementation of environmental programs required by law in connection with the quarry operations.

## Item 2. Properties

Quarry operations are concentrated in the Company's properties located in Barangay San Isidro, Angono, Rizal. The majority of the above ground assets used in the quarry operations such as the crushing plants, mobile equipment, machinery, office furniture, fixtures and various tools and implements are located in the Angono, Rizal quarry site. Most of these assets were sold to HAI on 2 June 2008 as the operator of CAC's quarry.

Other properties owned by the Company include parcels of land located at Angono, Cardona, Montalban and Binangonan, Rizal, and at Batangas and Pampanga.

The following table lists the individual parcels of land owned by CAC:

TCT No.	Location	Use	Liens & Encumbrances	Restriction
TCT No. T-61014	Sto. Tomas, Batangas	Investment	None	None
TCT No. T-71928	Sto. Tomas, Batangas	Investment	None	None
TCT No. 159709	Sto. Tomas, Batangas	Investment	None	Conditions/Restrictions embodied in the Conversion Order pursuant to Entry No. 300929 and annotated on the Title as required by DAR A.O. no. 1 Series of 2002
TCT No. T-143105	Sto. Tomas Batangas	Investment	None	None
TCT No. 134650-R	San Fernando, Pampanga	Investment	None	None
TCT No. 177339-R	San Fernando, Pampanga	Investment	None	None
TCT No. 448320-R	Floridablanca, Pampanga	Investment	None	None
TCT No. 042-2010004636	Floridablanca, Pampanga	Investment	None	None
TCT No. 042-20100110526	Floridablanca, Pampanga	Investment	None	None
TCT No. N-21846	Montalban	Investment	None	None
CCT No. PT-26412	San Antonio, Pasig	Condominium space	None	None
CCT No. PT-26414	San Antonio, Pasig	Condominium space	None	None
TCT No. 628563	Angono, Rizal	Quarry site	None	None
TCT No. 633399	Angono, Rizal	Quarry site	None	None
TCT No. 647853	Angono, Rizal	Quarry site	None	None
TCT No. 647855	Angono, Rizal	Quarry site	None	None
TCT No. 647854	Angono, Rizal	Quarry site	None	None
TCT No. 628801	Angono, Rizal	Quarry site	None	None
TCT No. 567170	Angono, Rizal	Quarry site	None	None
TCT No. 567168*	Angono, Rizal	Quarry site	None	None
TCT No. 567167*	Angono, Rizal	Quarry site	None	None
TCT No. 498505*	Angono, Rizal	Quarry site	None	None
TCT No. 498506*	Angono, Rizal	Quarry site	None	None
TCT No. 498507*	Angono, Rizal	Quarry site	None	None
TCT No. 498508*	Angono, Rizal	Quarry site	None	None
TCT No. 495637	Angono, Rizal	Quarry site	None	None
TCT No. 495636	Angono, Rizal	Quarry site	None	None

TCT No.	Location	Use	Liens & Encumbrances	Restriction
TCT No. 495929	Angono, Rizal	Quarry site	None	None
TCT No. 567169*	Angono, Rizal	Quarry site	None	None
TCT No. 486736	Angono, Rizal	Quarry site	None	None
TCT No. 500287*	Angono, Rizal	Raw land	None	None
TCT No. 505057*	Angono, Rizal	Raw land	None	None
TCT No. N-6947	Binangonan, Rizal	Raw land	None	None
TCT No. N-6608	Binangonan, Rizal	Raw land	None	None
TCT No. N-6609	Binangonan, Rizal	Raw land	None	None
TCT No. M-6610	Cardona, Rizal	Raw land	None	None

\* These properties were the subject of the 23 January 2008 Operating Agreement between CAC and HAI.

As of the filing of this report the Company does not have any intention at present to acquire any significant real property in the next twelve months.

### **Item 3. Legal Proceedings**

In 2017, the Company initiated before the Regional Trial Court of Binangonan an Accion Publiciana case against several informal settlers illegally occupying one of its properties located in Barangay Sitio Dayap, Angono, Rizal to vacate the said properties and return possession of the same to the Company. The Regional Trial Court of Binangonan decided in favor of CAC, which decision was appealed by the informal settlers before the Court of Appeals. The Court of Appeals rendered a Decision in favor of CAC, and as of the filing of this report, no further appeals have been filed. Other than the foregoing, the Company has no pending material legal proceeding other than labor related cases and overdue account collection cases. There was no material proceeding that was terminated during the fourth quarter of the year covered by this report.

### **Item 4. Submission of Matters to a Vote of Security Holders**

During the Special Stockholders' Meeting held on 26 October 2023, the stockholders present unanimously ratified the authorization given by the Board of Directors during the 27 July 2023 Board meeting for the Company to pursue its secondary purposes.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

#### Market Information

The Philippine Stock Exchange (PSE) is the principal market where CAC's common equity is traded. Par value of both Class "A" and Class "B" shares is at ₱10.00 each.

For the years 2021, 2022 and 2023 and the first quarter of 2024, the following are the quarterly high, low and closing prices for CAC Class "A" shares:

	2021			2022			2023			2024		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
<b>Q1</b>	65.00	50.10	55.20	48.00	44.00	48.00	38.90	30.00	31.00	559.45	40.00	45.00
<b>Q2</b>	64.95	52.00	56.00	48.00	40.20	40.20	38.00	29.05	33.00			
<b>Q3</b>	54.50	48.00	48.05	47.00	39.00	45.00	44.65	35.00	44.00			
<b>Q4</b>	52.00	41.25	41.25	44.95	32.00	32.00	44.55	39.15	40.00			

As per the latest information disclosed at the website of the PSE available at the time of this report, the last recorded closing price of CAC Class "A" shares is ₱45.00 per share as of 31 March 2024.

CAC Class "B" shares were first traded on 21 November 2016. The following are the quarterly high, low and closing prices for CAC Class "A" shares for the years 2021, 2022 and 2023 and the first quarter of 2024:

	2021			2022			2023			2024		
	High	Low	Close									
<b>Q1</b>	75.00	54.20	63.75	59.80	45.30	51.00	45.00	32.25	32.25	54.65	40.05	42.15
<b>Q2</b>	79.50	55.45	60.00	73.95	39.10	46.00	42.80	27.65	42.80			
<b>Q3</b>	62.75	50.35	53.00	64.95	40.00	40.00	54.00	33.00	33.05			
<b>Q4</b>	62.95	45.35	55.00	54.50	32.40	32.40	67.90	36.50	67.45			

The last recorded closing price of CAC Class "B" shares is ₱42.15 per share as of 31 March 2024.

#### Stockholders

There were 529 stockholders of record holding CAC Class "A" Shares and 16 stockholders of record holding CAC Class "B" Shares as of 31 December 2023. The top 20 stockholders of the Company as of 31 December 2023 (as attested by the Company's stock transfer agent) are as follows:

	Stockholder	Number of Shares			%
		Class A	Class B	Total	
1	Ortigas & Company, Limited Partnership	16,021,973	4,985,612	21,007,585	76.48
2	PCD Nominee Corporation - Filipino	5,581,785	398,004	5,979,789	21.77
3	The Roman Catholic Archbishop of Manila	78,486			0.29
4	Laurel, Celia D.	27,767		27,767	0.10
5	Li Seng Giap & Sons, Inc.	19,004		19,004	0.07
6	The Roman Catholic Archbishop of Manila – Real Casa de Misericordia	13,067		13,067	0.05
7	Ortigas, Ignacio Ricardo Y Ortigas	12,632		12,632	0.05

8	Ortigas, Maria Del Rosario	12,420		12,420	0.05
9	Sevilla, Azucena C.	12,109		12,109	0.04
10	Buenviaje, Felix	11,826		11,826	0.04
11	Ortigas, Rafael Y Ortigas	9,040		9,040	0.03
12	The Roman Catholic Archbishop of Manila – Hospicio de San Juan de Dios	8,317		8,317	0.03
13	Maramba, Daniel K.	7,543		7,543	0.03
14	Macaraeg, Marietta C.	7,480		7,480	0.03
15	Rodriguez, Ramon E.	7,192		7,192	0.03
16	Ortigas, Rafael B.	7,148		7,148	0.03
17	Ortigas, Maria Teresa B.	7,118		7,118	0.03
18	Buenviaje, Reynaldo C.	6,970		6,970	0.03
19	Buenviaje, Juan C. Jr.	6,968		6,968	0.03
20	Buenviaje, Catalino C.	6,968		6,968	0.03
	Others	211,958	5,062	217,020	0.79
	<b>Total</b>	<b>22,077,771</b>	<b>5,388,678</b>	<b>27,466,449</b>	<b>100.00</b>

Common Class A shares are issued only to citizens of the Philippines and to associations, partnerships or corporations with at least 60% of the outstanding stocks held by citizens of the Philippines, while Common Class B shares may be issued to either Filipino or non-Filipino citizens or associations, partnerships or corporations without regard to the citizenship of their stockholders.

A total of 3,915 Common Class B shares are held by foreigners, amounting to approximately 0.07% of the total outstanding Common Class B shares, and approximately 0.014% of the total outstanding capital stock of the Company.

### **Minimum Public Ownership**

The Company has a total of 27,466,449 issued and outstanding shares, out of which, 6,450,738 or 23.49% are shares owned by the public as of 31 December 2023.

### **Recent Sales of Unregistered Securities**

For the last five (5) years, no sale of unregistered securities has been conducted by the Company.

### **Dividends**

On 24 March 2022, the Company declared a total cash dividend of Php21,149,165.73 equivalent to Php0.77 per share to stockholders of record as of 13 April 2022 and authorized its distribution on 5 May 2023. On 23 March 2023, the Company declared a total cash dividend of Php23,154,216.51 out of the 2022 unrestricted retained earnings for stockholders of record as of 12 April 2023. The payment was set on 4 May 2023. Thereafter, on 21 March 2024, the Company declared a total cash dividend of Php29,444,033.33 out of the 2023 unrestricted retained earnings for stockholders of record as of 10 April 2024. The payment date was set on 2 May 2024.

## **Item 6. Management's Discussion and Analysis (MD&A) of Financial Condition and Results of Operation**

### **YEAR 2023 vs. 2022 PERFORMANCE**

#### **Results of Operations**

The Company generated Net Income after tax of ₱29.43 million in 2023, a 27% increase from ₱23.15 million in 2022, mainly due to higher royalty rates upon the extension of the Operating Agreement with HAI, partially offset by the research and studies related costs for the Angono property and land reclassification of Sto. Tomas, Batangas lots with the local government unit.

**Revenue** from royalty fees increased by 46% to ₱59.36 million in 2023 from ₱40.58 million in 2022, mainly attributed to the royalty rate hike from 2.5% to 4% based on gross sales of the aggregates sold which was effective beginning June 1, 2023.

**Total operating expenses** amounted to ₱29.01 million, which is 70% higher than last year's ₱17.06 million, driven by the expenses incurred on Angono land study and Sto. Tomas land reclassification.

**Other Income, net** consists of (1) Interest income amounting to ₱3.30 million, is up by 100% compared to prior year, mainly due to higher interest rates in 2023; (2) Interest income from receivables amounting to ₱0.71 million earned from HAI's delay in royalty payment; and, (3) Rent income from lease of land and office unit which increased by 4% from ₱2.55 million to ₱2.65 million in 2023, due to the annual escalation of rent.

#### **Financial Condition**

The Financial Condition remains strong with high level of liquidity to support its future development plans.

The Company's total assets rose by 4% to ₱355.69 million from ₱341.63 million, mainly due to the increase in receivables from HAI brought by the higher royalty rate. In the first quarter of 2024, a portion of the receivables was subsequently collected.

Total Liabilities increased by ₱7.32 million to ₱47.87 million mainly due to accruals of operating and capital expenditures, higher deferred output VAT from outstanding receivables, and additional unclaimed dividends.

Total Equity increased by ₱6.74 million to ₱307.82 million or 2% higher mainly attributed to improved results of operations, partially reduced by dividend declaration.

Book value per share is at ₱11.21 as of 31 December 2023, slightly higher than last year of ₱10.96.

#### **FINANCIAL HIGHLIGHTS**

Presented below are the major financial highlights of the attached audited financial statements of the Company for the years 2023, 2022, and 2021, all ending 31 December, to wit:

*(In million pesos, except ratios and per share amounts)*

	<b>Year 2023</b>	<b>Year 2022</b>	<b>Year 2021</b>
Total Current Assets	196.79	189.42	184.84
Total Current Liabilities	24.10	16.78	14.06
Net Working Capital	172.69	172.64	170.78
Total Assets	355.69	341.63	336.73
Total Stockholders' Equity	307.82	301.08	298.92
Revenue	59.36	40.57	38.59
Operating Expenses	29.01	17.06	16.05
Other Income	6.65	4.49	3.08

Income before Tax	37.00	28.00	25.61
Net Income after Tax	29.43	23.15	21.05
Other Comprehensive Income	0.46	0.16	0.29
Total Comprehensive Income	29.89	23.32	21.34
Earnings Per Share	1.07	0.84	0.77

#### A) Key Performance Indicator

The Company has identified the following Key Performance Indicators affecting its operations:

Measures	31 December 2023	31 December 2022
Current Ratio	8.17:1	11.29:1
Liability/Equity Ratio	0.16:1	0.13:1
Return on Assets	8.27%	6.78%
Return on Equity	9.56%	7.69%
Net Income Rate	49.58%	57.06%

*Current Ratio = Current Assets ÷ Current Liabilities*

*Liability/Equity Ratio = Total Liabilities ÷ Total Stockholders' Equity*

*Return on Assets = Net Income ÷ Total Assets*

*Return on Equity = Net Income ÷ Total Stockholders' Equity*

*Net Income Rate = Net Income ÷ Revenue*

- i. Due to the Company's sound financial condition, and the transfer of its quarry operations to HAI, there are no foreseeable trends, events or uncertainties that may have a material impact on its long term or short-term liquidity.
- ii. There are no events that will trigger any direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- iii. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- iv. Funding will be sourced from internally-generated cash flow and also from borrowings or available credit facilities from other local universal banks.
- v. There are no material commitments for capital expenditures other than those performed in the ordinary course of trade or business.
- vi. Currently, the production is being handled by HAI.
- vii. The causes for any material changes in the financial statements of 2023 vs. 2022 are explained in the Management Discussion and Analysis, as well as in the accompanying notes to Financial Statements.
- viii. There is no known significant element of income or loss that did not arise from the Company's continuing operations, except as disclosed above and in the attached audited financial statements.
- ix. Accounts that registered material changes of 5% or more and the causes thereof are as follows:

Accounts	2023	2022	Increase (Decrease)	Remarks
Royalties	59,361,885	40,575,195	18,786,690	Increased by 46% due to increase in royalty rate starting June 1, 2023.
Operating expenses	29,013,765	17,061,656	11,952,109	Up by 70% mainly due to research related costs on properties.
Other income	6,652,688	4,486,149	2,166,539	Higher by 48% brought about by the increase in interest rates on time deposits as well as interest earned from HAI on outstanding receivables.
Income tax expense	7,569,666	4,847,981	2,721,685	Increased by 56% due to improved results of operations.
Receivables, net	30,605,387	17,182,545	13,422,842	Higher by 78% mainly due to receivables from HAI with higher applicable royalty rate of 4%. The receivables were partially collected in Q1 of 2024.
Investment properties, net	63,789,291	57,382,692	6,406,599	Up by 11% due to Angono property capitalized expenditures.
Trade and other payables	14,708,042	8,969,797	5,738,245	Increased by 64% due to accrual of operating & capital expenditures and deferred output VAT on receivables.
Income tax payable	2,179,485	861,541	1,317,944	Up by 153% attributable to favorable results of operations on the back of higher royalty revenue.
Fair value reserve on AFS	1,671,350	1,206,799	464,551	Higher by 38% due to increased unrealized gain from valuation of financial assets in 2023.
Retained earnings	30,418,283	24,141,358	6,276,925	Increased by 26% due to improved results of operations in 2023.

## YEAR 2022 vs. 2021 PERFORMANCE

### Results of Operations

The Company generated a Net Income of ₦23.15 million in 2022, a 10% increase from ₦21.05 million in 2021, mainly from higher production and sales volume of basalt aggregates in 4Q and higher interest income.

**Revenue** from royalty fees increased by 5% to ₦40.58 million in 2022 from ₦38.59 million in 2021, largely due to improved sales of aggregates of HAI as compared to last year when the COVID-19 pandemic caused significant business disruptions.

**Total operating expenses** registered at ₦17.06 million, higher by 6% from previous year's ₦16.05 million, mainly driven by higher professional fees, personnel cost and employee benefits.

**Other Income, net** consists of (1) Interest income which amounted to ₦1.65 million, up by 163% compared to prior year, mainly due to higher interest rates in 2022; (2) Interest income from receivables amounting to ₦0.29 million is interest earned from HAI due to late payment of royalties; and, (3) Rent income from lease of land and office unit which increased by 5% from ₦2.42 million to ₦2.55 million in 2022, due to the annual escalation of rent.

## **Financial Condition**

The Financial Condition remains strong with high level of liquidity to support its future development plans.

The Company's total assets amounted to ₦341.63 million, an increase of 1% from ₦336.73 million mainly driven by the increase in receivables from HAI. The receivables were subsequently collected in Q1 of 2023.

Total Liabilities increased by ₦2.73 million to ₦40.55 million mainly due to higher deferred output VAT and additional unclaimed dividends.

Total Equity increased by ₦2.17 million to ₦301.08 million or 1% higher mainly attributed to improved results of operations, partially reduced by dividend declaration.

Book value per share is at ₦10.96 as of 31 December 2022, slightly higher than last year of ₦10.88.

### **A) Key Performance Indicators**

The Company has identified the following Key Performance Indicators affecting its operations:

<u>Measures</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
Current Ratio	11.29:1	13.15:1
Liability/Equity Ratio	0.13:1	0.13:1
Return on Assets	6.78%	6.25%
Return on Equity	7.69%	7.04%
Net Income Rate	57.06%	54.55%

*Current Ratio = Current Assets ÷ Current Liabilities*

*Liability/Equity Ratio = Total Liabilities ÷ Total Stockholders' Equity*

*Return on Assets = Net Income ÷ Total Assets*

*Return on Equity = Net Income ÷ Total Stockholders' Equity*

*Net Income Rate = Net Income ÷ Revenue*

- i. Due to the Company's sound financial condition, and the transfer of its quarry operations to HAI, there are no foreseeable trends, events or uncertainties that may have a material impact on its long term or short-term liquidity.
- ii. There are no events that will trigger any direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- iii. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- iv. Funding will be sourced from internally-generated cash flow, and also from borrowings or available credit facilities from other local and international commercial banks.
- v. At the moment, there are no material commitments for capital expenditures other than those performed in the ordinary course of trade or business.
- vi. At present, the production is being handled by HAI.
- vii. The causes for any material changes in the financial statements of 2022 vs. 2021 are explained in the Management Discussion and Analysis, as well as in the accompanying notes to Financial Statements.

viii. There is no known significant element of income or loss that did not arise from the Company's continuing operations, except as disclosed above and in the attached audited financial statements.

ix. Accounts that registered material changes of 5% or more and the causes thereof are as follows:

Accounts	2022	2021	Increase (Decrease)	Remarks
Royalties	40,575,195	38,586,592	1,988,603	Increased by 5% due to higher sales of basalt aggregates particularly during 4Q.
Operating expenses	17,061,656	16,049,050	1,012,606	Up by 6% mainly driven by higher professional fees, personnel cost and employee benefits.
Other income	4,486,149	3,077,255	1,408,894	Higher by 46% brought about by the increase in interest rates on bank time deposits as well as interest penalty earned from HAI.
Income tax expense	4,847,981	4,565,845	282,136	Increased by 6% due to improved results of operations.
Receivables, net	17,182,545	5,381,138	11,801,407	Higher by 219% due to 4 months uncollected royalty in 2022 vs 2 months in PY. The receivables were subsequently collected in Q1 of 2023.
Prepaid expenses	5,848,342	6,621,104	(772,762)	Lower by 12% due to lower prepayments in 2022.
Trade and other payables	8,969,797	7,138,717	1,831,080	Increased by 26% due to deferred output vat on receivables.
Dividends payable	6,953,075	6,461,792	491,283	Increase by 8% due to unclaimed dividend checks.
Income tax payable	861,541	460,119	401,422	Up by 87% attributable to favorable result of operations brought by higher royalty revenue.
Fair value reserve on AFS	1,206,799	1,043,344	163,455	Higher by 16% due to additional market valuation unrealized gain in 2022.
Retained earnings	24,141,358	22,138,817	2,002,541	Increased by 9% due to improved results of operations in 2022.

## YEAR 2021 vs. 2020 PERFORMANCE

### Results of Operations

The Company generated a Net Income of ₦21.05 million in 2021, a 70% increase from ₦12.39 million in 2020, mainly from higher production and sales volume of basalt aggregates due to eased quarantine restrictions in 2021 as the economy reopens amidst the pandemic.

**Revenue** from royalty fees increased by 40% to ₦38.59 million in 2021 from ₦27.48 million in 2020, largely due to improved sales of aggregates of HAI as compared to last year when the COVID-19 pandemic caused significant business disruptions.

**The total operating expenses** registered at ₦16.05 million, reduced by 6% from previous year's ₦17.13 million, mainly due to the absence of the one-off MPSA renewal costs incurred in prior year and lower professional fees.

**Other Income** consists of (1) Interest Income from bank deposits which amounted to ₦0.63 million, lower by 80% compared to prior year, mainly due to lower interest rates in 2021 and (2) Rent Income from lease of the Company's office unit in Tektite Towers to China Banking Corporation (CBC) which increased by 5% from ₦2.30 million to ₦2.42 million in 2021, due to the annual escalation of rent.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Bill was signed by the President into law (Republic Act No. 11534). One of the salient features of CREATE is the reduction of the corporate income tax rate from 30% to either 25% or 20% depending on the type of corporation, effective July 1, 2020. Under CREATE, the Company is subject to 25% income tax rate, which is 5% lower than the previous year's income tax rate, thereby resulting to a higher Net income after tax in 2021.

### **Financial Condition**

The Financial Condition remains strong with high level of liquidity to support its future development plans.

The Company's total assets amounted to ₦336.73 million, an increase of 3% from ₦327.85 million mainly driven by the increase in cash levels as a result of higher royalty fees from HAI as well as rental income from CBC versus prior year.

Total Liabilities decreased by ₦0.11 million at ₦37.81 million mainly due to lower income tax payable due to higher tax cash payments and reduced income tax rate from 30% to 25%.

Total Equity increased by ₦8.99 million to ₦298.92 million or 3% higher mainly attributed to improved results of operations.

Book value per share is at ₦10.88 as of 31 December 2021, slightly higher than last year of ₦10.56.

### **A) Key Performance Indicators**

The Company has identified the following Key Performance Indicators affecting its operations:

<u>Measures</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
Current Ratio	13.15:1	12.41:1
Liability/Equity Ratio	0.13:1	0.13:1
Return on Assets	6.25%	3.78%
Return on Equity	7.04%	4.27%
Net Income Rate	54.55%	45.10%

*Current Ratio = Current Assets ÷ Current Liabilities*

*Liability/Equity Ratio = Total Liabilities ÷ Total Stockholders' Equity*

*Return on Assets = Net Income ÷ Total Assets*

*Return on Equity = Net Income ÷ Total Stockholder's Equity*

*Net Income Rate = Net Income ÷ Revenue*

- i. Due to the Company's sound financial condition, and the transfer of its quarry operations to HAI, there are no foreseeable trends, events or uncertainties that may have a material impact on its long term or short-term liquidity.
- ii. There are no events that will trigger any direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- iii. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

- iv. Funding will be sourced from internally-generated cash flow, and also from borrowings or available credit facilities from other local and international commercial banks.
- v. At the moment, there are no material commitments for capital expenditures other than those performed in the ordinary course of trade or business.
- vi. At present, the production is being handled by HAI.
- vii. The causes for any material changes in the financial statements of 2020 vs. 2019 are explained in the Management Discussion and Analysis, as well as in the accompanying notes to Financial Statements.
- viii. There is no known significant element of income or loss that did not arise from the Company's continuing operations, except as disclosed above and in the attached audited financial statements.
- ix. Accounts that registered material changes of 5% or more and the causes thereof are as follows:

Accounts	2021	2020	Increase (Decrease)	Remarks
Royalties Revenue	38,586,592	27,480,493	11,106,099	Increased by 40% from higher production & sales volume of HAI due to eased community quarantines as compared with the restrictions imposed by the Philippine government in the past year due to COVID-19 pandemic.
Operating Expenses	16,049,050	17,133,118	(1,084,068)	Dipped by 6% mainly due to MPSA license renewal costs and lower professional fees, both in 2020.
Other income (expenses)	3,077,255	5,470,129	(2,392,874)	Dropped by 44% brought about by the decrease in interest rates on bank time deposits as well as interest earned from HAI in 2020.
Income tax expense	4,565,845	3,424,975	1,140,870	Increased by 33% due to improved results of operations.
Cash and cash equivalents	172,835,370	164,252,707	8,582,663	Increased by 5% due to higher cash generated from operations mainly Royalties.
Receivables, net	5,381,138	4,891,745	489,393	Higher by 10% due to 2 months uncollected royalty in 2021 vs 1 month in PY.
Deferred Income Tax Assets, Net	1,412,757	1,755,160	(342,403)	Down by 20% brought by reversal of adjustment for changes in income tax rate in 2020 due to CREATE Law enactment.
Income tax payable	460,119	892,887	(432,768)	Decreased by 48% due higher tax cash payments during the year.
Fair Value Reserve on Financial Assets at FVOCI	1,043,344	749,057	294,287	Up by 39% due to unrealized gain in investments as of 2021.
Retained earnings	22,138,817	13,449,767	8,689,050	Increased by 65% due to improved results of operations in 2021.

## **Item 7. Financial Statements**

Please see the attached Consolidated Financial Statements of Concrete Aggregates Corporation and Subsidiaries as of 31 December 2023 with comparative figures for 2022 and 2021 and the Independent Auditors' Report.

## **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

On 28 October 2010, the Board of Directors appointed Isla Lipana & Co. (a member practice of PricewaterhouseCoopers global network) as the new independent auditor of the Company for the year ended 31 December 2010 with such appointment effective as of 1 November 2010. Isla Lipana & Co. has been the Company's independent auditor for the years ended 31 December 2011 to 2023.

### **External Audit Fees**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
(a) Audit and audit-related fees The aggregate fees, net of VAT, billed for professional services rendered by Isla Lipana and Co. for the audit of the Company's annual financial statements for the years ended 31 December 2023, 2022, and 2021.	₱231,530	₱231,530	₱196,800
(b) Tax Fees The aggregate fees, net of VAT, billed for professional services rendered by Isla Lipana & Co. for tax accounting, compliance, advice, planning and any other form of tax services.	-	-	-
(c) All Other Fees The aggregate fees, net of VAT, billed for products and services provided by Isla Lipana and Co. for years 2023, 2022, and 2021, other than the services reported under items (a), b and (c) above. The nature of which includes out of pocket expenses such as transportation, meals, postage, printing and documentation.	₱23,153	₱23,153	₱19,680

There were no changes or disagreements with the Company's external auditor, Isla Lipana & Co., on accounting and financial statement disclosures.

### **Audit and Risk Management Committee's Approval Policies and Procedures**

The following are the Audit and Risk Management Committee's policies and procedures regarding the Company's external auditors (as enunciated in its Charter):

- The Audit and Risk Management Committee shall review and evaluate the effectiveness of the Company's processes for assessing significant risks or exposures and the steps management has taken to minimize such risks.
- The Audit and Risk Management Committee shall consider and review the effectiveness of or weaknesses in the Company's overall control environment, and any related significant findings and recommendations of the independent accountants, together with management's responses thereto.
- The Audit and Risk Management Committee shall review the coordination of the audit effort to assure completeness of coverage of key business controls and risk areas, reduction of redundant efforts, and the effective use of audit resources.
- The Audit and Risk Management Committee shall discuss the status and adequacy of management information systems and other information technology.
- The Audit and Risk Management Committee shall review filings with the SEC and other agencies, and other published documents containing the Company's financial statements, and

consider whether the information contained in these documents is consistent with the information contained in the financial statements.

- The Audit and Risk Management Committee shall recommend to the Board of Directors the External Auditor to be nominated and approved.

## PART III-CONTROL AND COMPENSATION INFORMATION

### Item 9. Directors and Executive Officers of the Company

#### **Jose Emmanuel H. Jalandoni**

56 years old

Filipino

Positions and offices held for the present and past five (5) years:

Chairman of the Board and President, Concrete Aggregates Corp.

Current Term of Office: May 2023 to May 2024

Period Served: 25 June 2015 to the present

Senior Vice President, Ayala Land, Inc.

Chairman of the Board and President, Ortigas Land Corporation

Chairman of the Board and President, Ortigas Commercial Corporation

Chairman of the Board and President, Ortigas Property Management, Inc.

Chairman of the Board, ALI Capital Corp.

Chairman of the Board, ALI Commercial Center Inc.

Chairman of the Board, ALI Makati Hotel and Residences, Inc.

Chairman of the Board, ALI Makati Hotel Property, Inc.

Chairman of the Board, ALI Triangle Hotel Ventures, Inc.

Chairman of the Board, ARCA South Hotel Ventures, Inc.

Chairman of the Board, AREIT, Inc.

Chairman of the Board, Asia Town Hotel Ventures, Inc.

Chairman of the Board, Ayala Hotels, Inc.

Chairman of the Board, AyalaLand Hotels and Resorts Corp.

Chairman of the Board, AyalaLand Medical Facilities Leasing, Inc.

Chairman of the Board, AyalaLand Offices, Inc.

Chairman of the Board, Bacuit Bay Development Corporation

Chairman of the Board, Bay Area Hotel Ventures, Inc.

Chairman of the Board, Bonifacio Hotel Ventures, Inc.

Chairman of the Board, Capitol Central Hotel Ventures, Inc.

Chairman of the Board, Cebu Insular Hotel Company, Inc.

Chairman of the Board, Central Bloc Hotel Ventures, Inc.

Chairman of the Board, Chirica Resorts Corporation

Chairman of the Board, Circuit Makati Hotel Ventures, Inc.

Chairman of the Board, Ecoholdings Company, Inc.

Chairman of the Board, Econorth Resort Ventures, Inc.

Chairman of the Board, Ecosouth Hotel Ventures, Inc.

Chairman of the Board, Enjay Hotels, Inc.

Chairman of the Board, Greenhaven Property Ventures Inc.

Chairman of the Board, Integrated Eco-Resort Inc.

Chairman of the Board, Lip Resort Ventures, Inc.

Chairman of the Board, Makati North Hotel Ventures, Inc.

Chairman of the Board, North Liberty Resort Ventures, Inc.

Chairman of the Board, President and Chief Executive Officer, North Triangle Hotel Ventures, Inc.

Chairman of the Board, President and Chief Executive Officer, Northgate Hotel Ventures, Inc.

Chairman of the Board, One Makati Hotel Ventures, Inc.

Chairman of the Board, One Makati Residential Ventures, Inc.

Chairman of the Board, Pangulasian Island Resort Corporation

Chairman of the Board, Paragua Eco-Resort Ventures, Inc.

Chairman of the Board, Sentera Hotel Ventures, Inc.

Chairman of the Board, Sicogon Island Tourism Estate Corp.

Chairman of the Board, Sicogon Town Hotel, Inc.

Chairman of the Board, President and Chief Executive Officer, Southcrest Hotel Ventures, Inc.

Chairman of the Board, Ten Knots Development Corporation

Chairman of the Board, Ten Knots Philippines, Inc.

Chairman of the Board, Whiteknight Holdings, Inc.  
Director, Anvaya Cove Golf and Sports Club, Inc.  
Director, AyaGold Retailers, Inc.  
Director, Ayala Property Management Corp.  
Director, Cagayan de Oro Gateway Corp.  
Director, Cebu Holdings, Inc.  
Director, Columbus Holdings, Inc.  
Director, Fort Bonifacio Development Corp.  
Director, Makati Cornerstone Leasing Corp.  
Director, Makati Development Corporation  
Director, Philippine Family Mart CVS, Inc.  
Director, Philippine Integrated Energy Solutions, Inc.  
Director, Station Square East Commercial Corp.  
President and Chief Executive Officer, AyalaLand Logistics Holdings Corporation

**Bernard Vincent O. Dy**

60 years old

Filipino

Positions and offices held for the present and past five (5) years:  
Director, Concrete Aggregates Corp.  
Current Term of Office: May 2023 to May 2024  
Period Served: 25 March 2021 to the present  
Director, Ortigas Land Corporation  
Director, Ortigas Commercial Corporation  
Advisor, Alveo-Federal Land Communities, Inc.  
Chairman of the Board, Ataraza Development Corporation  
Chairman of the Board, Alveo Land Corp.  
Chairman of the Board, Alviera Country Club, Inc.  
Chairman of the Board, Amaia Land Corp.  
Chairman of the Board, Amicassa Process Solutions, Inc.  
Chairman of the Board, Avencosouth Corp.  
Chairman of the Board, Aviana Development Corp.  
Chairman of the Board, Ayagold Retailers, Inc.  
Chairman of the Board, AyalaLand Logistics Holdings Corp.  
Chairman of the Board, Ayala Property Management Corporation  
Chairman of the Board, AyalaLand Commercial REIT, Inc.  
Chairman of the Board, AyalaLand-Tagle Properties, Inc.  
Chairman of the Board, Bellavita Land Corporation  
Chairman of the Board, BGNorth Properties, Inc.  
Chairman of the Board, BGSouth Properties, Inc.  
Chairman of the Board, BGWest Properties, Inc.  
Chairman of the Board, Cagayan de Oro Gateway Corp.  
Chairman of the Board, Makati Development Corporation  
Chairman of the Board, Nuevocentro, Inc.  
Chairman of the Board, Portico Land Corp.  
Chairman of the Board, Station Square East Commercial Corporation  
Chairman of the Board, Vesta Property Holdings, Inc.  
Director, President and Chief Executive Officer, Ayala Land, Inc.  
Director, President and Chief Executive Officer, Berkshires Holdings, Inc.  
Director, President and Chief Executive Officer, Bonifacio Land Corporation  
Director, President and Chief Executive Officer, Columbus Holdings, Inc.  
Director, President and Chief Executive Officer, Emerging City Holdings, Inc.  
Director, President and Chief Executive Officer, Fort Bonifacio Development Corporation  
Vice Chairman, Aurora Properties Incorporated  
Vice Chairman, Ayala Greenfield Development Corporation  
Vice Chairman, AyalaLand Premier, Inc.  
Vice Chairman, Ceci Realty, Inc.  
Senior Managing Director, Ayala Corporation  
Director and President, Alabang Commercial Corporation  
Member and President, Bonifacio Art Foundation, Inc.

Member and President, Hero Foundation Incorporated  
Member, Ayala Foundation, Inc.  
Member, Ayala Group Club, Inc.  
Director, Accendo Commercial Corp.  
Director, AKL Properties Inc.  
Director, ALI Eton Property Development Corporation  
Director, AREIT, Inc.  
Director, Avida Land Corp.  
Director, AyalaLand Medical Facilities Leasing, Inc.  
Director, MCT BHD  
Director, Philippine Integrated Energy Solutions, Inc.  
Director, Serendra, Inc.  
Director, WhiteKnight Holdings Inc.

**Jeffrey C. Lim**

62 years old  
Filipino

Positions and offices held for the present and past five (5) years:

Director, Concrete Aggregates Corporation  
Current Term of Office: May 2023 to May 2024  
Period Served: 25 June 2015 to the present  
President, SM Prime Holdings, Inc.  
President, SM Development Corporation (until 2 February 2020)  
Director, Ortigas Land Corporation  
Director, Ortigas Commercial Corporation

**Edmundo L. Tan**

78 years old  
Filipino

Positions and offices held for the present and past five (5) years:

Director, Concrete Aggregates Corporation  
Current Term of Office: May 2023 to May 2024  
Period Served: 25 June 2015 to 2 March 2016, 1 September 2019 to present  
Managing Partner, Tan Acut Lopez & Pison Law Offices  
Director, APC Group, Inc.  
Director, Aragorn Power and Energy Corporation  
Director, PRC MAGMA Resources, Inc.  
Director, Ortigas Land Corporation  
Director, Sagittarius Mines, Inc.  
Director, Philippine Global Communications, Inc.  
Adviser to the Board, BDO Leasing and Finance, Inc.  
Co-Founder and President, Philippine Dispute Resolution Center, Inc.  
Corporate Secretary, BDO Unibank, Inc.  
Corporate Secretary, BDO Private Bank, Inc.

**Ma. Asuncion O. Padilla**

56 years old  
Filipino

Positions and offices held for the present and past five (5) years:

Director, Concrete Aggregates Corporation  
Current Term of Office: May 2023 to May 2024  
Period Served: 25 June 2015 to the present  
Director, Ortigas Land Corporation  
Director, Ortigas Commercial Corporation  
Director, Sagitro, Inc.  
Director, Leafar Commercial Corporation  
Director, Leafar Foundation, Inc.  
Director, 3K BFusion Corporation  
Director, Tri Tuazon Megadevelopment Inc.

Director, Tri C5 Megadevelopment Inc.  
Director, Tri Loyola Megadevelopment Inc.  
Director, Tri Bulacan Megadevelopment Inc.  
Director, Tri Gastambide Megadevelopment Inc.  
Director, Tri Sky Megadevelopment Corporation  
Director, Tri Morato Megadevelopment Inc.  
Director, Tri Sta. Rosa Megadevelopment Inc.  
Director, Tri Calamba Megadevelopment Inc.  
Director, Tri City Megadevelopment Corporation  
Director, Tri Angeles Megadevelopment Inc.  
Director, Tri Lipa Megadevelopment Inc.  
Director, Tri Geronimo Megadevelopment Inc.  
Director, Tri Buendia Pasay Megadevelopment Inc.  
Director, Tri Alabang Zapote Megadevelopment Inc.  
Director, Creative Realty Dev. Inc.  
Director, Point Ad Inc.  
Director, Family Eatertainment Concepts, Inc.  
Director, Balibago Angeles Bar and Grill Inc.  
Director, Marcos Highway Bar and Grill Inc.  
Director, Philcoa Bar and Grill Inc.  
Director, Tuazon Bar and Grill Inc.  
Director, Dasmariñas Bar and Grille Inc.  
Director, Tayo Na Sa Bocobo, Inc.  
Director, Calle Industria Restaurant Inc.  
Director, Antipolo Circumferential Bar and Grill Inc.  
Director, Lipa Batangas Sisig Restaurant Inc.  
Director, EDSA Taft Bar and Grill Inc.  
Director, Padis Pub Inc.  
Director, Padis Place Inc.  
Director, Padis Cues Inc.  
Director, Baguio Padis, Inc.  
Director, Gotcha, Inc.  
Director, Big Red Barn Inc.  
Director, Fun Ranch Megadevelopment Inc.  
Director, Jump Yard Trampoline, Inc.  
Director, Padi's Point/Vicente A. Padilla Jr. Co.  
Director, First San Fernando Fun Sports Inc.  
Director, Barkada Entertainment Inc.  
Director, Jumping Jack Sports Inc.  
Director, Leaps N' Bounds Inc.  
Director, First Alabang Fun Sports Inc.  
Director, Lazer MAXX Games Shop Arcade Inc.  
Director, Dragon Arcade Megadevelopment Inc.  
Director, Chilly Festival Alabang Inc.  
Director, Geronimo Lacson Dining Inc.  
Director, High Up Gil Puyat Dining Corp.  
Director, Buendia Gil Puyat Dining Inc.  
Director, Tri South Drive Baguio Megadevelopment Inc.  
Director, Tri Fairview Regalado Megadevelopment Inc.  
Director, Tri Marcos Highway Megadevelopment Inc.  
Director, Tri Nakar Megadevelopment Inc.  
Director, Tri Rizal Tayuman Megadevelopment Inc.  
Director, Launchpad Group of Companies, Inc.  
Director, Kainan Alabang Zapote Inc.

**Samson C. Lazo**

79 years old

Filipino

Positions and offices held for the present and past five (5) years:

Independent Director, Concrete Aggregates Corporation  
Current Term of Office: May 2023 to December 2023

Period Served: 29 June 2006 to 31 December 2023

Fellow, Institute of Corporate Directors

Fellow, Philippine Institute of Civil Engineers, College of Fellows

Member, Rotary Club of Pasig

*\*Mr. Lazo resigned as a Director of CAC effective December 31, 2023.*

**Rolando R. Cruz**

63 years old

Filipino

Positions and offices held for the present and past five (5) years:

Independent Director, Concrete Aggregates Corporation  
Current Term of Office: May 2023 to May 2024

Period Served: 29 June 2017 to the present

Vice President for Nickel Mining Business, Nickel Asia Corporation (January 2023 to present)

Senior Vice President and Chief Operating Officer, Taganito Mining Corporation (January 2023 to present)

Senior Vice President and Chief Operating Officer, Cagdianao Mining Corporation (January 2023 to present)

Vice President – Corporate Planning and Revenue Assurance, Nickel Asia Corporation (March 2022 to December 2022)

Vice President – Research and Technology, Innovations and Corporate Special Projects; Officer-in-Charge of Strategic Development and Growth Group (June 2021 to March 2022)

Vice President – Project Development and Research, Nickel Asia Corporation (until May 2021)

Vice President – Operations, Dinapigue Mining Corporation (formerly Geogen Corporation) (July 2020 to January 2021)

Vice President – Project Development and Research, Dinapigue Mining Corporation (July 2018 to July 2020)

Vice President – Project Development and Research, Hinatuan Mining Corporation (until March 2018)

Vice President – Operations, Cagdianao Mining Corporation (until August 2017)

Member, Australian Institute of Mining & Metallurgy

**Independent Directors**

An independent director is a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Mr. Samson C. Lazo and Mr. Rolando R. Cruz were elected to serve as independent directors of the Company, pursuant to Section 38 of the Securities Regulation Code, during the Annual Stockholders' Meeting of the Company held last 26 May 2022.

The above independent directors had no involvement in any legal proceedings for the last five (5) years.

## **Significant Employees**

### **Michael David I. Abundo III**

**(seconded by virtue of the Management Agreement between OLC and CAC)**

54 years old

Filipino

Positions and offices held for the present and past five (5) years:

General Manager and Corporate Information Officer, Concrete Aggregates Corp.

Director and Corporate Secretary, Ortigas Property Management, Inc.

Director, Concrete Aggregates Corp. (until 1 April 2016)

Vice President, Corporate Secretary, Head - Corporate Resources Division, Head – Legal and Administrative Services and Strategic Business Unit Head for Estates and Horizontal Development, Ortigas Land Corporation

Vice President, Corporate Secretary, and Head – Corporate Resources Division, Ortigas Commercial Corporation

### **Davee M. Zuñiga**

**(seconded by virtue of the Management Agreement between OLC and CAC)**

52 years old

Filipino

Positions and offices held for the present and past five (5) years:

Treasurer and Chief Finance Officer, Concrete Aggregates Corporation

Director, Treasurer and Chief Finance Officer, Ortigas Property Management, Inc.

Treasurer and Chief Finance Officer, Ortigas Land Corporation

Treasurer and Chief Finance Officer, Ortigas Commercial Corporation

Vice President – Internal Audit, SM Prime Holdings, Inc.

Partner – Assurance Advisory Services, Sycip Gorres Velayo & Co.

### **Maria Jennifer J. Almojuela**

**(seconded by virtue of the Management Agreement between OLC and CAC)**

46 years old

Filipino

Positions and offices held for the present and past five (5) years:

Head of Finance, Concrete Aggregates Corp.

Controller, Ortigas Land Corporation

Financial Controller and IT Head, International SOS (Phils.) Inc.

Deputy Chief Finance Officer – Residential Business Group (RBG) Sales Finance, Ayala Land, Inc.

Deputy Chief Finance Officer, Ayala Land International Sales (ALISI)

Deputy Chief Finance Officer, Ayala Land International Marketing (ALIM San Francisco, ALIM Italy, ALIM Hongkong, ALIM Singapore, ALIM London and ALIM Dubai)

Head of Corporate Finance, Ayala Land, Inc.

Financial Planning and Analysis Manager, Abbott Laboratories Inc.

Strategy Partner – Finance, Globe Telecom, Inc.

### **Ronilo B. Quiat**

**(seconded by virtue of the Management Agreement between OLC and CAC)**

56 years old

Filipino

Positions and offices held for the present and past five (5) years:

Special Projects Head, Concrete Aggregates Corporation

Assistant Vice President - Information Systems and Technology, Ortigas Land Corporation

**Jose Antonio V. Evangelista III****(seconded by virtue of the Management Agreement between OLC and CAC)**

51 years old

Filipino

Positions and offices held for the present and past five (5) years:

Corporate Secretary, Chief Risk Officer and Corporate Information Officer, Concrete Aggregates Corporation\*\*\*\*

Assistant Vice President - Legal, Ortigas Land Corporation

**Isagani Elias A. Elacio****(seconded by virtue of the Management Agreement between OLC and CAC)**

50 years old

Filipino

Positions and offices held for the present and past five (5) years:

Assistant Corporate Secretary, Compliance Officer, Corporate Information Officer and Investor Relations Officer, Concrete Aggregates Corporation

Assistant Vice President - Head of External Affairs, Ortigas Land Corporation

**Family Relationships**

None of the directors elected in 2023 is related by consanguinity or affinity.

**Involvement in Certain Legal Proceedings**

Except as disclosed below, the above directors and executive officers had no involvement in any material legal proceedings for the last five (5) years. No director declined to stand for re-election to the Board of Directors since the date of the last annual meeting.

None of the directors is a party to any pending case, whether civil or criminal in nature.

**Item 10. Compensation of Directors and Executive Officers**

A regular Board meeting is scheduled every quarter, and each director receives a token sum of ₱7,500 per board meeting and ₱5,000 per diem allowance for each committee meeting attended. The total annual per diems and allowances for 2023 was ₱0.12 million. Committee meetings are held in accordance with the specific committee's charter with additional meetings held as needed. The Company likewise adopted a Compensation Policy for Directors and Officers, which was unanimously approved by its stockholders on 11 November 2008. On 29 November 2012, the Board of Directors also approved the grant of a special bonus to non-executive directors of the corporation in the total amount of ₱500,000.00, which was approved by the stockholders during the meeting that was held last 15 February 2013.

Except as otherwise stated in this report, none of the incumbent directors of the Company serve in any other capacity whether as consultant or otherwise. Neither is there any contract, employment or compensatory plan between the Company and any director or named executive officer.

Herein below is the disclosure of the compensation received by the Company's key officer/s for the last three (3) fiscal years, to wit:

**Summary Compensation Table**

**Annual Compensation for year 2021**

Particulars	Salary & Per Diems (Aggregate Amount)	Bonus (Aggregate Amount)	Other Annual Compensation
Key Officer (Mining Engineer)	₱540,000	₱90,000	₱67,500
Directors	₱92,500		

**Annual Compensation for year 2022**

Particulars	Salary & Per Diems (Aggregate Amount)	Bonus (Aggregate Amount)	Other Annual Compensation
Key Officer (Mining Engineer)	₱583,200	₱93,600	₱83,500
Directors	₱70,357		

**Annual Compensation for year 2023**

Particulars	Salary & Per Diems (Aggregate Amount)	Bonus (Aggregate Amount)	Other Annual Compensation
Key Officer (Mining Engineer)	₱878,067	₱152,352	₱83,632
Directors	₱101,786		

**Estimated Annual Compensation for year 2024**

Particulars	Salary (Aggregate Amount)	Bonus (Aggregate Amount)	Other Annual Compensation
Key Officer (Mining Engineer)	₱945,024	₱105,502	₱49,378
Directors	₱105,000		

The Mining Engineer is a regular employee of the Company and is the only managerial employee who has received compensation from the Company for the last three years. The current Mining Engineer as of reporting date is Ms. Mae Lean Langcay. For the executive officers of the Company, such as the President, Chief Finance Officer, General Manager, Corporate Secretary, Treasurer, Head of Finance, Assistant Corporate Secretary and Special Projects Head, there is no compensation given by the Company for their services, as they are performing the said services not as regular employees of the Company but pursuant to the Management Agreement between the Company and OLC.

The following benefits apply to key officer/s:

Benefit	Criteria
Monthly Gasoline Allowance	₱5,000
Medical Allowance	₱7,500 annual
Health Plan	₱275,000 annual limit
Group Life Insurance	₱2,000,000 coverage
Omnibus Loan	Maximum of ₱35,000 payable in 1 year at 0% interest
Annual Clothing Allowance	₱8,000
Training Budget	Individual - ₱24,000 Common Budget - ₱32,000
Leaves	15 days' vacation leave accrueable up to 30 days; leaves in excess of 30 days are forfeited 15 days sick leave accrueable up to 90 days; leaves in excess of 90 days may be encashed

**Item 11. Security Ownership of Certain Beneficial Owners and Management****Security Ownership of Certain Beneficial Owners**

<b>Title of Class</b>	<b>Name &amp; address of record owner and (Relationship with Issuer)</b>	<b>Name of Beneficial Owner and (Relationship with Record Owner)</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>% of class</b>
Class "A" and "B"	Ortigas & Company, Limited Partnership 7 <sup>th</sup> Floor Estancia West Wing, Brgy. Oranbo, Pasig City (Security Holder)	Ortigas & Company Limited Partnership (Same Entity)	Filipino	21,007,585 (16,021,973 Common A and 4,985,612 Common B shares)	76.48

The cutoff date for the determination of the above is 31 December 2023.

**Security Ownership of Management**

## Board of Directors

<b>Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount and Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>% of Class</b>
Class A	Jose Emmanuel H. Jalandoni	1 (direct)	Filipino	Negligible
Class A	Ma. Asuncion O. Padilla (Director)	7,119 (direct)	Filipino	0.03%
Class A	Bernard Vincent O. Dy	1 (direct)	Filipino	Negligible
Class A	Jeffrey C. Lim (Director)	1 (direct)	Filipino	Negligible
Class A	Edmundo L. Tan (Director)	1 (direct) 1,000 (through Goldstar Securities, Inc.)	Filipino	Negligible
Class A	Samson C. Lazo (Independent Director)	1 (direct)	Filipino	Negligible
Class A	Rolando R. Cruz (Independent Director)	1 (direct)	Filipino	Negligible
<b>Total</b>		<b>8,125</b>		<b>0.03% (Negligible)</b>

The cutoff date for the determination of the above is 31 December 2023.

The aggregate ownership of all the Directors as a group totals 8,125 shares or 0.03%, considered negligible as compared with the total amount of outstanding shares.

The voting powers of OCLP reside with the duly authorized person who is designated to attend the Stockholders' Meeting. The Company will only know who will represent OCLP at the stockholders' meeting when the representative attends the meeting.

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

No portion of the outstanding capital stock, whether under Class A or Class B shares, has been the subject of a voting trust agreement or any similar agreement.

### **Changes in Control**

No change in the control of the Company has occurred since the beginning of the last fiscal year.

### **Item 12. Certain Relationships and Related Transactions**

In the ordinary course of business, the Company enters into transactions with OCLP, its parent Company, and OLC, its ultimate parent company and its subsidiaries.

The Company entered into a Management Agreement with OCLP in 2005, which provides for the general management and overall supervision of the affairs and business operations of the Company by OCLP. The Management Agreement was renewed thrice – in 2010, 2015 and 2020 – each for a period of five years under the same terms and conditions. The Management Agreement with OLC was approved unanimously by the stockholders during the Annual Stockholders' Meeting held on June 25, 2020. The current Management Agreement with OLC is effective from 1 November 2020 to 31 October 2025.

Further descriptions and explanations of the above transaction are disclosed in other parts of this report and in Note 13, Related Party Transactions, to the Annual Audited Consolidated Financial Statements attached as an Exhibit to this report.

There exist no transactions, actual or proposed, in which the Company and any of its directors, executive officers, nominees for election as directors, security holders and their relatives to the second civil degree by consanguinity or affinity, were parties for the last three years.

## **PART IV – CORPORATE GOVERNANCE**

### **Annual Corporate Governance Report**

Pursuant to SEC Memorandum Circular No. 15, Series of 2017, the “Integrated Annual Corporate Governance Report (ACGR) for 2019” is not required to be attached to the 2023 Annual Report. The I-ACGR will be submitted to the Commission on or before 30 May 2024.

## PART V – EXHIBITS AND SCHEDULES

### Item 14. Exhibits and Reports on SEC Form 17-C

#### Exhibits

Attached to this SEC 17-A Report and made an integral part hereof is the Audited Consolidated Financial Statements and Sustainability Report of the Company for 2023.

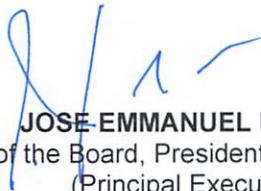
#### Reports on SEC Form 17-C

The following reports on SEC Form 17-C were filed with the SEC during the last six months of 2023 (July – December 2023):

- a. Highlights of the Regular Meeting of the Board of Directors – 27 July 2023
- b. Certificates of Attendance of Ms. Ma. Asuncion O. Padilla and Ms. Maria Jennifer J. Almojuela in a Corporate Governance Webinar for 2023 – Filed on 4 August 2023
- c. List of Stockholders as of Record Date of 26 September 2023 for the 26 October 2023 Special Stockholders' Meeting of the Corporation – 27 September 2023
- d. Affidavit of Publication of the Notice of the 26 October 2023 Special Stockholders' Meeting – 9 October 2023
- e. Highlights of the 2023 Special Stockholders' Meeting of Concrete Aggregates Corp. – Filed on 26 October 2023
- f. Certificate of Attendance of Mr. Davee M. Zuñiga in a Corporate Governance Webinar for 2022 – Filed on 31 October 2023

## SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 177 of the Revised Corporation Code, this Annual Report is signed on behalf of Concrete Aggregates Corporation by the undersigned, hereunto duly authorized, in Pasig City on \_\_\_\_\_, 2024.



**JOSE EMMANUEL H. JALANDONI**

Chairman of the Board, President, and Chief Executive Officer  
(Principal Executive Officer)



**DAVEE M. ZUÑIGA**

Treasurer & Chief Finance Officer  
(Principal Finance & Accounting Officer  
and exercising Comptrollership functions)



**MICHAEL DAVID I. ABUNDO III**

General Manager  
(Principal Operating Officer)



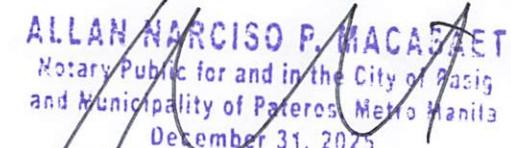
**JOSE ANTONIO V. EVANGELISTA III**

Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 11 2024, 2024, affiants exhibiting to me their respective Competent Evidence of Identity, as follows:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date of Issue/Expiration/ Place of Issue</u>
Jose Emmanuel H. Jalandoni	Passport No. P6984078B	15 June 2021/Manila
Davee M. Zuñiga	DL No. C11-97-099778	11 November 2032/NCR
Michael David I. Abundo III	Passport No. P0673998C	24 June 2022/Manila
Jose Antonio V. Evangelista III	Passport No. P9958103B	6 May 2022/Manila

Doc. No. 193  
Page No. 90  
Book No. 118  
Series of 2024.



**ALLAN NARCISO P. MACASAET**  
Notary Public for and in the City of Pasig  
and Municipality of Pateros, Metro Manila  
December 31, 2025  
Appointment No. 38 (2024-2025)  
16/F, Unit 1602 The Centerpoint Bldg.,  
Julia Vargas Ave., Ortigas Center, Pasig City  
IBP No. 328778-12/15/2023-RSM  
PTR No. 0173852-01/03/2024-Pasig City  
Roll No. 42176

**Fwd: SEC eFast Initial Acceptance**

Jose Antonio V. Evangelista III <evangelistajv@ortigas.com.ph>

Sat 4/13/2024 1:04 PM

To:Xantine Kristel C. Morales <moralesxc@ortigas.com.ph>;Andrea Romina DT. Cruz <cruzardt@ortigas.com.ph>

FYI

Begin forwarded message:

**From:** noreply-cifssost@sec.gov.ph

**Date:** April 13, 2024 at 12:18:21 PM GMT+8

**Subject: SEC eFast Initial Acceptance**

**CAUTION:** External email "Do NOT click on the links or open the attachments, unless you recognize the sender and content is safe".

Greetings!

**SEC Registration No:** 0000036140

**Company Name:** CONCRETE AGGREGATES CORP.

**Document Code:** AFS

This serves as temporary receipt of your submission.

Subject to verification of form and quality of files of the submitted report.

Another email will be sent as proof of review and acceptance.

Thank you.

**REMINDER:**

TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instruction stated in the form.

Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer.

1. General Information Sheet (GIS-Stock)
2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements.

A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, 7907 Makati Avenue,  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

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THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS  
EMAIL

**COVER SHEET**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

3	6	1	4	0
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**COMPANY NAME**

C	O	N	C	R	E	T	E	A	G	G	R	E	G	A	T	E	S	C	O	R	P.	A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S														

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

7	F	W	E	S	T	W	I	N	G	,	E	S	T	A	N	C	I	A	O	F	F	I	C	E	S	
C	A	P	I	T	O	L	C	O	M	M	O	N	S	,												
M	E	R	A	L	C	O	A	V	E	N	U	E	,	P	A	S	I	G	C	I	T	Y				

Form Type

A	F	S
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Department requiring the report

C	R	M
---	---	---

Secondary License Type, if Applicable

N	/	A
---	---	---

**COMPANY INFORMATION**

Company's Email Address

[concreteaggregatescorp@cac.com.ph](mailto:concreteaggregatescorp@cac.com.ph)

Company's Telephone Number/s

+632-8631-1231

Mobile Number

+632-8631-1231

No. of Stockholders

545

Annual Meeting (Month/Day)

May 23

Fiscal Year (Month/Day)

December 31

**CONTACT PERSON INFORMATION**

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Atty. Jose Antonio V. Evangelista  
III

Email Address

[evangelistajv@ortigas.com.ph](mailto:evangelistajv@ortigas.com.ph)

Telephone Number/s

+632-8631-1231

Mobile Number

+632-8631-1231

**CONTACT PERSON's ADDRESS**

7<sup>th</sup> Floor West Wing, Estancia Offices, Capitol Commons, Meralco Avenue, Pasig City 1600

**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 of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of Concrete Aggregates Corporation (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

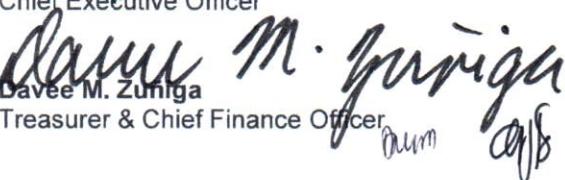
The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the shareholders.

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

By:

  
**Jose Emmanuel H. Jalandoni**  
 Chairman of the Board, President and  
 Chief Executive Officer

  
**Michael David I. Abundo III**  
 General Manager

  
**Davee M. Zuñiga**  
 Treasurer & Chief Finance Officer

Signed this 21<sup>st</sup> day of March 2024.

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of MAR 22 2024, affiants exhibiting to me their respective Valid Proofs of Identity as follows:

<u>Name</u>	<u>Passport/License No.</u>	<u>Date/Place of Issue</u>
Jose Emmanuel H. Jalandoni	P6984078B	15 June 2021/Manila
Michael David I. Abundo III	P0673998C	24 June 2022/Manila
Davee M. Zuñiga	C-11-97-099778	11 November 2022/NCR

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 Page No. 77  
 Book No. 111  
 Series of 2024

## Concrete Aggregates Corporation

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**From:** eafs@bir.gov.ph  
**Sent:** Thursday, April 11, 2024 4:54 PM  
**To:** REGARDASF@ORTIGAS.COM.PH  
**Cc:** concreteaggregates@outlook.com  
**Subject:** Your BIR AFS eSubmission uploads were received

Hi CONCRETE AGGREGATES CORP.,

### Valid files

- EAFS000201881RPTTY122023.pdf
- EAFS000201881TCRTY122023-02.pdf
- EAFS000201881AFSTY122023.pdf
- EAFS000201881OTHY122023.pdf
- EAFS000201881TCRTY122023-01.pdf
- EAFS000201881ITRTY122023.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-A7E6L67B0ACFE9E7EQTQZN3PY0A9B8K5KH**

Submission Date/Time: **Apr 11, 2024 04:53 PM**

Company TIN: **000-201-881**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **CONCRETE AGGREGATES CORPORATION** (the "Company") is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2023. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2023 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Company, complete and correct in all material respects. The Management likewise affirms that:

- a. the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b. any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and,
- c. the Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable, have been paid for the reporting period, except those contested in good faith.



JOSE EMMANUEL H. JALADONI  
Chairman of the Board, President and Chief Executive Officer



DAVEE M. ZUÑIGA  
Treasurer and Chief Finance Officer  
*dmz*

Signed this 21<sup>st</sup> day of March 2024



## Independent Auditor's Report

To the Board of Directors and Shareholders of  
**Concrete Aggregates Corporation and Subsidiaries**  
7th Floor West Wing, Estancia Offices, Capitol Commons  
Meralco Avenue, Pasig City

### ***Report on the Audits of the Consolidated Financial Statements***

#### **Our Opinion**

In our opinion, the accompanying consolidated financial statements of Concrete Aggregates Corporation (the "Parent Company") and its Subsidiaries (together, the "Group") present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

#### *What we have audited*

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2023;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Concrete Aggregates Corporation and Subsidiaries  
Page 2

### **Our Audit Approach**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the recoverability of investment properties.

<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<b>Recoverability of investment properties</b>  Refer to Notes 6, 21.8 and 21.11 in the consolidated financial statements.  The total carrying value of investment properties held by the Group as at December 31, 2023 amounts to P63.80 million. A testing of the recoverability is necessary considering that the said investment properties have not undertaken significant development. The estimated fair values of the Group's investment properties approximate P967.48 million as at December 31, 2023.	The Group has assessed whether impairment indicators exist by referencing to the fair values of the investment properties as at December 31, 2023 using the market approach. Under this approach, the fair values are based on management's information about the sales prices of comparable properties within the vicinity.  We obtained the appraisal reports for investment properties and assessed the independence and competence of the external appraiser engaged by the Group. We also obtained an understanding of the external appraiser's work including the data, assumptions and calculation methods utilized and evaluated the relevance and reasonableness of the external appraiser's findings and conclusions and consistency with other audit evidence we obtained. We likewise assessed the highest and best use of the properties based on current conditions and locations.



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Concrete Aggregates Corporation and Subsidiaries  
Page 3

**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) and SEC Form 17-A, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A are expected to be made available to us after the date of this auditor's 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 PFRSs, 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 ability of the Group 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.

**Auditor's 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 auditor's 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 PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Concrete Aggregates Corporation and Subsidiaries  
Page 4

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Concrete Aggregates Corporation and Subsidiaries  
Page 5

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ruth F. Blasco.

**Isla Lipana & Co.**

A handwritten signature of "Ruth F. Blasco" in black ink, with a checkmark symbol at the end of the signature line.

Ruth F. Blasco

Partner

CPA Cert No. 112595

P.T.R. No. 0018519, issued on January 11, 2024, Makati City

TIN 235-725-236

BIR A.N. 08-000745-133-2023, issued on May 9, 2023; effective until May 8, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
March 21, 2024



## **Statements Required by Rule 68 Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of  
**Concrete Aggregates Corporation and Subsidiaries**  
7th Floor West Wing, Estancia Offices, Capitol Commons  
Meralco Avenue, Pasig City

We have audited the consolidated financial statements of Concrete Aggregates Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated March 21, 2024. The supplementary information shown in the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration and the Ortigas Group Structure within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F, and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

### **Isla Lipana & Co.**

A handwritten signature in black ink that appears to read "Ruth F. Blasco".

Ruth F. Blasco

Partner

CPA Cert No. 112595

P.T.R. No. 0018519, issued on January 11, 2024, Makati City

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BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
March 21, 2024



**Statements Required by Rule 68  
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of  
**Concrete Aggregates Corporation and Subsidiaries**  
7th Floor West Wing, Estancia Offices, Capitol Commons  
Meralco Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Concrete Aggregates Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at December 31, 2023 and 2022 and for the each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 21, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule of 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 (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC 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 PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

**Isla Lipana & Co.**

A handwritten signature in black ink that reads "Ruth Blasco". A small checkmark is placed to the right of the signature.

Ruth F. Blasco

Partner

CPA Cert No. 112595

P.T.R. No. 0018519, issued on January 11, 2024, Makati City

TIN 235-725-236

BIR A.N. 08-000745-133-2023, issued on May 9, 2023; effective until May 8, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
March 21, 2024

**Concrete Aggregates Corporation and Subsidiaries**

Consolidated Statements of Financial Position  
As at December 31, 2023 and 2022  
(All amounts in Philippine Peso)

	Notes	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	160,270,976	166,389,321
Receivables, net	3	30,605,387	17,182,545
Prepaid expenses	4	5,912,506	5,848,342
<b>Total current assets</b>		<b>196,788,869</b>	<b>189,420,208</b>
<b>Non-current assets</b>			
Property and equipment, net	5	59,275,273	59,502,686
Investment properties, net	6	63,789,291	57,382,692
Deferred income tax assets, net	12	1,337,422	1,412,172
Other non-current assets	7	34,497,855	33,910,366
<b>Total non-current assets</b>		<b>158,899,841</b>	<b>152,207,916</b>
<b>Total assets</b>		<b>355,688,710</b>	<b>341,628,124</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade and other payables	8	14,708,042	8,969,797
Dividends payable	9	7,206,550	6,953,075
Income tax payable		2,179,485	861,541
<b>Total current liabilities</b>		<b>24,094,077</b>	<b>16,784,413</b>
<b>Non-current liabilities</b>			
Rental deposits		473,700	473,700
Decommissioning liability	7	23,297,506	23,288,060
<b>Total non-current liabilities</b>		<b>23,771,206</b>	<b>23,761,760</b>
<b>Total liabilities</b>		<b>47,865,283</b>	<b>40,546,173</b>
<b>Equity</b>			
Share capital	9	274,664,490	274,664,490
Share premium		1,069,304	1,069,304
Accumulated other comprehensive income		1,671,350	1,206,799
Retained earnings		30,418,283	24,141,358
<b>Total equity</b>		<b>307,823,427</b>	<b>301,081,951</b>
<b>Total liabilities and equity</b>		<b>355,688,710</b>	<b>341,628,124</b>

The notes on pages 1 to 28 are an integral part of these financial statements.

**Concrete Aggregates Corporation and Subsidiaries**

Consolidated Statements of Total Comprehensive Income  
 For each of the three years in the period ended December 31, 2023  
 (All amounts in Philippine Peso)

	<b>Notes</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	16	59,361,885	40,575,195	38,586,592
Operating expenses	10	(29,013,765)	(17,061,656)	(16,049,050)
<b>Operating income</b>		30,348,120	23,513,539	22,537,542
Other income, net	11	6,652,688	4,486,149	3,077,255
<b>Income before income tax</b>		37,000,808	27,999,688	25,614,797
Income tax expense	12	(7,569,666)	(4,847,981)	(4,565,845)
<b>Net income for the year</b>		29,431,142	23,151,707	21,048,952
<b>Other comprehensive income</b>				
<i>Item that may not be subsequently reclassified to profit or loss</i>				
Fair value gain on financial assets at fair value through other comprehensive income (FVOCI), net of tax		464,551	163,455	294,287
<b>Total comprehensive income for the year</b>		29,895,693	23,315,162	21,343,239
Basic and diluted earnings per share	14	1.07	0.84	0.77

The notes on pages 1 to 28 are an integral part of these financial statements.

**Concrete Aggregates Corporation and Subsidiaries**

Consolidated Statements of Changes in Equity  
 For each of the three years in the period ended December 31, 2023  
 (All amounts in Philippine Peso)

	<b>Share capital (Note 9)</b>	<b>Share premium</b>	<b>Accumulated other comprehensive income</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balances at January 1, 2021</b>	274,664,490	1,069,304	749,057	13,449,767	289,932,618
<b>Comprehensive income</b>					
Net income for the year	-	-	-	21,048,952	21,048,952
Other comprehensive income	-	-	294,287	-	294,287
<b>Total comprehensive income for the year</b>	-	-	294,287	21,048,952	21,343,239
<b>Transaction with owners</b>					
Cash dividends	-	-	-	(12,359,902)	(12,359,902)
<b>Balances at December 31, 2021</b>	274,664,490	1,069,304	1,043,344	22,138,817	298,915,955
<b>Comprehensive income</b>					
Net income for the year	-	-	-	23,151,707	23,151,707
Other comprehensive income	-	-	163,455	-	163,455
<b>Total comprehensive income for the year</b>	-	-	163,455	23,151,707	23,315,162
<b>Transaction with owners</b>					
Cash dividends	-	-	-	(21,149,166)	(21,149,166)
<b>Balances at December 31, 2022</b>	274,664,490	1,069,304	1,206,799	24,141,358	301,081,951
<b>Comprehensive income</b>					
Net income for the year	-	-	-	29,431,142	29,431,142
Other comprehensive income	-	-	464,551	-	464,551
<b>Total comprehensive income for the year</b>	-	-	464,551	29,431,142	29,895,693
<b>Transaction with owners</b>					
Cash dividends	-	-	-	(23,154,217)	(23,154,217)
<b>Balances at December 31, 2023</b>	274,664,490	1,069,304	1,671,350	30,418,283	307,823,427

The notes on pages 1 to 28 are an integral part of these financial statements.

**Concrete Aggregates Corporation and Subsidiaries**

Consolidated Statements of Cash Flows  
 For each of the three years in the period ended December 31, 2023  
 (All amounts in Philippine Peso)

	Notes	2023	2022	2021
<b>Cash flows from operating activities</b>				
Cash generated from operations	15	25,478,454	17,071,266	25,109,350
Interest received	2,7,11	4,006,909	1,940,208	625,783
Income taxes paid		(6,258,952)	(4,474,819)	(4,698,422)
Net cash from operating activities		23,226,411	14,536,655	21,036,711
<b>Cash flows used in investing activities</b>				
Acquisition of:				
Property and equipment	5	-	(324,821)	(117,420)
Investment property	6	(6,444,014)	-	-
Net cash used in investing activities		(6,444,014)	(324,821)	(117,420)
<b>Cash flows used in financing activity</b>				
Dividends paid		(22,900,742)	(20,657,883)	(12,336,628)
<b>Net (decrease) increase in cash and cash equivalents</b>		(6,118,345)	(6,446,049)	8,582,663
<b>Cash and cash equivalents</b>				
At January 1		166,389,321	172,835,370	164,252,707
At December 31	2	160,270,976	166,389,321	172,835,370

The notes on pages 1 to 28 are an integral part of these financial statements.

## **Concrete Aggregates Corporation and Subsidiaries**

Notes to the Consolidated Financial Statements

As at December 31, 2023 and 2022 and

for each of the three years in the period ended December 31, 2023

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

### **1 General information**

Concrete Aggregates Corporation (the "Parent Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on August 23, 1968. The Parent Company is listed in the Philippine Stock Exchange (PSE) and is primarily engaged in quarrying, crushing and selling basalt concrete aggregates. As its secondary purpose, the Parent Company is permitted to, among others, engage in real estate business and purchase, own, subdivide, sell, lease, rent, mortgage, take option or otherwise deal in real property, improved or unimproved, be it residential, commercial, or agricultural, insofar as may be permitted by law. On March 15, 2018, the Board of Directors (BOD) of the Parent Company approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate life of the Parent Company, which expired on August 23, 2018, for another 50 years or up to August 23, 2068. In 2023, a special shareholders' meeting was held granting permission to management to pursue the activities related to the Parent Company's secondary purpose.

On April 2, 1973, the Parent Company attained its status of being a "publicly listed company" when it listed its shares in the PSE. As a publicly listed company, it is covered by the Securities Regulation Code (SRC) Rule 68. There is no other listing or follow on offering thereafter.

The Parent Company's quarrying operations in its property in Barangay San Isidro, Angono, Rizal is allowed by virtue of Mineral Production Sharing Agreements (MPSA) and Environmental Clearance Certificates (ECC) issued by the Department of Environment and Natural Resources (DENR).

The Parent Company's immediate parent is Ortigas & Company, Limited Partnership (OCLP), and its ultimate parent is Ortigas Land Corporation (OLC), which are both domiciled in the Philippines.

Details of the Parent Company's wholly owned subsidiaries, which are currently dormant companies, are as follows:

Name of Subsidiary	Country of incorporation	Principal activities	% of ownership	
			2023	2022
CAC Insurance Agency Corp. (CIAC)	Philippines	General insurance	100	100
CAC Marketing and Services Corp. (CMSC)	Philippines	Marketing	100	100

The Parent Company and its subsidiaries are collectively referred to as the Group in these consolidated financial statements.

On June 1, 2008, the consortium of Republic Cement Corporation and Lafarge Holdings (Philippines), Inc. (the "Consortium"), through Batong Angono Aggregates Corporation (BAAC), took over the Parent Company's quarrying operations by virtue of the Parent Company's Memorandum of Agreement with the Consortium dated January 18, 2008 and its Operating Agreement with BAAC dated January 23, 2008. In return, the Parent Company shall receive lump sum and basic royalty fees in accordance with the terms of its Operating Agreement (Note 16). BAAC was eventually renamed to LafargeHolcim Aggregates, Inc. (LHAI) in 2015. A change of name was once again undertaken in 2022 wherein LHAI changed its name to Helix Aggregates Inc. (HAI).

Pursuant to the Operating Agreement, the Parent Company's quarrying operations, including its employees, were transferred to HAI in 2008. Consequently, the Parent Company settled its retirement obligation to almost all of its employees and the remaining retirement plan assets were returned to the Parent Company in 2009. As at December 31, 2023 and 2022, the Parent Company has only two regular employees.

The registered office address and principal place of business of the Group is located at the 7th Floor, West Wing, Estancia Offices, Capitol Commons, Meralco Avenue, Pasig City.

These consolidated financial statements have been approved and authorized for issuance by the Parent Company's BOD on March 21, 2024.

## 2 Cash and cash equivalents

The account at December 31 consists of:

	2023	2022
Cash on hand	60,000	60,000
Cash in banks	14,670,219	23,991,222
Short-term placements	145,540,757	142,338,099
	160,270,976	166,389,321

Cash in banks consist of current and savings deposits with universal banks which earn interest at the prevailing bank deposit rates. The short-term placements consist of time deposits which have maturities of up to one month (2022 - one month) depending on the immediate cash requirements of the Group and earn interest based on prevailing short-term rates.

Interest income arising from savings and time deposits for the year ended December 31, 2023 amounted to P3.26 million (2022 - P1.58 million; 2021 - P0.60 million) (Note 11).

## 3 Receivables, net

The account at December 31 consists of:

	Note	2023	2022
Trade receivables	16	30,318,003	16,843,411
Other receivables		9,561,479	9,613,229
		39,879,482	26,456,640
Allowance for impairment of other receivables		(9,274,095)	(9,274,095)
		30,605,387	17,182,545

Trade receivables have credit term of 15-30 days and earn interest at 12% per annum.

Other receivables mainly pertain to receivables from customers of the Group's discontinued Engineering and Construction Division in 2008 and advances from officers and employees.

There are no movements in allowance for impairment of other receivables for each of the three years in the period ended December 31, 2023.

*Critical accounting estimate: Expected credit loss on receivables*

Expected credit loss (ECL) represents an unbiased probability-weighted estimate of credit loss which is determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward-looking information, as relevant, including significant changes in external market indicators which involved estimates and judgments.

The Group has receivables from royalty and rental revenue. There has been no significant history of credit loss or default and the amounts have been fully collectible; hence, the ECL arising from trade receivables is assessed to be immaterial.

The allowance for impairment pertains to other receivables, which are substantially impaired.

Management believes, based on its assessment, that the carrying amount of receivables as at December 31, 2023 and 2022 is recoverable.

**4 Prepaid expenses**

As at December 31, 2023, prepaid expenses amount to P5,912,506 (2022 - P5,848,342) and consist mainly of real property tax and business tax paid in advance.

## 5 Property and equipment, net

Details of property and equipment, net, and their movements during the years ended December 31 are as follows:

	Land	Buildings and improvements	Transportation, furniture and equipment	Total
<b>Gross carrying amount</b>				
At January 1, 2022	58,494,228	7,410,406	503,499	66,408,133
Additions in 2022	-	84,821	240,000	324,821
<b>At December 31, 2022 and 2023</b>	<b>58,494,228</b>	<b>7,495,227</b>	<b>743,499</b>	<b>66,732,954</b>
<b>Accumulated depreciation and amortization</b>				
At January 1, 2022	-	6,576,417	415,746	6,992,163
Depreciation and amortization (Note 10)	-	116,568	121,537	238,105
At December 31, 2022	-	6,692,985	537,283	7,230,268
Depreciation and amortization (Note 10)	-	121,869	105,544	227,413
<b>At December 31, 2023</b>	<b>-</b>	<b>6,814,854</b>	<b>642,827</b>	<b>7,457,681</b>
<b>Net carrying amount</b>				
At December 31, 2022	58,494,228	802,242	206,216	59,502,686
<b>At December 31, 2023</b>	<b>58,494,228</b>	<b>680,373</b>	<b>100,672</b>	<b>59,275,273</b>

As at December 31, 2023, the fully depreciated assets still in use amounted to P5.58 million (2022 - P5.53 million). There is no disposal of property and equipment for the years ended December 31, 2023 and 2022. On January 1, 2024, a portion of the quarry site, presented above as Land, will be available for another purpose following the partial turnover from HAI to the Parent Company.

Critical accounting estimate: Useful lives of long-lived assets

The Group estimates the useful life of each of its property and equipment based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible however, that future results of operations could be materially affected by changes in the amounts and timing or recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of property and equipment would increase the recorded operating expenses and decrease non-current assets.

If the actual useful lives of the property and equipment differ by 10% higher or lower from management's estimate, the carrying amount of property and equipment as at December 31, 2023 would be estimated P0.02 million higher or P0.03 million lower, respectively (2022 - P0.02 million higher or P0.03 million lower, respectively).

Critical accounting judgment: Impairment of long-lived assets

The Group likewise determines whether there are indicators of impairment on its property and equipment at least on an annual basis. This includes considering certain factors such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. If indicators of impairment have been identified, the Group determines the recoverable amount of the asset which is the higher of the asset's fair value less cost to sell and value-in-use.

Given the historical profitable operations and sustained profit projections, the Group has assessed that there are no impairment indicators with respect to its non-financial assets as at December 31, 2023 and 2022.

**6 Investment properties, net**

Details of investment properties, net, and their movements during the years ended December 31 are as follows:

	Land	Land improvements	Condominium unit and parking slots	Total
<b>Gross carrying amount</b>				
At January 1 and December 31, 2022	57,077,135	16,070,133	17,991,884	91,139,152
Additions in 2023	-	6,444,014	-	6,444,014
<b>At December 31, 2023</b>	<b>57,077,135</b>	<b>22,514,147</b>	<b>17,991,884</b>	<b>97,583,166</b>
<b>Accumulated depreciation and amortization</b>				
At January 1, 2022	-	15,727,161	17,991,884	33,719,045
Depreciation and amortization (Note 10)	-	37,415	-	37,415
At December 31, 2022	-	15,764,576	17,991,884	33,756,460
Depreciation and amortization (Note 10)	-	37,415	-	37,415
<b>At December 31, 2023</b>	<b>15,801,991</b>	<b>17,991,884</b>	<b>33,793,875</b>	
<b>Net carrying amount</b>				
At December 31, 2022	57,077,135	305,557	-	57,382,692
At December 31, 2023	57,077,135	6,712,156	-	63,789,291

There is no disposal of investment properties for the years ended December 31, 2023 and 2022.

As at December 31, 2023, the fair values of the Group's investment properties approximate P967.48 million (2022 - P967.48 million). The fair value of the Group's investment properties was determined by an independent external appraiser using the sales comparison approach (market approach), which considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the market.

In 2023, rent income from investment properties amounted to P2.65 million (2022 - P2.55 million; 2021 - P2.42 million) (Note 11), while expenses incurred for investment properties consisting mostly of real property taxes and security services amounted to P3.22 million (2022 - P3.16 million; 2021 - P2.84 million).

*Critical accounting estimate: Useful lives of long-lived assets*

The Group estimates the useful life of each of its investment properties based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar businesses, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible however, that future results of operations could be materially affected by changes in the amounts and timing or recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of investment property would increase the recorded operating expenses and decrease non-current assets.

*Critical accounting judgment: Impairment of long-lived assets*

The Group likewise determines whether there are indicators of impairment on its investment properties at least on an annual basis. This includes considering certain factors such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends. If indicators of impairment have been identified, the Group determines the recoverable amount of the asset which is the higher of the asset's fair value less cost to sell and value-in-use.

Given that the fair values of the investment properties using the sales comparison approach (market approach) are higher than the carrying value, the Group has assessed that there are no impairment indicators with respect to its non-financial assets as at December 31, 2023 and 2022.

## 7 Other non-current assets

The account at December 31 consists of:

	2023	2022
Mine rehabilitation fund	29,469,988	29,436,104
Miscellaneous deposits	2,638,867	2,631,792
Financial assets at FVOCI	2,389,000	1,842,470
	34,497,855	33,910,366

Pursuant to the requirements of Republic Act (RA) No. 7942, otherwise known as "The Philippine Mining Act of 1995", the Group maintains a Mine Rehabilitation Fund (MRF) with the Land Bank of the Philippines. The MRF shall be used for the physical and social rehabilitation of areas affected by the Group's quarrying activities, and for research in the social, technical and preventive aspects of the mine rehabilitation. Under the Group's Operating Agreement with HAI (Note 16), HAI shall have the exclusive right to manage, operate and provide additional MRF as may be required by applicable laws and regulations provided that the MRF will remain in the name of the Group as the contracting party to the MPSA. In 2018, the final Mine Rehabilitation and Decommissioning Plan was approved by the DENR. As a result, the Group recognized a decommissioning liability amounting to P13.13 million representing funds received in 2018. In June 2019, HAI provided net additional funds to the MRF amounting to P10.03 million. The movement in MRF in 2023 and 2022 pertains to interest earned from the bank.

Miscellaneous deposits pertain to cash deposits in escrow fund set aside for settlement of labor cases filed by former employees.

Interest arising from time deposits for the MRF and miscellaneous deposits amounted to P0.04 million for the year ended December 31, 2023 (2022 - P0.07 million; 2021 - P0.03 million).

Financial assets at FVOCI are composed of equity investments in listed entities and club shares amounting to P1,469,000 and P920,000, respectively (2022 - P1,422,470 and P420,000, respectively). No dividends were earned for the year ended December 31, 2023 (2022 - nil; 2021 - P0.036 million).

## 8 Trade and other payables

The account at December 31 consists of:

	2023	2022
Trade payables	23,281	100,611
Accrued expenses	9,323,330	6,451,102
Payables to government agencies	5,224,593	2,290,943
Other payables	136,838	127,141
	<b>14,708,042</b>	<b>8,969,797</b>

Accrued expenses consist mainly of liabilities pertaining to professional fees, contracted services, and utilities.

## 9 Equity

Details of the Group's share capital at December 31, 2023, 2022 and 2021 are as follows:

	Class A	Class B	Total
Common shares, P10 par value			
Authorized shares			
Number of shares	40,000,000	10,000,000	50,000,000
Amount	400,000,000	100,000,000	500,000,000
Issued and outstanding shares			
Number of shares	22,077,771	5,388,678	27,466,449
Amount	220,777,710	53,886,780	274,664,490

The Parent Company's Class A and Class B common shares are listed and traded in the PSE. There were no offerings made subsequent to the initial offerings for both classes of common shares.

As at December 31, 2023, issued and outstanding common shares are held by 545 shareholders (2022 - 545; 2021 - 548), of which 389 shareholders (2022 - 389; 2021 - 391) each own 100 or more shares.

Class A and Class B common shares have the same rights and privileges. Class A common shares shall be issued solely to Filipino citizens, while Class B common shares may be issued to Filipino and non-Filipino citizens.

As at December 31, 2023, there are 27,466,449 issued and outstanding Class A and Class B common shares (2022 - 27,466,449; 2021 - 27,466,449), of which 6,450,738 (2022 - 6,451,738; 2021 - 6,451,739) are publicly held. The latest closing price for Class A common shares as at December 31, 2023 was recorded at P40.00 per share (2022 - P32.00 per share; 2021 - 41.25 per share). Class B common shares were first traded on November 21, 2016. The latest closing price for Class B common shares as at December 31, 2023 was recorded at P67.45 per share (2022 - P32.40 per share; 2021 - P55.00 per share).

Cash dividends were declared to shareholders as authorized by the Parent Company's BOD as follows:

Date declared	Shareholders of record as at	Payable on	Amount per share	Amount
March 25, 2021	April 14, 2021	May 6, 2021	0.45	12,359,902
March 24, 2022	April 13, 2022	May 11, 2022	0.77	21,149,166
March 23, 2023	April 12, 2023	May 4, 2023	0.843	23,154,217

As at December 31, 2023, unclaimed dividends amount to P7.21 million (2022 - P6.95 million).

*Subsequent event*

In a meeting held on March 21, 2024, the Parent Company's BOD approved the declaration of cash dividends payable to shareholders of record as at April 10, 2024 amounting to P29.44 million (dividend per share of P1.072).

## 10 Operating expenses

The account for the years ended December 31 consists of:

	Notes	2023	2022	2021
Professional fees		10,658,290	3,712,922	3,463,332
Taxes and licenses		7,067,996	6,151,543	6,081,771
Dues and registrations		4,810,930	1,102,553	1,112,578
Contracted services		4,208,528	3,849,770	3,714,902
Personnel costs		1,271,879	1,182,824	936,885
Depreciation and amortization	5,6	264,828	275,520	217,088
Meetings		203,813	101,950	96,837
Insurance		196,966	211,130	231,525
Transportation		111,983	106,430	48,769
Utilities		96,668	78,661	87,583
Employee benefits		61,112	247,000	4,000
Others		60,772	41,353	53,780
		29,013,765	17,061,656	16,049,050

The above expenses are classified as:

	2023	2022	2021
Direct operating expenses	12,254,046	11,093,659	10,695,344
Other operating expenses	16,759,719	5,967,997	5,353,706
	29,013,765	17,061,656	16,049,050

Depreciation and amortization shown above are attributable to the following:

	Notes	2023	2022	2021
Property and equipment	5	227,413	238,105	185,909
Investment properties	6	37,415	37,415	31,179
		264,828	275,520	217,088

Details of personnel and employee benefits costs shown above are as follows:

	2023	2022	2021
Salaries and wages	1,114,552	1,023,430	767,852
Other benefits	218,439	406,394	173,033
	1,332,991	1,429,824	940,885

## 11 Other income, net

Details of other income, net for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Rent income	6	2,647,729	2,547,166	2,415,488
Interest income on bank deposits	2,7	3,296,086	1,647,809	625,783
Interest income on receivables		710,823	292,399	-
Others, net		(1,950)	(1,225)	35,984
		6,652,688	4,486,149	3,077,255

## 12 Income taxes

Income tax expense for the years ended December 31 consists of:

	2023	2022	2021
Current	7,576,896	4,876,241	4,265,655
Deferred	(7,230)	(28,260)	300,190
	7,569,666	4,847,981	4,565,845

Deferred income tax (DIT) assets, net as at December 31 are as follows:

	2023	2022
DIT assets		
Allowance for impairment of other receivables	1,434,562	1,434,562
Others	105,480	98,250
DIT liability		
Unrealized fair value gain on financial assets at FVOCI	(202,620)	(120,640)
	1,337,422	1,412,172

DIT assets and liability are expected to be realized/settled beyond 12 months from the reporting date.

The movements in DIT assets, net for the years ended December 31 are as follows:

	2023	2022
At January 1	1,412,172	1,412,757
Credited to profit or loss	7,230	28,260
Charged to other comprehensive income	(81,980)	(28,845)
At December 31	1,337,422	1,412,172

The reconciliation of income tax computed at the statutory income tax rate to the effective income tax expense recognized in profit or loss for the years ended December 31 follows:

	2023	2022	2021
Statutory income tax rate	25%	25%	25%
Income tax computed at statutory income tax rate	9,250,202	6,999,922	6,403,699
Adjustments to income tax resulting from:			
Availment of optional standard deduction (OSD)	(856,514)	(1,739,989)	(1,695,846)
Interest income subjected to final tax	(824,022)	(411,952)	(156,446)
Adjustment in income tax rate	-	-	14,438
Income tax expense	7,569,666	4,847,981	4,565,845

### Corporate Recovery and Tax Incentives for Enterprises Act

On March 26, 2021, Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, was signed into law. Among the salient provisions of the CREATE law include changes to the Corporate Income Tax (CIT) rates as follows:

- Reduction in CIT rate effective July 1, 2020 for domestic corporations depending on their assets and taxable income:
  - Those with assets amounting to P100,000,000 (excluding land on which the particular business entity's office, plant and equipment are situated) and below, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate;
  - Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate; and
- Effective July 1, 2020 until June 30, 2023, the minimum corporate income tax rate shall be one percent (1%).

As a result, the tax rate for the Group was changed from 30% to 25% with retroactive effect on July 1, 2020. The Group recognized an adjustment in 2021 pertaining to the December 31, 2020 balances which resulted in an increase of P0.30 million in deferred tax expense and a decrease of P0.29 million in current income tax expense.

### Critical accounting judgment: Recognition of deferred income tax assets

The Group reviews the carrying amounts of DIT assets at each reporting date and reduces DIT assets to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the DIT assets to be utilized. As at December 31, 2023 and 2022, the DIT assets are deemed to be realizable.

## **13 Related party transactions**

The table below summarizes the Group's transactions with its related parties for the years ended December 31:

	Description	2023	2022	2021
Management fees				
Ultimate parent company	Refer to (a) below	2,340,757	2,212,436	2,107,082
Dividends				
Immediate parent company	Refer to Note 9	17,709,394	16,175,841	9,453,413

There are no outstanding balances as at December 31, 2023 and 2022 arising from the above related party transactions.

### *Eliminations*

There are no balances or transactions eliminated in preparing the consolidated financial statements since the investments in subsidiaries are fully impaired. Moreover, the subsidiaries have no balances and transactions.

#### *(a) Management Agreement*

During the Annual Stockholders' Meeting of CAC held on June 25, 2020, the shareholders unanimously approved the execution of the Management Agreement with OLC effective as at November 1, 2020 with a term of five years and an increased management fee, subject to annual escalation.

Total management fee recognized is included as part of Professional fees under Operating expenses in the statement of total comprehensive income (Note 10). Invoices for management fee carry a 30-day term, interest-free and without any collateral.

*Compensation of Key Management Personnel*

There are no compensation and benefits paid in 2023 and 2022 to key management personnel as the management of the Group is covered by the Management Agreement.

**14 Basic/diluted earnings per share**

Basic/diluted earnings per share amounts are calculated as follows:

	2023	2022	2021
Net income for the year	29,431,142	23,151,707	21,048,952
Divided by weighted average number of common shares outstanding during the year	27,466,449	27,466,449	27,466,449
Basic/diluted earnings per share	1.07	0.84	0.77

The basic and diluted earnings per share are the same for all years presented above as the Group does not have dilutive potential common shares as at December 31, 2023, 2022 and 2021.

**15 Cash generated from operations**

Details of cash generated from operations for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Income before income tax		37,000,808	27,999,688	25,614,797
Adjustments for:				
Interest income	2,7,11	(4,006,909)	(1,940,208)	(625,783)
Accrued retirement expense		38,501	247,000	4,000
Depreciation and amortization	5,6,10	264,828	275,520	217,088
Operating income before changes in operating assets and liabilities		33,297,228	26,582,000	25,210,102
Changes in operating assets and liabilities				
(Increase) decrease in:				
Receivables		(13,422,842)	(11,801,407)	(489,393)
Prepaid expenses		(64,164)	772,762	124,234
Other non-current assets		(40,958)	(75,612)	(33,382)
Increase in:				
Trade and other payables		5,699,744	1,584,080	288,351
Decommissioning liability		9,446	9,443	9,438
Cash generated from operations		25,478,454	17,071,266	25,109,350

## 16 Significant agreements

Effective June 1, 2008, the Consortium, through HAI, took over the Group's quarrying operations by virtue of the Agreement dated January 18, 2008 executed between the Group and the Consortium. The Agreement provided for, among others, the execution of the following agreements:

- Operating Agreement with HAI (see below);
- Asset Purchase Agreement with HAI, pursuant to which HAI purchased all the rights, title and interest of the Group in certain operating assets, which include property and equipment, for P217.6 million;
- Share Purchase Agreement with the Consortium, pursuant to which the Consortium purchased all the Group's rights, title and interest in HAI for P587 million; and
- Trademark License Agreement with HAI (see below).

The Asset Purchase and Share Purchase Agreements were consummated in 2008.

### (a) *Operating Agreement with HAI*

On January 23, 2008, the Group executed an Operating Agreement with HAI, pursuant to which HAI shall, among others:

- Extract aggregates at least at the minimum extraction rate, which means 1.6 million metric tons (MMT) (or 1.06 million cubic meters) per annum at the ECC maximum extraction limit of 2.7 MMT (or 1.8 million cubic meters) per annum at the time the Operating Agreement was executed and after the second anniversary date of the approval by the DENR of the Group's application for increase of the maximum extraction limit from 2.7 MMT to 5.25 MMT (or 3.6 million cubic meters), which means 2.6 MMT per annum (or 1.74 million cubic meters).
- Conduct quarrying operations for a period of fifteen (15) years: (i) in accordance with the MPSA between the Group and the DENR, the ECC issued by the DENR, applicable laws and regulations and applicable industry standards; and (ii) in accordance with the existing development plan of the Group. MPSA represents Mineral Production Sharing Agreement No.032-95-IV (1st MPSA) and No.055-96-IV (2nd MPSA) entered into with the DENR. In 2021, the 1st and 2nd MPSAs are renewed for another 25-year term ending in years 2045 and 2046, respectively.
- Pay royalty to the Group with the following terms:
  - (i) two-and-a-half percent (2.5%) of the value of the aggregates sold;
  - (ii) a lump-sum amount of P300 million after the approval by the DENR of the increase in the maximum extraction rate from 2.7 MMT to 5.25 MMT per annum; and
  - (iii) the royalty amount to be adjusted/indexed annually to the weighted average price of the aggregates sold on an arms' length pricing.
- Maintain the MPSA in good standing, as well as complete and accurate records relating to the quarrying operations.

In 2008 and 2009, the Group had recognized the lump sum amount as royalty fee due to the fulfillment of the conditions contained in an Amendment to the Agreement dated January 18, 2008 executed by the Group and the Consortium. In 2010, the Group had received the full settlement of P300 million lump sum amount in accordance with the agreed payment terms.

An Addendum to the Operating Agreement was executed by and between the Parent Company and HAI to extend the term of the Operating Agreement commencing June 1, 2023 until March 31, 2028. The terms and conditions of the original Agreement remain in full force and effect for the entire duration of the revised term, and includes the following additional terms: [1] the obligation of HAI to extract aggregates based on the Production Schedule and following the Quarry Extraction Plan, [2] the obligation of HAI to rehabilitate the quarry site in accordance with the Quarry Rehabilitation Plan, and [3] the amount of royalty payable by HAI to CAC will be computed using the revised rate of four percent (4%) of the gross selling price of the aggregates sold, either by HAI or any party related or affiliated with HAI, to a third party or to non-affiliated customers, without any deductions.

Basic royalty fee amounted to P59.36 million in 2023 (2022 - P40.58 million; 2021 - P38.59 million). Outstanding receivable arising from royalty fee amounted to P30.32 million as at December 31, 2023 (2022- P16.84 million) (Note 3).

*(b) Trademark License Agreement*

On June 2, 2008, in relation to the Operating Agreement, the Group and HAI entered into a Trademark License Agreement granting HAI a license to use the following trademarks and service marks for the period and under the terms and conditions set out in the said agreement:

- “Concrete Aggregates Corporation and Device”;
- “Blue Sand”;
- “Blue Sand and Device”;
- “Blue Rock”;
- “Blue Rock and Device”; and
- “Blue Sand Vibro and Device”.

No separate fees are charged to HAI in relation to this agreement; fees are embedded in the royalty fees charged to HAI on account of the Operating Agreement discussed above.

**17 Contingencies**

The Group is involved in various legal proceedings incidental to its normal business activities. The Group's management and legal counsel are of the opinion that the amount of the ultimate liability with respect to these matters would not have a material adverse effect on the financial position, financial performance, or liquidity of the Group. The detailed information of these legal proceedings was not disclosed as it might prejudice the ongoing litigations.

**18 Subsequent events**

No subsequent events occurred from December 31, 2023 up to March 21, 2024 other than the dividend declaration disclosed in Note 9.

**19 Critical accounting estimates, assumptions and judgments**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*a) Critical accounting estimates and assumptions*

- *Expected credit loss on receivables (Note 3)*
- *Useful lives of long-lived assets (Notes 5 and 6)*

b) *Critical judgments in applying the Group's accounting policies*

- *Impairment of long-lived assets (Notes 5 and 6)*
- *Recognition of deferred income tax assets (Note 12)*

## **20 Financial risk and capital management**

The Group's activities expose it to a variety of financial risks: credit risk, market risk (mainly price risk), and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyze these risks and to monitor the risks by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

The Group's management, under the direction of the BOD, is responsible for the management of financial risks. The objective of risk management is to minimize adverse impact on the Group's financial performance due to the unpredictability of financial markets.

The most important types of risk the Group manages are credit risk and liquidity risk.

The Group has no significant assets and liabilities exposed to significant market risks such as foreign currency risk, cash flow and fair value interest rate risk and price risk.

### **20.1 Financial risk management**

#### **20.1.1 Credit risk**

Credit risk refers to the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation. Significant changes in the economy, or in the prospects of a particular industry segment that may represent a concentration in the Group's business, could result in losses that are different from those provided for at the reporting date. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from cash and cash equivalents, receivables and miscellaneous deposits. Credit risk is closely monitored by the Group's management on an ongoing basis.

The maximum credit risk exposure relating to significant financial assets in the consolidated statement of financial position follows:

	Notes	2023	2022
Cash and cash equivalents	2	160,210,976	166,329,321
Receivables			
Trade receivables	3	30,318,003	16,843,411
Other receivables, net	3	287,384	339,134
Other non-current assets			
Mine rehabilitation fund	7	29,469,988	29,436,104
Miscellaneous deposits	7	2,638,867	2,631,792
		222,925,218	215,579,762

Cash and cash equivalents exclude cash on hand as at December 31, 2023 amounting to P60,000 (2022 - P60,000) (Note 2).

The Group does not hold any collateral as security for receivables noted above. There were no financial assets whose terms were renegotiated during the years ended December 31, 2023 and 2022.

### Credit quality of financial assets

The credit quality of financial assets is managed by the Group using internal credit ratings. The table below summarizes the credit quality of the Group's financial assets:

	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
2023					
Cash and cash equivalents	160,210,976		-	-	160,210,976
Receivables					
Trade receivables	-		30,318,003	-	30,318,003
Other receivables, gross	287,384		-	9,274,095	9,561,479
Other non-current assets					
Mine rehabilitation fund	29,469,988		-	-	29,469,988
Miscellaneous deposits	2,638,867		-	-	2,638,867
	192,607,215		30,318,003	9,274,095	232,199,313

	Neither past due nor impaired		Past due but not impaired	Impaired	Total
	High grade	Standard grade			
2022					
Cash and cash equivalents	166,329,321		-	-	166,329,321
Receivables					
Trade receivables	16,843,411		-	-	16,843,411
Other receivables, gross	339,134		-	9,274,095	9,613,229
Other non-current assets					
Mine rehabilitation fund	29,436,104		-	-	29,436,104
Miscellaneous deposits	2,631,792		-	-	2,631,792
	215,579,762		-	9,274,095	224,853,857

High grade rating is given to those counterparties with no history of default. On the other hand, standard grade rating is given to counterparties or customers with low collection risk and with history of default but eventually, collection of amounts due were made.

Neither past due nor impaired, past due but not impaired and impaired pertains to performing, underperforming and non-performing financial assets, respectively.

The Group manages credit risk on its cash and cash equivalents by placing investments in banks that qualified in the criteria of the Group. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

As at December 31, 2023, the Group's cash and cash equivalents amounting to P160.21 million (2022 - P166.33 million) are maintained in universal banks (Note 2).

Trade receivables are accounts with HAI, which are assessed to be of high grade and/or fully collectible. Hence, there is no ECL from the Group's receivables.

The balance of impaired other receivables in 2023 and 2022 pertains to receivables from customers of discontinued Engineering and Construction Division of the Group amounting to P9.27 million (Note 3), which has been outstanding for more than 10 years.

#### 20.1.2 Market risk

Market risk is the risk of loss of future earnings or future cash flows arising from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, interest rates, foreign currency exchange rates and other market changes.

The Group has no exposure to foreign exchange risk as it has no assets, liabilities or transactions denominated in foreign currency.

*(a) Interest rate risk*

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates, while fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to cash flow and fair value interest rate risks as there are no variable-interest-bearing financial assets and liabilities.

*(b) Price risk*

The Group has minimal exposure to equity price risk which arises mainly from financial assets at FVOCI. Equity price risk arises because of fluctuations in market prices of equity securities. The Group is not exposed to commodity price risk.

### 20.1.3 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. The consequence may be the failure to meet obligations to repay creditors and fulfill commitments.

The Group's liquidity management process, as carried out within the Group and monitored by management includes:

- Day-to-day funding requirement, managed by monitoring future cash flows to ensure that requirements can be met;
- Prudent management of cash and cash equivalents;
- Efficient cash collection program; and
- Monitoring liquidity ratios in the statement of financial position against internal requirements.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31 based on contractual undiscounted payments:

	Less than 3 months	3 to 12 months	More than one year	Total
<b>2023</b>				
Trade payables	23,281	-	-	23,281
Dividends payable	7,206,550	-	-	7,206,550
Accrued expenses	9,323,330	-	-	9,323,330
Rental deposits	-	-	473,700	473,700
Decommissioning liability	-	-	23,297,506	23,297,506
Other payables	-	136,838	-	136,838
	<b>16,553,161</b>	<b>136,838</b>	<b>23,771,206</b>	<b>40,461,205</b>
<b>2022</b>				
Trade payables	100,611	-	-	100,611
Dividends payable	6,953,075	-	-	6,953,075
Accrued expenses	6,451,102	-	-	6,451,102
Rental deposits	-	-	473,700	473,700
Decommissioning liability	-	-	23,288,060	23,288,060
Other payables	-	127,141	-	127,141
	<b>13,504,788</b>	<b>127,141</b>	<b>23,761,760</b>	<b>37,393,689</b>

As at December 31, 2023, payables to government agencies amounting to P5.22 million (2022 - P2.29 million) (Note 8) are considered non-financial liabilities.

Management does not foresee any significant liquidity risk due to its strong cash position as at the reporting date.

## 20.2 Fair value estimation

The Group uses sales comparison approach (market approach) in determining the fair values of its investment properties which uses observable inputs such as prices, broker quotes and other relevant information generated by market transactions involving identical or comparable assets or group of assets. Appropriate adjustments are made to the valuations taking into consideration the specific circumstances of the properties. The fair values of the Group's investment properties, as disclosed in Note 6, fall under Level 3 of the fair value hierarchy. The main Level 3 inputs used by the Group pertain to marketability and size.

The following table presents the Group's financial assets that are measured at fair value at December 31 following the fair value hierarchy definition as described in Note 21.10 - Fair value measurement.

	Level 1	Level 2	Total
2023			
Recurring measurements			
Financial assets at FVOCI	1,469,000	920,000	2,389,000
2022			
Recurring measurements			
Financial assets at FVOCI	1,422,470	420,000	1,842,470

The fair values of listed equity securities, classified as financial assets at FVOCI as at December 31, 2023 and 2022, were valued based on their quoted market prices at the end of each reporting period; hence, categorized within Level 1. Level 2 category includes the Group's investments in club shares as their prices are not derived from a market considered as active due to lack of sufficient volume of trading activities among market participants at the end of each reporting period.

The fair values of the Group's decommissioning liability and rental deposits approximate their carrying values as the impact of discounting is not significant. The remaining financial assets and liabilities are generally short-term in nature, thus, fair value approximates carrying amount.

There are no financial instruments classified as Level 3 as at December 31, 2023 and 2022. There were also no transfers between the levels in the fair value hierarchy during the years ended December 31, 2023 and 2022.

## 20.3 Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group's capital consists of total equity (less any reserves) as shown in the consolidated statement of financial position, which is calculated at December 31 as follows:

	Note	2023	2022
Share capital	9	274,664,490	274,664,490
Share premium		1,069,304	1,069,304
Retained earnings		30,418,283	24,141,358
		306,152,077	299,875,152

As part of the reforms of the PSE to expand capital market and improve transparency among listed companies, the PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Company has fully complied with this requirement as at December 31, 2023 and 2022.

There are no changes in the Group's capital management policies as at December 31, 2023 and 2022.

## **21 Summary of material accounting policies**

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **21.1 Basis of preparation**

These consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of FVOCI financial assets included under other non-current assets (Note 7).

The preparation of these consolidated financial statements in conformity with PFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 19. These consolidated financial statements have been prepared under the going concern assumption.

### **Changes in accounting policies and disclosures**

#### *(a) Amendments to existing standards adopted by the Group*

The following amendments to existing standards have been adopted by the Group effective January 1, 2023:

*i. Amendments to PAS1, 'Presentation of Financial Statements', and PFRS Practice Statement 2*

The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support these amendments, PFRS Practice Statement 2, Making Materiality Judgements, was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The adoption of these amendments resulted in changes in the accounting policies disclosed by the Group.

There are no other new standards, amendments to existing standards and interpretations effective on January 1, 2023 that are considered relevant or have a material impact on the financial statements of the Group.

*(b) Amendments to existing standards not yet effective and not early adopted by the Group*

There are no standards, amendments to existing standards or interpretations effective subsequent to December 31, 2023 that are considered relevant or would be expected to have a material impact on the Group's financial statements.

## **21.2 Consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company and its wholly owned subsidiaries, CIAC and CMSC (Note 1) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023. The subsidiaries' financial statements are prepared for the same reporting year as the Parent Company. The Group uses uniform accounting policies. Details of the subsidiaries are presented in Note 1.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The subsidiaries have no balances and operations as at reporting date. Moreover, investment balance has already been reduced to zero.

## **21.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank deposits and other short-term highly liquid investments with maturities of three months or less from the dates of acquisition and that are subject to insignificant risk of changes in value.

Cash and cash equivalents are recognized at face value or nominal amount.

## **21.4 Receivables**

Trade receivables arising from royalty agreement and rent, with normal credit term of 15-30 days, are recorded initially at fair value and subsequently measured at amortized cost less any allowance for impairment. Fair value approximates invoice amount due to the short-term nature of these receivables.

Receivables from officers and employees are recognized when the contractual right to receive cash from the officer or employee is established. These are measured at nominal amount (due to their generally short-term maturity) less any allowance for impairment.

Allowance for impairment of receivables is maintained at a level considered adequate to provide for uncollected receivables. ECL on trade and other receivables are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The relevant policies on classification, recognition, measurement, impairment and derecognition are further disclosed in Note 21.5.

## **21.5 Financial instruments**

### **(i) Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (OCI), and,
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will be recorded in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

The financial liabilities are classified by the Group at amortized cost.

(ii) Recognition

The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Group commits to purchase or sell the financial asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset or liability at its fair value plus or minus, in the case of a financial asset or liability not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset or liability. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

(a) *Financial assets - debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset. The Group classifies its debt instruments as:

- Amortized cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other income, net" account together with foreign exchange gains and losses. Impairment losses are presented as part of operating expenses in profit or loss.

This financial asset classification applies primarily to the Group's cash and cash equivalents (Note 2), receivables, net (Note 3) and other non-current assets (Note 7).

(b) *Financial assets - equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

The Group's investments in equity instruments as at December 31, 2023 and 2022 pertain to listed shares and club shares which are not held for trading; thus, classified as financial assets at FVOCI.

(c) *Financial liabilities*

The Group's financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

This accounting policy applies to the Group's trade and other payables (Note 21.12).

(iv) Impairment

The Group assesses on a forward-looking basis the ECL associated with its financial assets carried at amortized cost. The Group recognizes a loss allowance for such losses at each reporting date.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and,
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group applied the simplified approach permitted by PFRS 9 for its receivables, which requires expected lifetime losses to be recognized from initial recognition of the receivables. To measure the ECL, receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the historical profiles of receivable balances and the corresponding historical credit losses experienced for these balances. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Impairment losses on receivables are presented as part of operating expenses in profit or loss. Subsequent recoveries of amounts previously written-off are credited to "Other income, net" account in profit or loss.

(v) Determination of fair value

The fair value for financial instruments traded in active markets at the financial reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other relevant valuation models. Any difference noted between the fair value and the transaction price is treated as expense or income, unless it qualifies for recognition as some type of asset or liability.

(vi) Derecognition of financial assets and liabilities

(a) *Financial asset*

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group has transferred its rights to receive cash flows from the asset and has assumed an obligation to pay them in full without material delay to a third party under a “passthrough” arrangement; or either (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(b) *Financial liability*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

## **21.6 Prepaid expenses**

Prepaid expenses are amortized and charged to expense over a 12-month period.

Prepaid expenses are recognized in the event that payments have been made in advance of obtaining right of access to good or receipt of services and measured at nominal amounts. These are derecognized from the statement of financial position upon delivery of goods or services, through amortization over a period of time, and use of consumption.

## **21.7 Property and equipment**

Property and equipment, excluding land and quarry land, are stated at cost less accumulated depreciation and amortization and any impairment losses. Land and quarry land are stated at cost less any impairment losses. Land and quarry land are not subject to depreciation.

The initial cost of property and equipment is comprised of the purchase price and costs directly attributable to bringing the assets to their intended use. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent expenditures incurred after the assets have been put into operation are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of the assets, as follows:

	In years
Buildings and improvements	20
Plant site improvements	3 to 20
Transportation, furniture and equipment	3 to 5

The useful lives and depreciation and amortization methods are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.11).

Fully depreciated assets are retained in the accounts until they are no longer in use. No further charge for depreciation is made in respect of those assets.

The carrying amount of an item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. When assets are derecognized, their cost, accumulated depreciation and amortization and accumulated impairment losses, if any, are eliminated from the accounts and any resulting gain or loss is included in profit or loss of such period.

## **21.8 Investment property**

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property. Investment properties comprise land and improvements, condominium unit and parking slots leased out under operating lease agreements.

Recognition of investment property takes place only when it is probable that the future economic benefits that are associated with the property will flow to the Group and the cost can be measured reliably. This is usually the day when all the risks and rewards are transferred to the Group.

Investment property is measured initially at cost, including transaction costs. Cost is the fair value of the consideration given to acquire the property which includes transaction costs such as legal fees and taxes on the purchase of the property. The cost of a self-constructed asset includes all directly attributable costs required to bring the property to its required working condition.

Subsequent to initial recognition, investment property, except land, is measured at cost less accumulated depreciation and any accumulated impairment losses. Land, which is not subject to depreciation, is carried at cost less any impairment losses. Subsequent expenditure should demonstrably enhance the original asset to qualify for asset recognition. Repairs and maintenance costs are charged to profit or loss during the year in which they are incurred.

Depreciation and amortization on investment property, except land, is recognized in profit or loss on a straight-line basis over 10 years.

Transfers to, or from, investment property are made when, and only when, there is a change in use.

A transfer is made to investment property when owner-occupation has ended and/or an operating lease to another party has commenced. A transfer is made from investment property to property and equipment when owner-occupation has commenced. A transfer is made from investment property to real estate inventory when development with a view to sale has begun. A transfer between investment property, property and equipment and real estate inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes. Transfers to investment property do not result in gain or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 21.11).

Investment property is derecognized when it has either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Gain or loss on derecognition of investment property is calculated as the difference between any disposal proceeds and the carrying amount of the related asset and is recognized in profit or loss in the year of derecognition.

## **21.9 Mine rehabilitation fund/Decommissioning liability**

Pursuant to the requirements of Republic Act (RA) No. 7942, otherwise known as "The Philippine Mining Act of 1995", the Group maintains a Mine rehabilitation fund (MRF). The MRF shall be used for the physical and social rehabilitation of areas affected by the Group's quarrying activities, and for research in the social, technical and preventive aspects of the mine rehabilitation. Under the Group's Operating Agreement with HAI (Note 16), HAI shall have the exclusive right to manage, operate and provide additional MRF as may be required by applicable laws and regulations provided that the MRF will remain in the name of the Group as the contracting party to the MPSA. In addition, HAI shall have the responsibility to rehabilitate the mine site and provide the funds for the final mine rehabilitation and decommissioning plan. The funds received by the Group are restricted for the sole purpose of rehabilitating the mine site. These are presented as mine rehabilitation fund in other non-current assets and a related decommissioning liability is recognized.

## **21.10 Fair value measurement**

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 of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

### *(a) Financial assets and financial liabilities*

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price within the bid-ask spread that is most representative of fair value is used. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

*(b) Non-financial assets*

The fair value of a non-financial asset is measured based on its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

As at December 31, 2023 and 2022, there are no material assets and liabilities carried at fair value.

#### **21.11 Impairment of non-financial assets**

Property and equipment and investment properties that have finite useful lives are reviewed for impairment annually or whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of impairment at each reporting date.

#### **21.12 Trade and other payables**

Trade and other payables (excluding payables to government agencies) are recognized, measured and derecognized using the accounting policies for financial liabilities at amortized cost as discussed in Note 21.5.

Payables to government agencies are recognized in the period when a legally enforceable claim against the Group is established.

Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

#### **21.13 Share capital; Share premium and Retained earnings**

Common shares, which are stated at par value, are classified as share capital.

Share premium represents premiums or consideration received in excess of par value on the issuance of share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Retained earnings include current and prior years' results, net of dividends declared, if any.

#### **21.14 Dividend distribution**

The Group pays cash dividend as its cash position permits and retains that portion of earnings needed for future development projects and other business requirements.

Dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved by the BOD.

## **21.15 Earnings per share (EPS)**

Basic EPS is calculated by dividing net income for the year attributable to the common shareholders of the Group by the weighted average number of common shares outstanding during the year.

## **21.16 Revenue and expense recognition**

### *(a) Royalty fees*

The Group's sole performance obligation to HAI is to provide the right to conduct quarrying operations in exchange for a variable consideration in the form of royalty fees. Thus, revenue is earned and calculated as a fixed percentage of the monthly sales and volume report as stated in the Operating Agreement with HAI (Note 16) and is recognized at a point in time.

No element of significant financing is deemed present as the consideration is variable.

There are no warranties and other similar obligation and refunds agreed with HAI.

### *(b) Interest income*

Interest income is recognized on a time-proportion basis using the effective interest rate method.

### *(c) Costs and expenses*

Cost and expenses are recognized in profit or loss as they are incurred.

### *(d) Other income and expenses*

Other operating income/expenses are recognized in profit or loss when earned/incurred.

## **21.17 Provisions and contingencies**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligations; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense.

Contingent liabilities are not recognized in the consolidated financial statements but they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements unless realization of income is virtually certain. It is disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

## **21.18 Income taxes**

The tax expense for the year comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity, in which case, the tax is also recognized in OCI or directly in equity, respectively.

*(a) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*(b) Deferred income tax*

Deferred income tax (DIT) is recognized on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, DIT is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. DIT is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related DIT asset is realized or the DIT liability is settled.

DIT assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized DIT asset.

DIT liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

DIT assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

DIT assets and liabilities are derecognized when the related temporary differences are realized or settled.

## **21.19 Employee benefits**

### *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and these are capable of being measured reliably. Provisions made in respect of employee benefits, expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

The Group recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

### *Retirement benefits*

The Group does not have an established retirement plan and only conforms to the minimum regulatory benefit under the Philippine Retirement Pay Law (Republic Act. No. 7641). The benefits are based on the years of service and latest monthly compensation of the employees. The regulatory benefit is paid on a lump sum upon retirement.

## **21.20 Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency.

## **21.21 Leases (the Group as the lessor)**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When the Group enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys the right to use an asset or is dependent on the use of specific asset or assets, the Group assesses whether the arrangement is, or contains, a lease. The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement. In such cases, when the Group has assessed that the arrangement is, or contains, a lease, the Group accounts for it as an operating lease.

## **21.22 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who allocates resources to and assesses the performance of the operating segments of the Group. The Group has determined its President as its chief operating decision maker.

For the years ended December 31, 2023, 2022 and 2021, the Group has only one operating segment, which is the quarrying business. In view of the current status of the Group's operation which is limited only to this and minimal rental income and interest on receivables, the performance of the Group is being assessed as a single unit. Consequently, detailed segment reporting as required under PFRS 8 is deemed not necessary.

## **21.23 Subsequent events (or Events after the reporting date)**

Post year-end events that provide additional information about the Group's 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.

**Concrete Aggregates Corporation and Subsidiaries**  
7th Floor, West Wing, Estancia Offices, Capitol Commons  
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**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**  
As at December 31, 2023

- A Financial Assets
- B Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- C Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements
- D Long-Term Debt
- E Indebtedness to Related Parties
- F Guarantee of Securities of Other Issuers
- G Capital Stock

**Other Supporting Schedules**

- Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration
- Schedule of Financial Soundness Indicators
- Ortigas Group Structure

**Concrete Aggregates Corporation and Subsidiaries**  
 7th Floor, West Wing, Estancia Offices, Capitol Commons  
 Meralco Avenue, Pasig City

**Schedule A**  
**Financial Assets**  
**As at December 31, 2023**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Valued based on market quotation at end of reporting period	Income received and accrued
Cash and cash equivalents*		160,210,976		3,258,778
Receivables				
Trade receivables		30,318,003		710,823
Other receivables, net		287,384		
Other non-current assets				
Mine rehabilitation fund		29,469,988		24,138
Miscellaneous deposits		2,638,867		13,170
Financial assets at FVOCI	42,692	2,389,000	2,389,000	-
<b>TOTAL</b>	<b>42,692</b>	<b>225,314,218</b>	<b>2,389,000</b>	<b>4,006,909</b>

\*Excluding cash on hand

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**Schedule B**  
**Amounts Receivable from Directors, Officers, Employees,  
Related Parties and Principal Shareholders (Other than Related Parties)**  
**As at December 31, 2023**

**Concrete Aggregates Corporation and Subsidiaries**  
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**Schedule C**  
**Amounts Receivable from Related Parties which are Eliminated**  
**During the Consolidation of Financial Statements**  
**As at December 31, 2023**

Receivables of the Parent Company from its wholly-owned subsidiaries are as follows:

**Concrete Aggregates Corporation and Subsidiaries**  
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**Schedule D**  
**Long Term Debt**  
**As at December 31, 2023**

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Rental deposits	473,700	-	473,700
Decommissioning liability	23,297,506	-	23,297,506
<b>Total</b>	<b>23,771,206</b>	<b>-</b>	<b>23,771,206</b>

The Group has no external borrowings as at December 31, 2023. The amounts presented above pertain to non-current liabilities.

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**Schedule E**  
**Indebtedness to Related Parties**  
**As at December 31, 2023**

Name of related party	Balance at beginning of period	Balance at end of period
Ortigas Land Corporation	-	-

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**Schedule F**  
**Guarantees of Securities of Other Issuers**  
**As at December 31, 2023**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	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
<b>NOT APPLICABLE</b>				

**Concrete Aggregates Corporation and Subsidiaries**  
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**Schedule G**  
**Capital Stock**  
**As at December 31, 2023**

The details of authorized and paid-up capital stock are as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common Class "A" at P10 par value each	40,000,000	22,077,771	-	16,021,973	8,126	6,047,672
Common Class "B" at P10 par value each	10,000,000	5,388,678	-	4,985,612	-	403,066
	<b>50,000,000</b>	<b>27,466,449</b>	<b>-</b>	<b>21,007,585</b>	<b>8,126</b>	<b>6,450,738</b>

Class A and Class B common shares have the same rights and privileges. Class A common shares shall be issued solely to Filipino citizens, while Class B common shares may be issued to Filipino and non-Filipino citizens.

As at December 31, 2023, there are 27,466,449 issued and outstanding Class A and B common shares, of which 6,450,738 are publicly held. The latest closing price for Class A common shares as at December 31, 2023 was recorded at P40.00 per share. The latest closing price for Class B common shares as at December 31, 2023 was recorded at P67.45 per share.

**Concrete Aggregates Corporation and Subsidiaries**  
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**Reconciliation of Parent Company's Retained Earnings**  
**Available for Dividend Declaration**  
 For the year ended December 31, 2023  
 (All amounts in Philippines Peso)

<b>Unappropriated retained earnings, beginning of the year</b>	<b>24,141,358</b>
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others	-
	<b>24,141,358</b>
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	23,154,217
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others	-
	<b>23,154,217</b>
<b>Unappropriated retained earnings, as adjusted</b>	<b>987,141</b>
Add/Less: Net Income for the current year	<b>29,431,142</b>
Less: Category C.1: Unrealized income recognized in profit or loss during the year (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
	<b>29,431,142</b>
Add: Category C.2: Unrealized income recognized in profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
	<b>29,431,142</b>

(continued)

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of investment property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
<b>Adjusted net income/loss</b>	<b>29,431,142</b>
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Add/(Less): Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Add/(Less): Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
<b>Total retained earnings, end of the year available for dividend declaration</b>	<b>30,418,283</b>

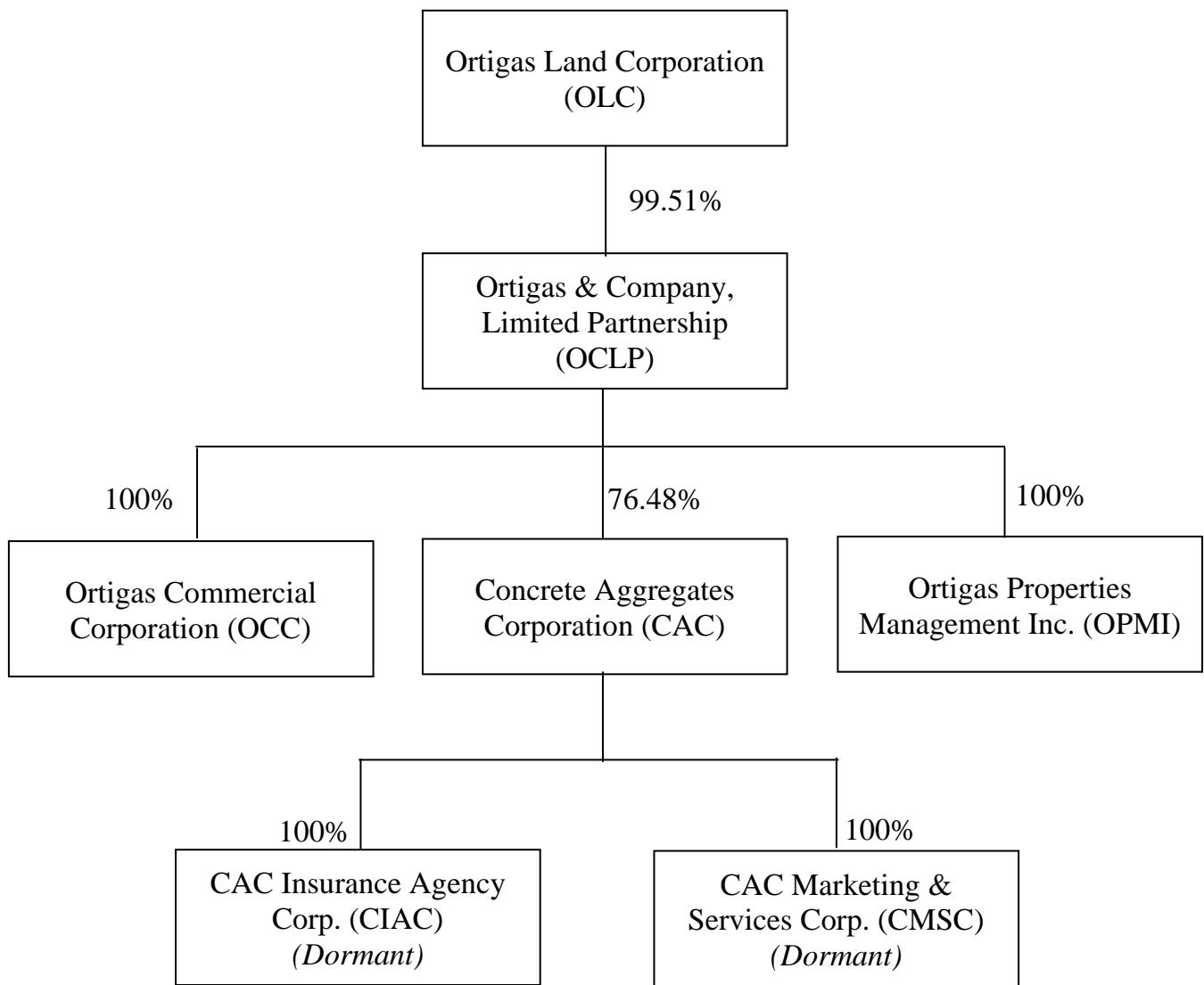
**Concrete Aggregates Corporation and Subsidiaries**  
 7th Floor, West Wing, Estancia Offices, Capitol Commons  
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**Schedule of Financial Soundness Indicators**  
**As at December 31, 2023**

Ratio	Formula	Current Year	Prior Year
Current ratio	Total Current Assets / Total Current Liabilities	8.17	11.29
Acid test ratio	Quick assets ( <i>Total Current Assets less Inventories and Other Current Assets</i> ) / Total Current Liabilities	7.92	10.94
Solvency ratio	Net Income before Depreciation / Total Liabilities	0.62	0.58
Debt-to-equity ratio	Total Liabilities / Shareholders' Equity	0.16	0.13
Asset-to-equity ratio	Total Assets / Shareholders' Equity	1.16	1.13
Interest rate coverage ratio	Earnings Before Interest and Tax / Interest Expense	-	-
Return on equity	Net Income Available to Common Shareholders / Shareholders' Equity	9.56%	7.69%
Return on assets	Net Income Available to Common Shareholders / Total Assets	8.27%	6.78%
Net profit margin	Net Income Available to Common Shareholders / Revenues	49.58%	57.06%
Book value per share	Shareholders' Equity / Weighted Average Outstanding Number of Common Shares	11.21	10.96

**Concrete Aggregates Corporation and Subsidiaries**  
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**Ortigas Group Structure**  
As at December 31, 2023





## Sustainability Report 2023



<b>Company Details</b>	
Name of Organization	Concrete Aggregates Corporation
Location of Headquarters	7th Floor, West Wing, Estancia Offices, Capitol Commons, Meralco Avenue, Pasig City
Location of Operations	Barangays San Isidro and San Roque, Angono, Rizal
Report Boundary: Legal entities (e.g., subsidiaries) included in this report*	N/A
Business Model, including Primary Activities, Brands, Products, and Services	CAC is primarily engaged in quarrying, crushing, and selling basalt concrete aggregates. It is operating pursuant to two mineral production sharing agreements – MPSA No. 032-95-IV and MPSA No. 055-96-IV.
Reporting Period	Fiscal Year Ended 2023
Highest Ranking Person responsible for this report	Jose Emmanuel H. Jalandoni, Chairman of the Board and President

Concrete Aggregates Corporation (“CAC” or the “Company”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (“SEC”) on August 23, 1968. It is a public company listed in the Philippine Stock Exchange (“PSE”) and is primarily engaged in quarrying, crushing, and selling basalt concrete aggregates. As its secondary purpose, it is permitted to engage in real estate business as far as it is permitted by law. Its Board of Directors amended its Articles of Incorporation on March 15, 2018, to extend its corporate life for another 50 years up to August 23, 2068.

The Company listed its shares in PSE (Philippine Stock Exchange) on April 2, 1973. There are no other listings or follow on offerings thereafter. As a public company, it complies with Rule 68 of the Securities Regulation Code (“SRC”).

The Company is 76.48% owned by Ortigas & Company, Limited Partnership (“OCLP”), which is in turn 99.51%-owned by Ortigas Land Corporation (“OLC”). OCLP and OLC are both established under Philippine laws.

The Company underwent changes in 2008 which had a significant impact on its operations and, consequently, its financial condition. The most significant of these changes was the selection and appointment of a third party as the operator of the Company’s quarry in Angono, Rizal. In 2007, the Board of Directors of CAC authorized the conduct of a bidding to select an operator of the Angono quarry for a period of fifteen (15) years, and the consortium of Republic Cement Corporation and Lafarge Holdings (Philippines), Inc. (the “Consortium”) won the bid for the right to operate the Company’s Angono quarry.

The Company and the Consortium entered into an Agreement on January 18, 2008, setting forth the actions to be taken by each party as well as the agreements to be executed by them to conduct their intentions. Complying with its obligations under the Agreement, the Company incorporated Batong Angono Aggregates Corp. (“BAAC”). Thereafter, the Company and BAAC entered into an Operating Agreement on January 23, 2008, which became effective as of June 1, 2008. On June 2, 2008, the parties completed all the specified actions in the January 18, 2008, Agreement including the execution of the Asset Purchase Agreement, Trademark License Agreement and Transition Services Agreement by CAC and BAAC, as well as the execution by CAC and the Consortium of a Share Purchase Agreement. With the execution of the Share Purchase Agreement, the Consortium became the owner of 100% of the outstanding capital stock of BAAC.

Pursuant to the foregoing transactions, the Company formally turned over the operation of its Angono quarry to BAAC on June 1, 2008. Under the Operating Agreement, BAAC was granted the right to operate the Angono quarry for 15 years subject to the conditions indicated in the agreement, CAC’s Mineral Production Sharing Agreements (“MPSAs”) and Environmental Compliance Certificate (“ECC”). In the latter part of 2013, BAAC changed its name to Lafarge Republic Aggregates, Inc. (“LRAI”). In 2015, LRAI once again changed its name to Lafarge Holcim Aggregates, Inc. (“LHAI” or the “Operator”). In 2022, LHAI once again changed its name to Helix Aggregates, Inc. (HAI). Given the foregoing, the information disclosed herein pertains to both CAC and the Operator, whichever is appropriate for each portion of this report. The parties have extended the Operating Agreement from June 30, 2023 to March 31, 2028.

CAC's vision is to be the preferred supplier of aggregates-based construction materials. In achieving this vision, the Company commits to:

- Deliver the best quality, value for money, innovative products to its customers to ensure their satisfaction.
- Provide best returns and shareholder value to its stockholders.
- Establish meaningful and gainful partnerships with its employees.
- Maintain mutually beneficial relationships with its suppliers and business partners.
- Promote sustainable development through responsible use of natural resources.
- Champion the cause of environmental protection; and
- Be a socially responsible corporate citizen of the community.

## **Materiality Process**

In identifying material issues for disclosure, CAC solicited the participation of its Board of Directors, operations manager, officers, stockholders, and employees from the various areas of its operations – mining, finance, and regulatory compliance – in conducting the materiality analysis with a view to identifying key issues that have economic, environmental, social impact and influence the decisions of its stakeholders.

From this process, CAC identified the following issues which are discussed in detail in this report:

- Resource Management: Energy and Water Consumption
- Environmental Impact Monitoring and Management
- Employee Management and Relations
- Community Relations
- Contribution to UN Sustainable Goals

## ECONOMIC

A strong national economy and excellent quality of life are built on a foundation of aggregates products. Aggregates touch our lives every day, from the driveway to the workplace. We drive, sit, stand, and walk on aggregates. But that is only part of this interesting and important story.

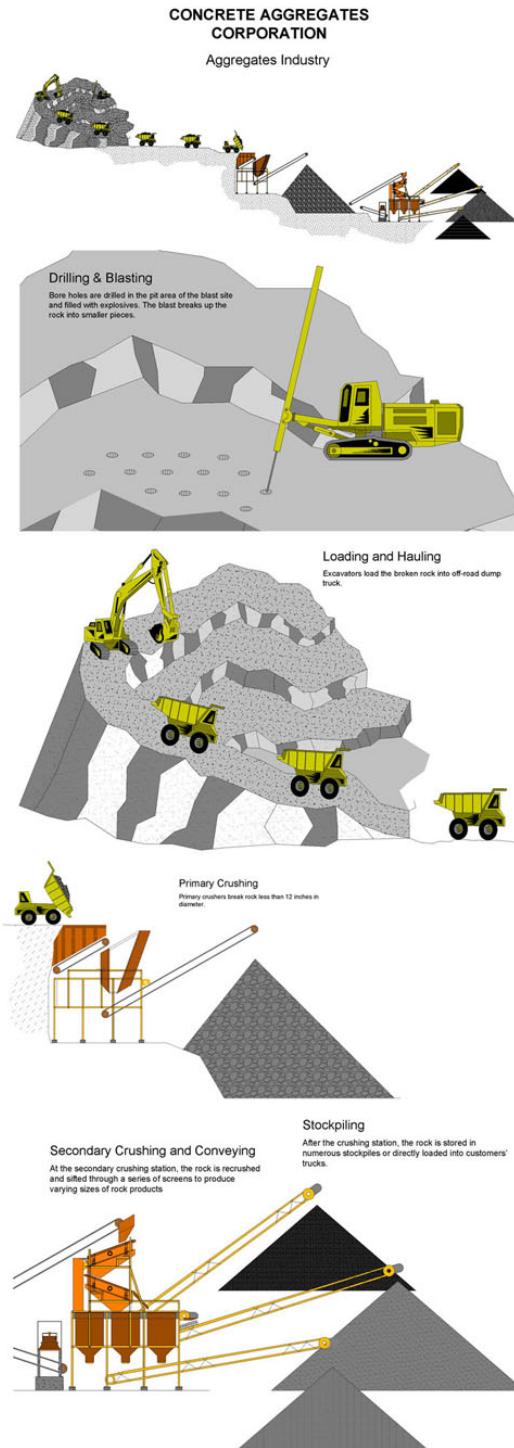
Getting goods to market is paramount to economic growth. The nation's infrastructure depends on aggregates – over ninety percent of asphalt pavement, and over eighty percent of concrete sidewalks, is comprised of aggregates. Without sound infrastructure, such as highways, mass transit, airports, water systems and rail, the economy could not grow.

Many products that enrich our daily lives contain aggregates. They are found in paint, paper, plastics, and glass. In powder form, aggregates are used as mineral supplements for agriculture, medicines, and household products. Aggregates are also used to protect the environment by controlling soil erosion, assisting in water purification, and reducing sulfur dioxide emissions generated by power plants.

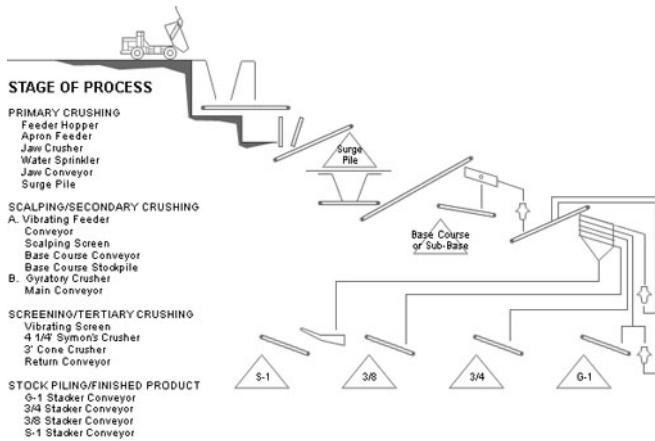
The aggregates industry is highly competitive and characterized by thousands of operations, serving small local markets. Transportation is the major factor in determining the delivered price of aggregates -- as freight costs from plant to market can exceed the sale price of the product. Because of high transportation costs, and the massive quantities of material necessary for each project, aggregates are usually marketed to local customers. The high transportation costs explain the substantial number of quarries throughout the country.

Aggregates resources are widespread and abundant in supply nationally, yet local shortages exist. Although it is better to be near urban growth areas, increasing land values and local environmental concerns are moving aggregates plants away from these markets.

The nation's economy and our quality of life are built on this foundation.



## Stages in Aggregates Processing



### I. Primary Crushing

Raw material is transported from the quarry using off road dump trucks and unloaded into the feeder hopper of the primary crushing plants. Typically, the crushing operation is adjacent to the quarry.

From the hopper, the material is brought to the primary jaw crushers via the apron feeder.

The boulders with a maximum size of 0.80 meter are initially crushed in the primary crushers to reduce the size down to 0.25 meter maximum and is conveyed to the surge pile by the jaw conveyor.

### II. Scalping

Directly underneath the surge pile is an underground vibrating feeder which feeds the surge pile materials through a conveyor up to the initial screening stage known as the scalping screen.

Materials larger than the maximum scalping screen opening of 1" to 2" are conveyed to the secondary crushing stage while materials that passed through the screen go to the base course or the subbase course product stockpile.

### III. Secondary Crushing

The secondary crushing is done using a gyratory crusher and after this stage, the materials are conveyed via the main conveyor going to the vibrating screens.

### IV. Screening/Sorting

The process involves separation of materials crushed into smaller particles, and these reduced particles passed through the multi-layered vibrating screens. From the screens, the materials are conveyed directly to the different finished product stockpiles.

### V. Tertiary Crushing

Oversized materials from the first screen deck and the second screen deck go to another crushing stage, the tertiary crushing for further size reduction.

### VI. Stockpiling of Finished Product

From the tertiary crushers, materials are conveyed back to the vibrating screens by the return conveyor and from the screens then to the individual finished product stockpiles via the stacker conveyor. The finished products, namely G-1, 3/4", three-eighths", S-1 and S-2, are held in stockpiles ready for distribution.

## **Economic Performance**

### Direct Economic Value Generated and Distributed

The foregoing data pertains to HAI, the operator of CAC's mine site. CAC receives royalties from the Operator pursuant to the Operating Agreement. Outlined below is the amount of aggregates sold by the Operator in the past five years.

Year	Sales, MT
2019	4,135,152
2020	2,008,604
2021	2,861,931
2022	2,918,857
2023	2,833,640

For completeness and transparency, CAC's disclosure on economic performance for 2023 are as follows:

Disclosure	Amount (PhP)
Direct economic value generated (revenue)	1,068,890,430.46
Direct economic value distributed:	
a. Operating costs	881,260,577.55
b. Employee wages and benefits	55,209,598.57
c. Payments to suppliers, other operating costs	970,105,783.36
d. Dividends given to stockholders and interest payments to loan providers	92,830,433.00
e. Taxes given to government	77,711,759.34
f. Investments to community (e.g., donations, CSR)	11,388,423.38

### **Economic Performance Impact: Payment of Taxes**

The Operator regularly pays national and local taxes arising out of its operation of CAC's mine site. Republic Act No. 10963 or the TRAIN Act, which was declared effective as of January 1, 2018, doubled the excise tax on mining operations to 4% from 2% and effectively increased the government's share from the Operator's mining operations by 100%. As such, the taxes paid regarding the mining operation comply with the TRAIN Act. Likewise, CAC paid the appropriate income tax on royalty payments received from the Operator's mining activities in 2022. CAC's compliance with tax laws affects CAC, the national and local government, and the community.

Other than excise taxes, the Operator also pays income tax, value-added tax, customs duties and fees, local business tax, real property tax, and other local fees and charges incident to its mining operations. The Operator also timely withholds and remits withholding taxes on salaries and payments to suppliers required by law. In 2022, the Operator paid taxes of P48,048,125.23 to the national government, P11,354,008.03 to the local government, and remitted P18,309,626.08 in withholding taxes.

### **Economic Performance Impact: The Operating Agreement Extension**

On June 2, 2008, CAC entered into an Operating Agreement with Batong Angono Aggregates Corporation (BAAC) whereby BAAC was granted the right to operate the CAC's quarry in Angono, Rizal for fifteen (15) years subject to the conditions indicated in the Operating Agreement as well as the MPSAs and ECC.

An Addendum to the Operating Agreement, commencing 1 June 2023 extending the term until the 31 March 2028, was formally executed. This Addendum encompasses additional terms and conditions intended to regulate operations during the extended period, with a primary focus on (1) the obligation of the Operator to extract aggregates based on the Production Schedule and following the Extraction Plan, (2) the obligation of the Operator in the rehabilitation of the quarry in accordance with the Quarry Rehabilitation Plan, following the cessation of quarrying activities., and (3) increase in the amount of royalty to four percent (4%) of the gross selling price of the aggregates sold by the Operator to end customers. The extension of the mining operations may potentially result in an estimated P350 million in royalties for CAC.

## Climate-related risks and opportunities

### **Policy Risk**

The Operator is committed to continuously improving its environmental performance and to make a positive contribution to nature and society by conducting its business consistent with sustainable development principles. This is to be achieved through a process of continuous improvement in environmental performance using effective environmental management systems. The Operator assesses and measures its environmental impacts, continuously improves its processes, tools, and capabilities, and promotes best practices in the industry. Identified impacts are translated into actions by setting corporate objectives and targets monitored for attainment.

### **Risk Management, Metrics and Targets**

**Release of pollutants:** The Operator develops and implements effective controls to monitor, minimize or prevent the release of pollutants to the environment (air, water, and soil) in its operations. The Operator conducts quarterly ambient air, noise, water quality measurement at identified stations and ensures that parameters are within the acceptable regulatory standard limits. The Operator also conducts 100% monitoring of air blast and ground vibration during blasting activities and ensures that parameters are within the acceptable regulatory standard limits.

**Climate Change:** The Operator reduces its impact on climate change by promoting innovative and sustainable products and solutions and through optimizing the use of energy and promoting energy efficiency, energy recovery and the use of renewable energy sources. There was a slight decrease in the annual electricity consumption from 2.5 kWh/MT output in 2022 to 2.21 kWh/MT output in 2023. On the other hand, the Operator was also able to lower annual fuel consumption of service vehicles by 3% through controlled allocation per department and oil consumption by 3%/MT output by year end through continued use of synthetic oil for equipment. The Operator aims to maintain lowering both electricity and fuel consumption by 3% to 5% yearly.

**Water:** The Operator minimizes its impact on water resources by limiting water withdrawal through recycling, promoting water efficient practices, and employing zero water discharge scheme. The Operator's goal is to lower annual domestic water consumption by 5% through proper use of faucets and maintain at least 0.5m freeboard height of sand traps and settling ponds to prevent discharge of water-to-water tributaries.

**Quarries rehabilitation/restoration/reclamation:** The Operator develops a rehabilitation / restoration / reclamation plan for all pit and quarry sites that considers the needs and expectations of our stakeholders and, where feasible and relevant, fosters wildlife habitat creation and contributes to the conservation of species. In 2019, the Operator planted 28,000 trees as part of progressive rehabilitation and reforestation programs. However, due to safety and health protocols (e.g., physical distancing, limited workforce allowed to report to work) being implemented since the resumption of operations in mid-May of 2020, only 125 bamboo culms were planted at an area inside the quarry. Nonetheless, it is worth noting that the Operator has already exceeded the required area (20% of total mining area) for the bamboo plantation.

Easing of restrictions allowed the Operator to plant more trees. Around 857 trees were planted in 2021, 1,150 trees were planted in 2022, while 657 were planted in 2023.

**Biodiversity:** The Operator implements biodiversity management plans for all extraction sites and works to protect critical areas or habitats and facilitate the conservation of historic remains discovered during site development and quarry operations. The Operator completed the biodiversity rapid assessment for the dry season in 2023. The Operator aims to improve the site biodiversity index of the areas within its control using the Biodiversity Indicator Reporting System tool yearly.

**Local impacts:** The Operator assesses, and appropriately mitigates, its impacts on surrounding communities as to fugitive dust, noise, vibrations, and traffic. The Operator ensures 100% use of dust suppression systems while operating crushers and 100% availability of water truck during dry season and maintains 50m buffer zone to mitigate dust and noise to adjacent communities.

**Resources utilization:** The Operator reuses, recovers and/or recycles waste materials in own production processes where feasible, minimizes the generation of any hazardous and other waste, and disposes of waste using safe and responsible methods. It aims to lower annual paper consumption by 3% through centralized disbursement of supplies and use of scrap paper for in-house reports. The Operator intends to initiate at least 5 recycling/upcycling projects to lower waste disposal on-site.

#### Legal Risk

CAC maintains a policy of being open, honest, and accountable to its stakeholders. To this end, the Operator reports publicly on compliance, performance, and progress. The Operator likewise routinely solicits feedback from stakeholders and works proactively with legislators and regulators to evaluate the feasibility, impact, and compliance to existing laws, regulations, and standards.

#### Risk Management, Metrics and Targets

The Operator ensures that laws, regulations, and standards are regularly reviewed and objectives relevant to environmental management systems are continuously attained. For this purpose, the Operator conducts monthly review of new laws, regulations and standards and ensures zero notice of violation and cease and desist orders. The Operator also ensures 100% on-time renewal of permits and licenses and on-time submission of mandatory reports and requirements.

#### Technology Risk

The Operator is committed to becoming one of the leaders in sustainability in serving its business strategy and as a key lever for growth. The Operator adopts programs in line with its 2030 Plan which seeks to help transform the way the industry works, and to play its full part in addressing our planet's biggest issues such as climate change.

#### Risk Management, Metrics and Targets

The Operator maintains records of its carbon footprint and finds means to make a positive difference in its operations and community engagements. There was a slight decrease in the annual electricity consumption from 2.5 kWh/MT output in 2022 to 2.21 kWh/MT output in 2023. On the other hand, the Operator was also able to lower annual fuel consumption of service vehicles by 3% through controlled allocation per department and oil consumption by 3%/MT output by year end through continued use of synthetic oil for equipment. The Operator aims to maintain lowering both electricity and fuel consumption by 3% to 5% yearly.

## Market Risk

The Operator is committed to continuously complying with its 2030 Plan focused on climate, circular economy, water and nature, and people and community and translates such commitment to its operation of CAC's mine. The Operator shall continue with the implementation of its identified programs, plans and activities geared towards sustainability. In Q3 2021, the Operator conducted a benchmarking with other quarries on health and safety, environment, and quality practices and objectives.

Nonetheless, the Operator currently does not perceive any climate-related risk associated with the supply and demand of aggregates among competition related to the implementation of climate related policies.

## Reputational Risk

The Operator maintains open lines of communication to its stakeholders and publicly reports its compliance and performance. The Operator continuously shares its values on health and safety, customers, results, integrity, sustainability, and people to its stakeholders.

The Operator currently does not perceive any financial risk or reputation risk among competition related to the implementation of climate-related policies. Nevertheless, in 2023, the Operator conducted benchmarking with other quarries on health and safety, environment, and quality practices and objectives.

## Physical Risk: Acute

The Operator ensures that CAC is equipped to address risks and impacts related to health, safety, and environment. The Operator, together with its relevant contractors and security providers, has established plans and processes to prepare for and to respond to potential emergency situations, and to manage the potential effects of actual emergencies.

## Risk Management, Metrics and Targets

The emergency preparedness and response plans and procedures of the Operator are related to flooding, earthquake, fire, restricted space rescue, medical emergency, bomb treat, chemical spill, and exposure, fall from work-at-height, and vehicular accident. The Operator's quarry contractor, Delta Earthmoving, Inc., also maintains emergency response plans for fire, explosion, serious incident, natural calamities, security threats, and spills and leaks. For this purpose, the Operator conducts quarterly Emergency Response Drills and Weekly scheduling of Emergency Response Teams.

Apart from these, assessments immediately follow actual emergency incidents to determine how the plans and procedures in place can be further improved and perfected. Environment-related incidents such as flooding, earthquake, and even heavy rains are immediately assessed through the Design Safety and Construction Quality Program to ensure that operations are not compromised even by extreme weather events.

## Physical Risk: Chronic

The Operator is committed to continuously improving its emergency preparedness and response plans to ensure, not only the health and safety of employees, but also the continuity of its quarry and crushing operations. Emerging issues and concerns that may require emergency preparedness and response plans are immediately assessed to put controls in place and to ready the organization in the face of crisis.

The Operator currently does not perceive any risk related to the increased level of temperature and how this may affect the operations. However, weather conditions are sought weekly to prepare employees for the eventuality of rain or elevated temperatures that may affect their health, safety, and well-being. The Operator conducts quarterly Emergency Response Drills for Medical Injuries and weekly scheduling of Emergency Response Team and provides weekly weather forecast.

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Percentage
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	98
Percentage of procurement budget used for significant locations of operations that is spent on women or members of vulnerable sectors	2

## Economic Impact of Procurement

Purchasing and storage processes ensure that crushing plants are supported with parts and materials for their smooth operation and to maintain desired capability to meet schedules and commitments. The Procurement Department is responsible for the requisition, canvassing, and purchasing needed items quickly.

Nonetheless, fair opportunities are rendered to both local and international suppliers and are selected based on long-term relationship opportunities, compliance to local and legal requirements, and commitment to safety and sustainable development while delivering value-for-cost procurement for CAC.

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

Disclosure	Percentage
Percentage of employees to whom the Operator's anti-corruption policies and procedures have been communicated	100%
Percentage of business partners to whom the Operator's anti-corruption policies and procedures have been communicated	100%
Percentage of the Operator's directors and management that have received anti-corruption training	100%
Percentage of the Operator's employees that have received anti-corruption training	100%

## Incidents of Corruption

Disclosure	Quantity
Number of incidents in which directors were removed or disciplined for corruption	0
Number of incidents in which employees were dismissed or disciplined for corruption	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0

## **Anti-corruption Policies: Impact and Risks**

It is CAC's policy to conduct all its business in an honest and ethical manner. Aligned with this, the Operator takes a zero-tolerance approach to bribery and corruption as it is committed to acting professionally, fairly and with integrity in all its business dealings and relationships. The Operator is also committed to implementing and enforcing effective systems to counter bribery.

The Operator implements the Anti-Bribery and Corruption Directive ("ABCD"), which sets out responsibilities of employees, partners, contractors, and suppliers in observing and upholding its position on bribery and corruption, and provides information and guidance, whether directly or indirectly, on how to recognize and deal with bribery and corruption issues.

The ABCD includes guidelines on bribery, gifts and hospitality, facilitation payments, donations, and conflict of interests as well as potential risk scenarios and "red flags" to help identify situations leading to corruption and bribery.

The Operator also believes in fair competition to provide its customers with the best products at most favorable conditions. The Operator believes that success in the business, therefore, goes together with adherence to competition law rules.

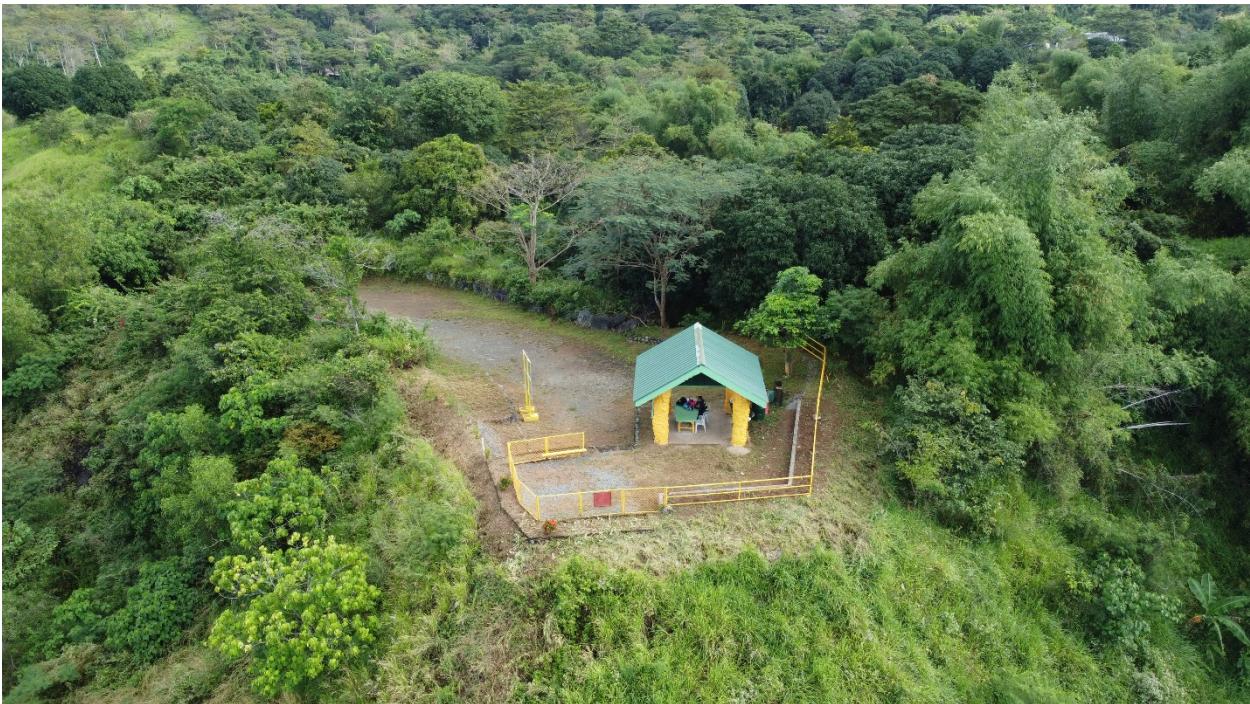
In this regard, the Operator employs the Fair Competition Directive ("FCD"), which sets out basic principles, facts, and circumstances on fair competition and competition law including consequences of violations, down raids, and leniency/amnesty programs. The FCD also provides rules and requirements on anti-competitive conduct, dominant position, intra-group agreements, document creation, and detection and investigation.

The Operator's strict implementation of both ABCD and FCD have so far ensured that the Operator is free from risk of criminal liability related to bribery and corruption. This has also ensured that the Operator maintains business relations only with such suppliers who practice the same ethical approach.

This management approach against corruption on all fronts is perceived as positively affecting CAC's relationships with all its stakeholders, its customers, employees of both CAC and HAI, including top management, and the national and local government.

## ENVIRONMENT

To highlight its concern for the environment, it has been the policy of the Operator to ensure strict compliance with all government regulations and internally formulated policies. Being the leader in the domestic quarrying industry, the Operator takes on the heavy burden of setting the trend in environmental protection and consciousness in all its operations. This attitude is true not only for its own employees, but also for all its contractors.



Old View deck area has rehabilitated and reforested since 2015.

Among the more significant environmental programs the Operator has been implementing through years include:

- (a) reforestation within the perimeter of the vast Angono property not being presently affected by the mining activity.
- (b) dust suppression in all its processing plants as well as in the main roads leading to the property.
- (c) water recycling, ensuring that the operations require minimal make-up water from the river and creeks passing through the property.
- (d) solid wastes management, ensuring that attendant waste materials from the quarry are placed in an engineered containment area; and
- (e) protection and improvement of waterways within the property by border-lining and toe-armoring.

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Top view of North East Wall Quarry area rehabilitated and reforested since 2015

Actual expenditures AEPEP for 2023 is Php 16,206,967.22, 92.83% of the programmed financial target of Php 17,457,914.00. The remaining unspent amount will be carried over to 2024. In 2023 alone, the Operator had planted about 650 saplings of mixed fruit-bearing and hardwood trees within the titled idle areas and mined out areas of the quarry, with survival rate at 91%. Table below discusses the AEPEP Physical and Financial accomplishments on the following parameters:

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- a. Land Resources
- b. Water Resources
- c. Air Quality
- d. Noise and Vibration
- e. Biodiversity Conservation/Consideration
- f. Environmental Research
- g. Information and Education Campaign (IEC)

Area	Activity	Impacts	Control Measures	Target Date / Frequency of Implementation	Compliance Status* (C, P, N) Justification	Cost (Php)	Remarks
LAND RESOURCES	Reforesta- tion/ Afforestati- on	Air & Land pollution	Establishment of Nursery	As Scheduled	N/A	N/A	
			Maintenance of nurseries	Daily	C	56,703.00	Continuous maintenance of ONW Nursery and NEW nursery
			Seedling propagation / procurement	As scheduled	C	86,771.45	Propagated seedling inside the project: 2,689 pcs of assorted trees
			Tree growing at idle areas within property line	As scheduled	C	8,542.44	Planted 180 pcs of assorted trees
			Replanting/enhancement activity	As scheduled	C	5,782.00	Replanted (157 pcs)
	Abateme- nt of air pollution		Grass cutting / Weeding/ Pruning	Daily	C	191,168.73	Target areas: newly established planting areas, monitoring buffer zones/fire lines and access roads
			Backfilling and surfacing of topsoil	Daily	C	676,801.33	
	Dumpsite & Stockpile Management	Air & Land pollution	Tree growing within mined-out areas	As scheduled	C	40,688.27	Planted assorted trees 470 pcs
			Pushing & levelling of plant waste	Daily	C	1,155,242.29	Mine Waste hauled to new lagoon and hauled banlic transferred to the Drying bed in preparation of the rehabilitation
			Compaction of overburden	Daily	C	347,191.99	All development waste went to the New Lagoon area.
			Maintenance of Waste Stockyard	Daily	C	50,302.61	Reduced cost from adjusted development activities

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Area	Activity	Impacts	Control Measures	Target Date / Frequency of Implementation	Compliance Status* (C, P, N) Justification	Cost (Php)	Remarks	
WATER RESOURCES	Siltation Control Measures	Water pollution	Desilting of settling ponds, sand traps, banlic canal system and sump area	Daily	C	4,221,148.08	Low tonnage due to lower hours of operations of all the plants.	
			Hauling-out of banlic from drying beds	Daily	C	2,855,775.44		
	Water Quality		Maintenance of the water recycling system	Daily	C	2,896,454.38	High hours from operation of L2 & L3 production plant vs the planned L5 production plant operation only	
			River water sampling to be conducted by third party guided by DAO 2016-08 for monitoring purposes	As scheduled	C	105,925.68		
			Laboratory analysis of water samples	Quarterly	C			
	Solid Waste	Land and Water pollution	Operation and maintenance of Materials Recovery Facility	Daily	C	57,366.45	Expenses is higher than target because of increased labor hours in housekeeping and sorting of garbage	
			Provision of segregation bins	Daily	P	2,000.00	Existing bins are still being used	
			Maintenance of segregation bins	Daily	C	3,047.00	All bins are still in good condition	
			Collection of recyclables	Monthly	C	7,414.00		
			Disposal of residual waste	Weekly	C	4,500.00	Proper communication with LGU for on-schedule collection of residual solid wastes	
	Hazardous Waste		Maintenance of Hazardous Waste Facility	Daily	C	14,474.99	Storage facility is maintained for continuous operation	
			Maintenance of spill kits	Monthly	C	21,000.00	Spill Kits are maintained. Contents are replaced if needed	
			Storage, Transport and treatment of hazwaste by accredited service provider	Semi-Annual	N	-	No haul-out yet as it will be extended by Q1 of 2024	

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Area	Activity	Impact	Control Measures	Target Date / Frequency of Implementation	Compliance Status* (C, P, N) Justification	Cost (Php)	Remarks	
AIR QUALITY	Air Quality Monitoring	Air pollution	Ambient air quality sampling monitoring by third party	Quarterly	C	210,300.43	Completed 4 sampling stations: 1. Old truck scale, 2. HAI Gate 1, 3. Loremar Homes, 4. Cozy Homes	
			Laboratory analysis of air filter samples	Quarterly	C			
	Dust Suppression		Water sprinkling on access routes (within plant operation)	Daily	C	562,675.71	Optimized water truck cycle time of two water trucks. 1 for quarry haul road and 1 for access roads	
			Wheel wash operation for the hauler's truck	Daily	C	105,429.94	Continuous operation of wheel-wash to cater haul trucks on cleaning wheels and undercarriage	
	Road Maintenance		Maintenance of quarry haul roads	Daily	C	8,000.00	Continuous road grading along the quarry haul road and access road to avoid generation of fugitive dust	
			Regular street sweeping	Daily	C	981,984.76	Continuous street sweeping along DOMSA to mitigate fugitive dust; Increased manpower	
			Linis DOMSA	Monthly	C	15,101.00	Still maintains the commitment on clearing up the rock spillage of our customer along DOMSA.	

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<b>NOISE AND VIBRATION</b>	Noise and vibration control	Noise Pollution	Vibration and Air blast monitoring during blasting	As scheduled	C	12,600.00	Continuous monitoring of the blasting activity conducted during the quarter
			Quarterly ambient noise sampling monitoring by third party	Quarterly	C	47,136.47	Completed 4 sampling station for noise sampling together with air sampling
<b>BIODIVERSITY CONSERVATION/CONSIDERATION</b>	Conservation Values	Biodiversity	Quarterly river Clean-up	Quarterly	C	48,343.91	Clean-up of trash-trap at Dulangan Creek. Usage of heavy equipment for clearing the area increased the cost.
			Care and maintenance of current adopted tree growing areas within the Upper Marikina Watershed (2021-2024) or NGP sites	Quarterly	C	948,216.67	Continuous Maintenance and Patrol activity for adopted area with submitted report quarterly. Payment is yearly from 2021-2024
			Biodiversity indicator reporting system assessment	As scheduled	C	20,250.00	
<b>ENVIRONMENTAL RESEARCH</b>	Research	Abatement of land pollution	Vermicast study on soil condition for mine soils	Quarterly	C	1,238.80	Still ongoing
<b>IEC</b>	Information and Awareness Campaign	Anti-Mining Sentiments	Production and Distribution of Environmental bulletins and newsletters	Quarterly	C	-	No expense/s since it was disseminated through emails.
			Participation to Annual National Mine Safety and Environment Conference and other Envi Exhibits	Annual	C	50,000.00	Held last Q4 November 18, 2023
<b>OTHERS</b>			MMT Monitoring	Quarterly	C	234,515.00	Q1-Q3 expenses, Q4 MMT monitoring is yet to be scheduled
			MRFC Meetings	Quarterly	C	115,990.00	Q1-Q4 MRFC CY 2023
			PCO and other Environmental Trainings	Annually	C	15,750.00	Q4 held last December 12-16, 2023
			Personnel Services	Annually	N/A	N/A	

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On top of the AEPEP fund, CAC and the Operator also maintain four (4) government-mandated funds as follows:

<b>Environmental Funds</b>	<b>Amount (as of Jan 2024)</b>
1. Rehabilitation Cash Fund (RCF)	Php 5,960,023.08
2. Monitoring Cash Fund (MCF)	Php 158,082.17
3. Final Mine Rehabilitation and/or Decommissioning Fund (FMRDF)	Php 23,298,255.99
4. Environmental Trust Fund (ETF)	Php 53,627.06



Above: Water quality testing at Sitio Labahan creek

Below: Tree Planting activity at the South Wall



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Above: 2021 vs 2022 Progressive rehabilitation at East Wall. Two hundred saplings were planted on June 29, 2021.

Below: Progressive rehabilitation status of the Settling Pond area.





MMT members along with the HAI representatives during the 2023 1<sup>st</sup> Quarter MMT validation

For the entire year, CAC passed all the environmental audits of the Multi-partite Monitoring Team (“MMT”). The MMT is a body formed pursuant to DENR Administrative Order No. 015-17 specifically to oversee CAC's compliance to the provisions and commitments as stipulated in the approved Environmental Compliance Certificate (“ECC”). The MMT is an independent entity whose membership represents primarily the stakeholders or the public that is intended to assist the DENR in monitoring environmental impacts and compliance with the Philippine Environmental Impact Statement System requirements and other environmental laws as a third-party entity. The MMT scheme is intended to enhance participation and transparency at the post-ECC issuance stage of the Environmental Impact Assessment Process. The MMT for CAC is composed of representatives from the national and local governments, non-government organizations, and both CAC and the Operator.

The MMT visits the site quarterly to oversee compliance of the mandatory reports and updates on the permit renewal up until field/site validation. After which, discussion of accomplishments and findings (if any) are discussed, and the MMT will suggest improvement of the site. As of writing, there has been no violation of CAC's commitments under the ECC.

Sustainable development has always been the goal of CAC and the Operator and both companies remain committed to moving forward and to fostering and protecting the environment.

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Above: Backfilling activities for the elevation +50masl

Below: Backfilling activities for the elevation +70masl



## **Resource Management**

### Energy consumption within the organization:

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	14.40	GJ
Energy consumption (LPG)	400	kg
Energy consumption (diesel)	654.63	GJ
Energy consumption (electricity)	8,123,497.92	kWh

### Reduction of energy consumption:

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Energy reduction (gasoline)	0.99	GJ
Energy reduction (LPG)	7	GJ
Energy reduction (diesel)	505.39	GJ
Energy reduction (electricity)	3,419,504.24	kWh

### **Impact, Risks and Opportunities relating to Energy Consumption Reduction**

One of the Operator's environmental goals is to reduce greenhouse gas ("GHG") emissions and energy utilization per metric ton of aggregates produced directed towards helping reduce the overall negative impact of GHG emissions and energy consumption to the environment. Accordingly, the Operator continuously studies and implements the optimization of production lines to avoid unnecessary energy consumption, on-time preventive maintenance activities to keep GHG emissions at the lowest possible level, and overall proper environmental policy formulation, planning and implementation.

Despite these efforts, there are aspects of operations that currently still result in high GHG emission, or for which energy consumption can barely be reduced. These operations include re-lining and fabrication works being done at the maintenance shop and engine and fabrication works on the motor pool. To at least set-off these so far inevitable emission and energy consumption, the Operator takes various initiatives such as annual tree planting drives within mined out land areas and idle lands. In fact, the Operator held tree planting activities at the mine site in

All the foregoing efforts are expected to affect not only CAC, but also the community within and around the mine through gradual improvement of environmental conditions.

### Water consumption within the organization

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Water withdrawal	123,150.60	Cubic meters
Water consumption	123,150.60	Cubic meters
Water recycled and reused	2,123,722.06	Cubic meters

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**Impact, Risks and Opportunities relating to Water Consumption**

Every mining operation poses a risk of contaminating and/or depleting bodies of water surrounding the mine site. Specifically for the mine site, it is traversed in some areas by the Angono River, which streams and connects to Laguna Lake.

Nonetheless, CAC prides itself on its own that despite over 20 years of operations in Angono Rizal, CAC has neither caused nor contributed to the contamination of the Angono River or its depletion. The Operator strives for efficient use of water through 100% water recycling, especially that used for aggregate washing. The Operator also employs a Zero Discharge Scheme, which employs a standard gravity settling process. The Operator also ensures proper management of settling ponds, which includes desilting and hauling of silt, stabilization of the settling pond walls, maintenance of freeboards, and establishment of catch basins for run-offs to avoid water contamination due to run-off and instability of settling ponds for recycling.

In addition, the Operator also employs the Biodiversity Indicator and Reporting System ("BIRS") on an annual basis. The BIRS was developed by the International Union for Conservation of Nature ("IUCN") to help companies in the cement and aggregates sector monitor and evaluate changes to biodiversity on their landholdings, through repeated, consistent assessment and aggregation of the suitability of these landholdings for biodiversity.<sup>1</sup> The Operator started employing BIRS in 2018 and by 2021, the Operator found that rehabilitated and reforested sites/areas had improved wherein some of the flora, especially the fauna, are gradually returning. The Operator has also identified several floras that are invasive, which are being taken care of by means of grass cutting and re-introduction of endemic species to the areas sited.

Through these efforts, CAC and the Operator can positively affect the community's living conditions in and around the mine site.

**Materials used by the organization**

Disclosure	Quantity	Units
Materials used by weight or volume		
• renewable	0	MT
• non-renewable (basalt aggregates)	2,888,272.79	MT
Percentage of recycled input materials used to manufacture the organization's primary products and services	0	%

**Impact, Risks and Opportunities relating to Materials Used by the Company**

Basalt extraction necessarily results in exploitation and depletion of natural resources. It is for this reason that the Philippine Constitution and mining laws impose restrictions and require heavy government regulation on the conduct of mining business. In compliance, CAC, through the Operator, ensures that its basalt extraction activity is restricted within its approved permits and plans and its operations comply with the provisions of the MPSAs.

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<sup>1</sup> See <https://www.iucn.org/content/biodiversity-management-cement-and-aggregates-sector-biodiversity-indicator-and-reporting-system-birs>.

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One risk identified with any kind of mining is the resulting ground instability from all excavations and extractions. To address this risk, the Operator conducts regular geohazard and safety assessment of site through Ground Control Management and Design Safety and Construction Quality Program. The Operator performs regular assessments after storms, earthquakes and sometimes when heavy rains occur. All assessments are collated, evaluated and reports are cascaded internally and externally by submitting a report to the Provincial Environment and Natural Resources Office. Some of the examples of the identified geohazards are those from the back of the New North Wall site which has been identified as a landslide area due to the creeping condition of the vegetation above it. After identifying the geohazard, proper controls, such as installation of road signages, and continuous monitoring are implemented.

CAC also maintains a strong relationship with the community residing within the vicinity of the quarry by establishing regular meetings and monitoring activities with the objective of creating a platform for initiative-taking planning, identifying, and preparing for any issues that the community may encounter. Other than the quarterly MMT meetings and the annual SDMP planning sessions, the Operator held a total of twenty meetings with the community in 2023.

Indeed, while production of aggregates causes depletion of natural resources, the Operator is still able to contribute to other areas of development in the country, such as by supplying premium aggregates for major construction projects under the government's Build Better More Program. Projects like the Tarlac-Urdaneta-La Union expressway Project, Urdaneta City Bypass Road (TPLEX) Project, LRT Line 2 East (Masinag) Extension Project, Mega Manila Subway and others are currently being supplied to the customers. The Operator continuously re-evaluates its production targets to accommodate government projects.

**Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored (area inside the quarry and adopted forests in Antipolo)	390.81	ha
IUCN <sup>2</sup> Red List species and DENR Administrative Order No. 2017-11 updated national list of threatened Philippine plants, trees and with habitats in areas affected by operations	National List - FLORA Category B. Endangered: Molave ( <i>Vitex parviflora</i> )  Category C. Vulnerable: Narra ( <i>Pterocarpus indicus</i> ) Kalantas ( <i>Toona calantas</i> ) Alupag ( <i>Litchi chinensis</i> ssp <i>philippinensis</i> )  Category D. Other Threatened: Bayanti ( <i>Aglaia rimosa</i> ) Kalomala ( <i>Clausena brevistyla</i> ) Limuran ( <i>Calamus ornatus</i> ) Balakat ( <i>Zizyphus talanai</i> ) Osprey, Philippine Scops-owl	

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<sup>2</sup> International Union for Conservation of Nature.

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Disclosure	Quantity	Units
	IUCN Red List- FAUNA Endangered: Osprey ( <i>Pandion haliaetus</i> ) Philippine Scops-owl ( <i>Otus megalotis</i> )	

**Impact to Ecosystem and Biodiversity**

As noted above, the quarry is away from protected areas and areas of high biodiversity value, reducing the direct impact and risks to the ecosystem and biodiversity of CAC's mining operations. Nonetheless, CAC, through the Operator, employs ways to ensure that any negative effect to the environment is reduced to a minimum such as the annual assessment of the Biodiversity Indicator Reporting System of the site based on IUCN Guidelines, and conduct of Biodiversity Rapid Assessment of flora and fauna in comparison with the baseline biodiversity data from the Environmental Impact Assessment conducted pre-quarrying.

Republic Act No. 7942, or the Philippine Mining Act of 1995, expressly requires government contractors, such as CAC, to rehabilitate technically and biologically the excavated, mined-out, tailings covered and disturbed areas to the condition of environmental safety. For this purpose, the law requires the establishment of a mine rehabilitation fund ("MRF"), which shall be based on the government contractor's approved work program and deposited as a trust fund in a government depository bank. The fund shall be used for physical and social rehabilitation of areas and communities affected by mining activities and for research on the social, technical, and preventive aspects of rehabilitation.

In July 2018, CAC's final mine rehabilitation and decommissioning plan ("FMR/DP") was approved by DENR. As of end of 2023, CAC's MRF, maintained with the Land Bank of the Philippines, amounts to Php29,469,988.30 which is 27% over and above the MRF required by law.

As of end of 2019, CAC's quarry site located within the South Wall, North East Wall and Old North Wall has already been rehabilitated and been replanted with mixed fruit-bearing and hardwood trees, while rehabilitation is currently ongoing within CAC's quarry pit bottom and some of its older lagoons.

Mine rehabilitation efforts and actions intended to ensure that the ecosystem and biodiversity are preserved affect not only CAC, but the government and the community in and around the site, as well.



[Before the rehabilitation: year 2015]



[After the rehabilitation: year 2019]

## Environmental Impact Management

### Air Emissions

The air emissions discussed below affect CAC and the community within and around the quarry site. The Operator's efforts to control these emissions, to the extent necessary, are aimed at helping the gradual improvement of environmental conditions around the quarry.

### GHG

Disclosure	Quantity (2023)	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

One of CAC's and the Operator's environmental goals is to reduce greenhouse gas ("GHG") emissions directed towards helping reduce the overall negative impact of such emissions to the environment. To further this objective, in 2019, the Operator has put in its annual objective to plant 28,000 trees, lower water consumption by 5%, reduce kWh/MT output by 4.76% and lower annual paper, fuel (diesel) and oil consumption by 3%. Additional 857 trees were planted in 2021, 1,150 trees were planted in 2022, while 657 were planted in 2023.

Despite these efforts, there are aspects of operations that currently still result in high GHG emission, such as plant production operations, maintenance and repair works, and administrative operations. To at least offset these emissions, the Operator takes various initiatives, such as annual tree planting drives within mined out land areas and idle lands.

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**ANNEX A**


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*Air pollutants*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
NO <sub>x</sub>	0	kg
SO <sub>x</sub>	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

Environmental quality (e.g., air, water, land) inside the quarry and its neighboring areas are being monitored regularly by EDLAV Environmental Testing Services, Inc. ("EDLAV"), and the data for 2023 is as summarized in the table above. According to EDLAV's reports, while the operations produce organic wastes, such as urine and manure, which are normal in an office setting, these are not considered persistent pollutants. The Operator also ensures that its generator sets are maintained and subjected to quarterly emission testing, so that emission of NO<sub>x</sub> and SO<sub>x</sub> are very minimal if generators are used during power outages. For 2023 there are no recorded NO<sub>x</sub> and SO<sub>x</sub> emissions from the Operator's generator sets.

**Solid and Hazardous Wastes**
*Solid Waste*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total solid waste generated	278,880	kg
Reusable	0	kg
Recyclable	263,940	kg
Composted	180	kg
Incinerated	0.00	kg
Residuals/Landfilled	14,760	kg

As shown in the figures above, the Operator maximizes its capacity to recycle solid waste generated from operations by running a Materials Recovery Facility, which oversees the segregation, recycling, and disposal of wastes. As the Operator collects the solid waste generated, recyclable materials are separated and either put inside the Materials Recovery Facility or inside the scrap area. For recyclables put inside the scrap area, mostly metal scraps, these are then sold to accredited scrap buyers. Recyclables put inside the Materials Recovery Facility, mostly used papers, plastic bottles and used tires, are either repurposed to be used in environmental projects or to be donated to the host community/barangays for them to reuse or sell to scrap buyers.

In addition, the Operator's thrust is to promote vermicomposting and upcycling of waste within the site. Compostable materials, usually food scraps like fruits and vegetables, are used as mulch for earthworms, which turn them, along with the other materials, into vermicast or fertilizer. For environmental projects, upcycling of tires to be used as road barriers, signages, planting pots and decorative furniture are implemented in the site.

*Hazardous Waste*

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total weight of hazardous waste generated	11,000	kg

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**ANNEX A**


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Disclosure	Quantity	Units
Total weight of hazardous waste transported	8,600	kg

The Operator uses oil and grease in the production plants and in transportation, which in turn needs to be replaced regularly, thereby generating hazardous waste. It is also true for used electrical equipment. Indeed, hazardous waste, if produced excessively or mishandled, can result in adverse effects, and possible irreversible harm, to the environment and the community.

The Operator therefore ensures that hazardous waste is responsibly managed and contained in a concrete Hazardous Waste Storage Facility on-site. The Operator's Pollution Control Officer regularly checks the facility to avoid spillage and contamination. The facility is also being inspected by MMT quarterly.

Twice a month, hazardous wastes are transferred into DENR-prescribed drums and collected by Ecology Specialist, Inc. ("ESI"), a DENR-accredited third-party transporter of hazardous wastes, which hauls the wastes for proper collection and treatment. ESI secures a Special Permit to Travel from the EMB (Environmental Management Bureau) prior to collection of hazardous wastes. The Operator's engagement of a third party that is DENR-accredited was made to ensure that the hazardous wastes will be transported and eventually treated and disposed in accordance with DENR imposed guidelines.

***Effluents***

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	100	%

Every mining operation poses a risk of contaminating and/or depleting bodies of water surrounding the mine site. Specifically for CAC's mine, it is traversed in some areas by the Angono River, which streams and connects to Laguna Lake.

Nonetheless, CAC has neither caused nor contributed to the contamination of the Angono River or its depletion despite over 20 years of operations in Angono, Rizal. The Operator strives for efficient use of water through 100% water recycling, especially that used for aggregate washing. The Operator also employs a Zero Discharge Scheme, which uses a standard gravity settling process. The Operator also ensures proper management of settling ponds, which includes desilting and hauling of silt, stabilization of the settling pond walls, maintenance of freeboards, and establishment of catch basins for run-offs, to avoid water contamination due to run-off and instability of settling ponds for recycling.

In addition to the foregoing, the Operator employs the BIRS annually. The BIRS was developed by the IUCN to help companies in the cement and aggregates sector monitor and evaluate changes to biodiversity on their landholdings, through repeated, consistent assessment and aggregation of the suitability of these landholdings for biodiversity.<sup>3</sup> The Operator started employing BIRS in 2018, and by 2021, the Operator found that rehabilitated and reforested sites and areas inside the quarry and other adopted forests in Antipolo had improved with some of the flora gradually

revegetating. The Operator also identified several floras that are invasive, and thus, implemented grass cutting and re-introduction of endemic species to the areas sited.

## Environmental compliance

### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

On February 21, 2008, CAC was issued ECC No. 0707-018-2230 by the DENR. Among the conditions under the ECC pertain to compliance with RA 6969 (Toxic substances and Hazardous and Nuclear Wastes Control Act of 1990), RA 9003 (Act Providing for an Ecological Solid Waste Management Program), RA 9275 (Philippine Clean Water Act of 2004), RA 8749 (Philippine Clean Air Act of 1999), and RA 7942 (Philippine Mining Act of 1995). The ECC also provides for the formation of the MMT, establishment of Contingent Liability and Rehabilitation Fund and Environmental Trust Fund, and organization of Mine Environmental Protection and Enhancement Office, which will oversee and implement environment-related aspect of the project.

Since its issuance, CAC and the Operator have complied with the parameters set by the government in the ECC and its MPSAs. Among other things, the Operator ensures that all of CAC's reporting obligations are properly scheduled and monitored to maintain timely submission to government agencies. More importantly, CAC's mining activities are being monitored internally and by the MMT.

The Operator is also the first Filipino aggregates company to obtain an ISO 9001-2000 certification. This is a Quality Management System Standard given to corporations that meet international standards of excellence. The Operator provides world-class aggregate products to the construction industry and efficient customer service.



Indeed, the Operator pursues excellence in all aspects of its business. This standard of doing business affects not only CAC, but every stakeholder such as its employees, shareholders, suppliers and contractors, the Operator itself, the government, and the surrounding community.

## Final Mine Rehabilitation and/or Decommissioning Program (FMRDP)

Due to the quarrying activities, permanent and temporary land use change will occur in areas where facilities are established. The Final Mine Rehabilitation and/or Decommissioning Plan (FMRDP) is formulated to prepare the quarry site for its designed final land use which is to convert it to a commercial and residential area. The pit bottom will be backfilled and converted into a tri-leveled elevation using the stripped overburden from the quarry. Backfilling of pit bottom and mined-out benches as well as revegetation of these benches will be carried out under yearly progressive mine rehabilitation. Considerations for the environmental and social aspects of the mine closure are also integrated in the FMRDP.

## Awards and Recognitions

In 2023, the Operator has demonstrated excellence in top-tier operations and rehabilitation initiatives. Their exceptional performance was acknowledged through several esteemed awards, including the prestigious Presidential Mineral Industry Environmental Award (PMIEA) Platinum Achievement Award, affirming their unwavering dedication to environmental excellence. Moreover, they were honored with the Outstanding Safety and Health, Environment, and Social Development (SHES) Performance Award, recognizing their steadfast commitment to the welfare of their workforce and surrounding communities. Additionally, their noteworthy efforts in environmental conservation were recognized with the Best Reforestation Award, underscoring their initiative-taking measures to preserve and restore natural habitats.



## ANNEX A



## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee data

Disclosure	CAC	HAI	Units
Total number of employees	2	85	
a. Number of female employees	1	16	#
b. Number of male employees	1	89	#
Attrition rate	0	4%	rate
Salary of lowest paid employee		15,839.43	PhP/day

##### Employee benefits

List of Benefits	Provided Y/N	% of female employees who availed for the year		% of male employees who availed for the year	
		CAC	HAI	CAC	HAI
SSS	Y	100	1	100	1
PhilHealth	Y	0	1	0	1
Pag-ibig	Y	0	1	0	50
Parental leaves	Y	0	0	0	6
Vacation leaves	Y	100	100	100	100
Sick leaves	Y	100	100	100	100
Medical benefits (aside from PhilHealth)	Y	100	100	100	100
Housing assistance (aside from Pag-ibig)	N				
Retirement fund (aside from SSS)	Y	0	0	0	0
Further education support	N				
Company stock options	N				
Telecommuting	Y	0	0	0	0
Flexible-working Hours	N				

The Operator has employees for key positions including those covering concerns critical to health, safety, environment, and social development deployed in the mine site. Other contractor employees (other than CAC's and the Operator's employees) are also present in the site for quarry operations, labor workforce and security services.

CAC's and the Operator's employees are afforded salaries higher than minimum wage and benefits more than what is required by law. CAC's and the Operator's benefits packages include good health insurance coverage and other incentives that encourage employees to excel in the workplace. Merit increases at a maximum rate of **6%** are given annually to maintain personnel salaries at a competitive level. Catch-up increase is also given for deserving top

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performers of the year to boost morale and satisfaction. CAC's and the Operator's benefits plans are continuously reviewed to attract and to retain excellent employees and keep the turnover rate at a minimum.

#### Employee Training and Development

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total training hours provided to employees	2,562	
a. Female employees	480	Hours
b. Male employees	2,082	Hours
Average training hours provided to employees		
a. Female employees	30	hours/employee
b. Male employees	30	hours/employee

The Operator focuses on retaining competent employees and helping them gain relevant experience. To this end, the Operator offers trainings to employees, in the Philippines and abroad, for development and support to desired career path, while making sure they align with the company's organizational structure and over-all goals.

Apart from this, the Operator has a robust training program to ready potential employees to support business expansion in the future through the Apprenticeship Program, Cadet Engineering Program, Aggregates Academy, and Quarry Manager's Course.

#### Labor-Management Relations

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
% of the Operator's employees covered with Collective Bargaining Agreements	59	%
Number of consultations conducted with the Operator's employees concerning employee-related policies	4	#

The Operator's efforts to afford its employees above minimum salaries and benefits inevitably resulted in over 13 years of harmonious relationship with its employees' union. The Bisig ng Manggagawa sa Batong Angono Aggregates, Corp., which was established in 2008, has tirelessly championed for the rights of its members and therefore played a huge role in maintaining the amicable relations between the Operator and its employees. To sustain this relationship, the Operator is keen on timely implementing the provisions of the CBA and remains attentive to the needs of its workers that may necessitate recalibration of the benefits set out in the CBA.

The 86-member strong Company Union has a CBA for the period of January 1, 2017, to December 31, 2021, with economic reviews set out every two years, the last one conducted and approved in December 2019.

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Diversity and Equal Opportunity

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
% of female workers in the workforce	20%	%
% of male workers in the workforce	80	%
Number of employees from Indigenous communities and/or vulnerable sector*	0	#

The Operator believes that the heart of an organization is its people. Diversity is actively sought while embracing different ideas and perspectives. The Operator seeks collaboration, believes in openness, and empowers people to speak up. Everyone in the organization is given equal opportunities in terms of training and promotions to develop talents for them to reach their full potential and become successful.

The Operator believes that gender, age, religious or cultural background, disabilities, and sexual orientation, do not pose any barrier to entry into the company. Female applicants are never shunned even in positions mostly dominated by men with the confidence that they will provide inspiration, motivation, and balance to the organization.

One-paygrade matrix is implemented regardless of gender and beliefs while providing government mandated benefits and implementing programs in support to women.

Workplace Conditions, Labor Standards, and Human Rights
Occupational Health and Safety

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Safe Man-Hours	950,275.13	Man-hours
No. of work-related injuries	2	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	12	#

The health and safety of its employees is a prime concern of CAC and the Operator. The Operator recognizes its responsibility to provide its employees with a safe, secure, and healthy working environment. To this end, the Operator put in place occupational safety and health programs and measures that meet the standards required by law of a mining company.

In 2023, the Operator has logged a total of 950,275.13 man-hours without lost time accident, adding to its more than 8M man-hours without lost time accident record it has since 2013.

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### Labor Laws and Human Rights

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of legal actions or employee grievances involving forced or child labor	0	#

The Operator implements its Integrated Management System (“IMS”)<sup>4</sup> Policy, which deals with issues relating to forced labor, child labor and human rights. The Operator strongly prohibits, and does not tolerate, any violation of labor laws and human rights in the mine site as mandated by Department of Labor and Employment (“DOLE”) guidelines. The Operator values the dignity of its employees and respects the rights of its workers. The Operator is committed to keep its work environment free from sexual intimidation and exploitation through its Sexual Harassment Policy. The Operator also does not tolerate bullying in the workplace, nor does it discriminate against anybody due to gender, age, religious or cultural background, as well as disabilities and sexual orientation.

Even with the implementation of the foregoing policies, the Operator is prepared to address instances when these are violated. To address this, the Operator has established a grievance mechanism where a discriminated employee may file a complaint. In addition, the Operator constantly reminds the union to be open to receiving such complaints in case an employee chooses to air out grievances to it.

The employee's handbook, the Crusher man's Guide, is followed when handling grievances, investigations and implementation of consequences and penalties to allow just and objective treatment of cases. The Operator believes and values discipline to correct deficient or unsatisfactory behavior and performance based on policies and established rules.

### Supply Chain Management

Local and international suppliers and are selected based on long-term relationship opportunities, compliance with local and legal requirements, and commitment to safety and sustainable development while delivering value-for-cost procurement for CAC.

Being an ISO Certified company, the Operator requires its suppliers upon accreditation to adhere to specific rules and guidelines to conform to OHS and CSR Requirements.

The Operator considers the following sustainability topics in accrediting its suppliers:

<b>Topic</b>	<b>Specific Supplier Policy</b>
Environmental performance	Contractor Safety Management
Forced labor	IMS Policy
Child labor	IMS Policy
Human rights	IMS Policy
Bribery and corruption	Anti-Bribery and Corruption Directive (ABCD)

The Operator is committed to creating value for all its stakeholders with the principle of sustainable development even into its procurement strategy, day-to-day operations, and relationships with suppliers. Suppliers, partners, and

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<sup>4</sup> See attached Annex A.

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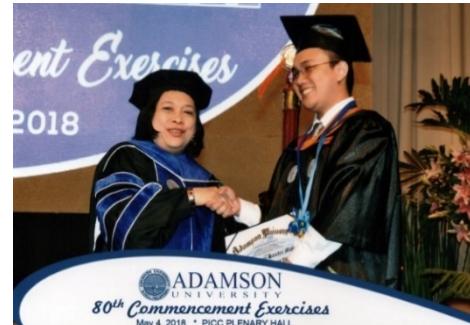

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contractors are expected to comply with local and legal requirements and to align with the Operator's policies on health & safety, environment, and human rights as well as the Anti-Bribery and Corruption Directive (ABCD) and Fair Competition Directive (FCD) as previously discussed.

The Operator periodically reviews its supply chain strategy to produce a professionally designed system that can support the overall trajectory of the business that will lead to achieving commercial goals and consequently, business success.

### **Relationship with Community**

The Operator, through its Development of Mining Technology and Geosciences ("DMTG") Program, has awarded full college scholarship to deserving students in Angono. The scholarship program produced one Mining Engineer working for the Operator. Three more Geology students are currently enrolled at Adamson University under the DMTG Program.



### **Significant Impacts on Local Communities**

The table below summarizes various operational activities of the Operator and how each of these activities affected the communities around the mine site. None of the following affects indigenous peoples.

<b>Operations</b>	<b>Location</b>	<b>Vulnerable groups</b>	<b>Effect to the community</b>	<b>Mitigating or enhancement measures</b>
Infrastructure	Brgys. San Roque, Bagumbayan, Kalayaan, Mahabang Parang, San Vicente and Sto. Nino	Poor or bottom of pyramid ("BOP")	Construction of sound roads	<i>Mitigating</i> - construction of roads, canals, drainage system, sidewalks, easements, pathways
Infrastructure	Brgys. San Isidro, San Roque, Bagumbayan, Mahabang Parang, Poblacion Ibaba, San Pedro and Sto. Nino	Children, youth and elderly, persons with disabilities, vulnerable women, solo parents, poor and BOP	Community facilities and amenities	<i>Enhancement</i> - rehabilitation and provision of Barangay Halls, Day Care Centers, Chapel, rehabilitation of water supply system, painting of roads, humps, posts and murals, provision of solar streetlights
Human resources and institutional building	Brgys. San Isidro, San Roque, Mahabang Parang, Poblacion Itaas and San Pedro	Children, youth and elderly, persons with disabilities, vulnerable women, solo parents, poor and BOP	Capacity building	<i>Enhancement</i> - provision of trainings for Barangay officials and staff

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<b>Operations</b>	<b>Location</b>	<b>Vulnerable groups</b>	<b>Effect to the community</b>	<b>Mitigating or enhancement measures</b>
Human resources and institutional building	Brgys. San Isidro, San Roque, Mahabang Parang, Poblacion Ibaba and Poblacion Itaas	Children, youth and elderly, persons with disabilities, vulnerable women, solo parents, poor and BOP	Maintenance of peace and order	<i>Enhancement</i> - provision of CCTVs, motorcycles, peace and order uniform and tools
Enterprise development and support services	Brgys. San Isidro and Bagumbayan	Children, youth and elderly, persons with disabilities, vulnerable women, solo parents, poor and BOP	Livelihood and employment	<i>Mitigating</i> - provision of Skills Training
Promotion of socio-cultural values	Brgys. San Isidro, San Roque, Bagumbayan, Kalayaan, Mahabang Parang, Poblacion Ibaba, Poblacion Itaas, San Pedro, San Vicente and Sto. Nino	Children, youth and elderly, persons with disabilities, vulnerable women, solo parents, poor and BOP	Promotion of cultural heritage	<i>Enhancement</i> - provision of support to repainting of murals, celebrations of festivals at barangay and municipal level (Higantes Festival) and provision of marching band instruments

In addition to the foregoing, the Operator also engages in various Corporate Social Responsibility (“CSR”) and Social Development and Management Programs (“SDMP”). An SDMP refers to the comprehensive five-year plan of a mining contractor towards the sustained improvement in the living standards of the host and neighboring communities by creating responsible, self-reliant, and resource-based communities capable of developing, implementing, and managing community development programs, projects, and activities in a manner consistent with the principle of people empowerment.

The Operator is committed to contributing a positive impact to the communities through the implementation of its Social Development and Management Program “SDMP” initiatives. The approved budget for the 2023 Annual SDMP (“ASDMP”) was PhP 11,058,195.95 for the ten communities in Angono, although the actual expenditure for the year 2023 was at PhP 10,095,597.43 The excess amount will be added to the 2024 budget.

The SDMP is broken down as follows in reference to the SDMP budget allocation:

<b>SDMP Section</b>	<b>%</b>	<b>Allocation</b>	<b>Expenditure</b>
Development of Host and Neighboring Communities (DHNC)	75	Php 8,293,644.71	Php 8,006,550.92
Information, Education, Communication Campaign (IEC)	15	Php 1,658,728.04	Php 1,598,708.20
Development of Mining Technology and Geosciences (DMTG)	10	Php 1,105,819.29	Php 490,338.31

DHNC projects include tools for distant learning, construction of Botong Francisco Ave., support to dredging activities, provision of medicines and medical equipment, annual maintenance of rivers and berms, conduct of annual operation tuli, supply and installation of CCTVs, purchase of materials for the Isolation Facility, provision of scholar's allowances,

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provision of tablets for distant learning, provision of honoraria to strengthen the Barangay Health Emergency Response Team, Doctor's Honoraria, annual maintenance and declogging of canals and support to the celebration of Feast of San Clemente and Higante's Festival.

IEC programs include:

- Publication promoting safety and health, environment, responsible mining, social development, and other supplies.
- Tokens to further IEC during conferences, meetings, consultations, and tours
- Audio Visual presentations and videos highlighting mining and processing aggregates.
- Support to community events to make the company accessible to the public.
- Community clinics, relief operations, and feeding programs to indigent residents of the community to further IEC through health assistance.
- Conferences and meetings to equip the stakeholders on mining related activities.
- Multi-sectoral consultation and planning sessions to identify priority projects and activities for 2023 ASDMP.

Lastly, continuing support to scholars comprise the DMTG fund.

The five-year SDMP, covering the years 2020 to 2024, was approved by MGB IV-A on June 20, 2020, under COA No. 034-2020-05 IV. The total budget amounts to PhP 82,358,717.67 million for the host and neighboring barangays.

None of the foregoing operations and projects affect indigenous communities or people because there are no identified indigenous communities or people in and around the quarry, as supported by the Certificate of Non-Overlap CNO-RIV-RIZ-2018-1063 issued by the National Commission on Indigenous Peoples Regional Office IV.

The succeeding tables show the summary of actual expenditures in 2023, and number of beneficiaries per Project/Program/Activity (PPA).

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<b>BARANGAY SAN ISIDRO</b>						
		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
SIC1	cont	Sewing Machine	100,000.00	0.00	100,000.00	0.00%
SIC2	cont	MRF Materials	369,159.53	0.00	369,159.53	0.00%
SIC3	cont	Asphalt Laying Project	231,185.87	0.00	231,185.87	0.00%
SIC4	cont	Solar Street Lights	200,000.00	0.00	200,000.00	0.00%
SIC5	cont	Scholarship	1,510.40	0.00	1,510.40	0.00%
SIC6	cont	Adult Medicines	14.00	0.00	14.00	0.00%
SIC7	cont	Welfare Packages	2,043.04	0.00	2,043.04	0.00%
<i>NOT INCLUDED IN TOTALS</i>			<b>903,912.84</b>	<b>0.00</b>	<b>903,912.84</b>	<b>0.00%</b>
<b>a. Human Resources Development</b>						
SI1	1.	CCTV	200,000.00	0.00	200,000.00	0.00%
		<i>Sub-Total</i>	<b>200,000.00</b>	<b>0.00</b>	<b>200,000.00</b>	<b>0.00%</b>
<b>c. Assistance to Infrastructure Development and</b>						
SI2	1.	Ready-mix	500,000.00	0.00	500,000.00	0.00%
SI3	2.	Solar street lights	200,000.00	0.00	200,000.00	0.00%
		<i>Sub-Total</i>	<b>700,000.00</b>	<b>0.00</b>	<b>700,000.00</b>	<b>0.00%</b>
<b>d. Access to Education and Educational Support</b>						
SI4	1.	Scholarship	301,000.00	0.00	301,000.00	0.00%
		<i>Sub-Total</i>	<b>301,000.00</b>	<b>0.00</b>	<b>301,000.00</b>	<b>0.00%</b>
<b>e. Access to Health and Services, Health</b>						
SI5	1.	Medicines	400,000.00	0.00	400,000.00	0.00%
SI6	3.	River dredging	200,000.00	0.00	200,000.00	0.00%
SI7	4.	Provision of ambulance	901,775.65	0.00	901,775.65	0.00%
		<i>Sub-Total</i>	<b>1,501,775.65</b>	<b>0.00</b>	<b>1,501,775.65</b>	<b>0.00%</b>
<b>f. Protection and Respect of Socio-Cultural</b>						
SI8	1.	San Isidro Festival	50,000.00	0.00	50,000.00	0.00%
SI9	2.	Higantes Festival - band	100,000.00	0.00	100,000.00	0.00%
SI10	3.	Higantes Festival - decorations	50,000.00	0.00	50,000.00	0.00%
		<i>Sub-Total</i>	<b>200,000.00</b>	<b>0.00</b>	<b>200,000.00</b>	<b>0.00%</b>
		<i>Sub-total for DHNC - Brgy. SAN ISIDRO</i>	<b>2,902,775.89</b>	<b>0.00</b>	<b>2,902,775.89</b>	<b>0.00</b>

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		<b>BARANGAY SAN ROQUE</b>				
		<b>PROJECT/PROGRAM/ACTIVITY (PPA)</b>	<b>BUDGET</b>	<b>ACCOMPLISHED</b>	<b>BALANCE</b>	<b>% TO DATE</b>
SRC1	cont	Bread and pastries, food processing, kasambahay	66,484.18	0.00	66,484.18	0.00%
SRC2	cont	Project management training	21,915.62	0.00	21,915.62	0.00%
SRC3	cont	Computer literacy	100,000.00	0.00	100,000.00	0.00%
SRC4	cont	Start-up materials	90,868.92	0.00	90,868.92	0.00%
SRC5	cont	Barangay Hall	1,000,000.00	0.00	1,000,000.00	0.00%
SRC6	cont	Multipurpose Hall	100,000.00	0.00	100,000.00	0.00%
SRC7	cont	Pathway at Sitio Manggahan	50,000.00	0.00	50,000.00	0.00%
SRC8	cont	School Trike Bike	300,331.26	282,958.20	17,373.06	94.22%
SRC9	cont	2021	75.00	0.00	75.00	0.00%
SRC10	cont	2022	14.00	0.00	14.00	0.00%
<i>NOT INCLUDED IN TOTALS</i>			<b>1,729,688.98</b>	<b>282,958.20</b>	<b>1,446,730.78</b>	<b>16.36%</b>
<hr/>						
<b>c. Assistance to Infrastructure Development and</b>						
SR1	1.	Brgy. Hall	900,000.00	0.00	900,000.00	0.00%
SR2	3.	Dona Aurora canal	300,000.00	0.00	300,000.00	0.00%
SR3	4.	Sitio Manggahan	150,000.00	0.00	150,000.00	0.00%
SR4	7.	Declogging	200,000.00	0.00	200,000.00	0.00%
<i>Sub-Total</i>			<b>1,550,000.00</b>	<b>0.00</b>	<b>1,550,000.00</b>	<b>0.00%</b>
<hr/>						
<b>d. Access to Education and Educational Support</b>						
SR5	1.	Scholarship	200,000.00	0.00	200,000.00	0.00%
SR6	2.	School supplies	180,000.00	0.00	180,000.00	0.00%
<i>Sub-Total</i>			<b>380,000.00</b>	<b>0.00</b>	<b>380,000.00</b>	<b>0.00%</b>
<hr/>						
<b>e. Access to Health and Services, Health</b>						
SR7	1.	Infant and children medicines	150,000.00	0.00	150,000.00	0.00%
SR8	2.	Adult medicines	100,000.00	0.00	100,000.00	0.00%
SR9	3.	Doktor sa Barrio	180,000.00	0.00	180,000.00	0.00%
SR10	4.	Operation Tuli	200,000.00	0.00	200,000.00	0.00%
<i>Sub-Total</i>			<b>630,000.00</b>	<b>0.00</b>	<b>630,000.00</b>	<b>0.00%</b>
<hr/>						
<b>f. Protection and Respect of Socio-Cultural</b>						
SR11	1.	San Roque Festival - band	50,000.00	0.00	50,000.00	0.00%
SR12	2.	San Roque Festival - meals	100,000.00	0.00	100,000.00	0.00%
SR13	3.	Higantes Festival - band	92,775.65	0.00	92,775.65	0.00%
SR14	4.	Higantes Festival - decorations	100,000.00	0.00	100,000.00	0.00%
<i>Sub-Total</i>			<b>342,775.65</b>	<b>0.00</b>	<b>342,775.65</b>	<b>0.00%</b>
<hr/>						
<b>Sub-total for DHNC - Brgy. SAN ROQUE</b>			<b>2,902,775.65</b>	<b>0.00</b>	<b>2,902,775.65</b>	<b>0.00%</b>

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**ANNEX A**


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<b>BARANGAY BAGUMBAYAN</b>					
	PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
	a. Assistance to Infrastructure Development and				
1.	Construction materials	0.00	0.00	0.00	#DIV/0!
	<i>Sub-Total</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>#DIV/0!</i>
	b. Access to Education and Educational Support				
B1	1. School supplies	50,000.00	0.00	50,000.00	0.00%
	<i>Sub-Total</i>	<i>50,000.00</i>	<i>0.00</i>	<i>50,000.00</i>	<i>0.00%</i>
	c. Access to Health and Services, Health				
B2	1. Infant and children medicines	50,000.00	0.00	50,000.00	0.00%
B3	2. Adult medicines	24,000.00	0.00	24,000.00	0.00%
B4	2. Declogging of canals	30,000.00	0.00	30,000.00	0.00%
B5	2. Cleaning materials	16,802.00	0.00	16,802.00	0.00%
	<i>Sub-Total</i>	<i>120,802.00</i>	<i>0.00</i>	<i>120,802.00</i>	<i>0.00%</i>
	d. Protection and Respect of Socio-Cultural				
B6	1. Higantes Festival - band	50,000.00	0.00	50,000.00	0.00%
B7	2. Higantes Festival - decorations	50,000.00	0.00	50,000.00	0.00%
B8	3. Basketball	16,209.68	0.00	16,209.68	0.00%
B9	4. Referee honoraria	24,000.00	0.00	24,000.00	0.00%
	<i>Sub-Total</i>	<i>140,209.68</i>	<i>0.00</i>	<i>140,209.68</i>	<i>0.00%</i>
	<i>Sub-total for DHNC - Brgy. BAGUMBAYAN</i>	<i>311,011.68</i>	<i>0.00</i>	<i>311,011.68</i>	<i>0.00%</i>

<b>BARANGAY KALAYAAN</b>					
	PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
	a. Access to Education and Educational Support				
K1	1. School Supplies	161,000.00	0.00	161,000.00	0.00%
	<i>Sub-Total</i>	<i>161,000.00</i>	<i>0.00</i>	<i>161,000.00</i>	<i>0.00%</i>
	b. Access to Health and Services, Health				
K2	1. Band	100,000.00	0.00	100,000.00	0.00%
K3	1. Band	50,011.68	0.00	50,011.68	0.00%
	<i>Sub-Total</i>	<i>150,011.68</i>	<i>0.00</i>	<i>150,011.68</i>	<i>0.00%</i>
	<i>Sub-total for DHNC - Brgy. KALAYAAN</i>	<i>311,011.68</i>	<i>0.00</i>	<i>311,011.68</i>	<i>0.00%</i>

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**ANNEX A**


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**BARANGAY MAHABANG PARANG**

		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
MPC1	cont	Banlik enterprise	11,000.00	0.00	11,000.00	0.00%
MPC2	cont	School supplies 2021	2,462.68	0.00	2,462.68	0.00%
MPC3	cont	Calamity equipment	1,200.08	0.00	1,200.08	0.00%
MPC4	cont	Start-up materials	25,802.94	0.00	25,802.94	0.00%
MPC5	cont	Construction materials	249.54	0.00	249.54	0.00%
MPC6	cont	School supplies 2022	0.24	0.00	0.24	0.00%
MPC7	cont	Adult medicines	26.85	0.00	26.85	0.00%
<b>NOT INCLUDED IN TOTALS</b>			<b>40,742.33</b>	<b>0.00</b>	<b>40,742.33</b>	<b>0.00%</b>
<b>a. Assistance to Infrastructure Development and Support Services</b>						
MP1	1.	Construction materials	50,000.00	0.00	50,000.00	0.00%
MP2	2.	Streetlights	60,000.00	0.00	60,000.00	0.00%
		<b>Sub-Total</b>	<b>110,000.00</b>	<b>0.00</b>	<b>110,000.00</b>	<b>0.00%</b>
<b>c. Access to Education and Educational Support</b>						
MP3	1.	School supplies	60,000.00	0.00	60,000.00	0.00%
		<b>Sub-Total</b>	<b>60,000.00</b>	<b>0.00</b>	<b>60,000.00</b>	<b>0.00%</b>
<b>d. Access to Health and Services, Health</b>						
MP4	1.	Infant and children medicines	40,000.00	0.00	40,000.00	0.00%
MP5	2.	Adult medicines	20,000.00	0.00	20,000.00	0.00%
		<b>Sub-Total</b>	<b>60,000.00</b>	<b>0.00</b>	<b>60,000.00</b>	<b>0.00%</b>
<b>e. Protection and Respect of Socio-Cultural</b>						
MP6	1.	Mahabang Parang Festival - meals	25,000.00	0.00	25,000.00	0.00%
MP7	2.	Higantes Festival - band	40,000.00	0.00	40,000.00	0.00%
MP8	3.	Higantes Festival - decorations	16,011.68	0.00	16,011.68	0.00%
		<b>Sub-Total</b>	<b>81,011.68</b>	<b>0.00</b>	<b>81,011.68</b>	<b>0.00%</b>
		<b>Sub-total for CHNC - Barangay MAHABANG PARANG</b>	<b>311,011.68</b>	<b>0.00</b>	<b>311,011.68</b>	<b>0.00%</b>

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**ANNEX A**


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<b>BARANGAY POBLACION IBABA</b>						
		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
PIBC1	cont	Labor cost	0.02	0.00	0.02	0.00%
PIBC2	cont	CCTV	1,220.00	0.00	1,220.00	0.00%
PIBC3	cont	Resource Speaker	5,000.00	0.00	5,000.00	0.00%
PIBC4	cont	Tanod tools	31,618.10	0.00	31,618.10	0.00%
PIBC5	cont	Jetmatic pumps	200.00	0.00	200.00	0.00%
PIBC6	cont	School supplies	3.54	0.00	3.54	0.00%
PIBC7	cont	Adult medicines	47.94	0.00	47.94	0.00%
		<i>NOT INCLUDED IN TOTALS</i>	<i>38,089.60</i>	<i>0.00</i>	<i>38,089.60</i>	<i>0.00%</i>
<b>a. Human Resources Development</b>						
PIB1	1.	Resource speaker	10,000.00	0.00	10,000.00	0.00%
PIB2	2.	Training fee	10,000.00	0.00	10,000.00	0.00%
PIB3	3.	CCTV	30,000.00	0.00	30,000.00	0.00%
		<i>Sub-Total</i>	<i>50,000.00</i>	<i>0.00</i>	<i>50,000.00</i>	<i>0.00%</i>
<b>b. Enterprise Development and Networking</b>						
PIB4	1.	Rice cooperative	10,000.00	0.00	10,000.00	0.00%
		<i>Sub-Total</i>	<i>10,000.00</i>	<i>0.00</i>	<i>10,000.00</i>	<i>0.00%</i>
<b>c. Assistance to Infrastructure Development and</b>						
PIB5	1.	Solar streetlights	20,000.00	0.00	20,000.00	0.00%
		<i>Sub-Total</i>	<i>20,000.00</i>	<i>0.00</i>	<i>20,000.00</i>	<i>0.00%</i>
<b>d. Access to Education and Educational Support</b>						
PIB6	1.	School supplies	80,000.00	0.00	80,000.00	0.00%
		<i>Sub-Total</i>	<i>80,000.00</i>	<i>0.00</i>	<i>80,000.00</i>	<i>0.00%</i>
<b>e. Access to Health and Services, Health</b>						
PIB7	1.	Infant and children medicines	21,011.68	0.00	21,011.68	0.00%
PIB8	2.	Adult medicines	20,000.00	0.00	20,000.00	0.00%
PIB9	2.	Dredging of canals	20,000.00	0.00	20,000.00	0.00%
		<i>Sub-Total</i>	<i>61,011.68</i>	<i>0.00</i>	<i>61,011.68</i>	<i>0.00%</i>
<b>f. Protection and Respect of Socio-Cultural</b>						
PIB10	1.	Higantes Festival - band	50,000.00	0.00	50,000.00	0.00%
PIB11	2.	Higantes Festival - decorations	40,000.00	0.00	40,000.00	0.00%
		<i>Sub-Total</i>	<i>90,000.00</i>	<i>0.00</i>	<i>90,000.00</i>	<i>0.00%</i>
		<i>Sub-Total for DHNC - Brgy. POBLACION</i>	<i>311,011.68</i>	<i>0.00</i>	<i>311,011.68</i>	<i>0.00%</i>

**ANNEX A**
**BARANGAY POBLACION ITAAS**

		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
PITC1	cont	Adult medicines	46.73	0.00	46.73	0.00%
PITC2	cont	Welfare package	4.07	0.00	4.07	0.00%
PITC3	cont	CCTV	35,000.00	0.00	35,000.00	0.00%
		<b>NOT INCLUDED IN TOTALS</b>	<b>35,052.80</b>	<b>0.00</b>	<b>35,052.80</b>	<b>0.00%</b>
	a.	Human Resources Development				
PIT1	1.	CCTV	20,000.00	0.00	20,000.00	0.00%
PIT2	1.	Furniture and fixtures	25,000.00	0.00	25,000.00	0.00%
		<b>Sub-Total</b>	<b>45,000.00</b>	<b>0.00</b>	<b>45,000.00</b>	<b>0.00%</b>
	b.	Assistance to Infrastructure Development and				
PIT3	1.	Declogging	46,000.00	0.00	46,000.00	0.00%
		<b>Sub-Total</b>	<b>46,000.00</b>	<b>0.00</b>	<b>46,000.00</b>	<b>0.00%</b>
	c.	Access to Health and Services, Health				
PIT4	1.	Infant and children medicines	40,000.00	0.00	40,000.00	0.00%
PIT5	2.	Adult medicines	40,000.00	0.00	40,000.00	0.00%
PIT6	3.	Clean and green tools	50,000.00	0.00	50,000.00	0.00%
		<b>Sub-Total</b>	<b>130,000.00</b>	<b>0.00</b>	<b>130,000.00</b>	<b>0.00%</b>
	d.	Protection and Respect of Socio-Cultural				
PIT7	1.	Higantes Festival - band	55,011.68	0.00	55,011.68	0.00%
PIT8	2.	Higantes Festival - decorations	15,000.00	0.00	15,000.00	0.00%
PIT9	3.	Mural painting	20,000.00	0.00	20,000.00	0.00%
		<b>Sub-Total</b>	<b>90,011.68</b>	<b>0.00</b>	<b>90,011.68</b>	<b>0.00%</b>
		<b>Sub-total for DHNC - Brgy. POBLACION</b>	<b>311,011.68</b>	<b>0.00</b>	<b>311,011.68</b>	<b>0.00%</b>

**BARANGAY SAN PEDRO**

		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
SPC1	cont	CCTV	83,561.46	0.00	83,561.46	0.00%
SPC2	cont	Light posts and humps	33,653.76	0.00	33,653.76	0.00%
		<b>NOT INCLUDED IN TOTALS</b>	<b>117,215.22</b>	<b>0.00</b>	<b>117,215.22</b>	<b>0.00%</b>
	a.	Human Resources Development				
SP1	1.	CCTV	50,000.00	0.00	50,000.00	0.00%
		<b>Sub-Total</b>	<b>50,000.00</b>	<b>0.00</b>	<b>50,000.00</b>	<b>0.00%</b>
	b.	Assistance to Infrastructure Development and				
SP2	1.	Light posts and humps	50,000.00	0.00	50,000.00	0.00%
		<b>Sub-Total</b>	<b>50,000.00</b>	<b>0.00</b>	<b>50,000.00</b>	<b>0.00%</b>
	c.	Access to Education and Educational Support				
SP3	1.	Day Care Center	31,000.00	0.00	31,000.00	0.00%
		<b>Sub-Total</b>	<b>31,000.00</b>	<b>0.00</b>	<b>31,000.00</b>	<b>0.00%</b>
	d.	Access to Health and Services, Health				
SP4	1.	Adult medicines	50,000.00	0.00	50,000.00	0.00%
		<b>Sub-Total</b>	<b>50,000.00</b>	<b>0.00</b>	<b>50,000.00</b>	<b>0.00%</b>
	e.	Protection and Respect of Socio-Cultural				
SP5	1.	San Pedro Festival	30,000.00	0.00	30,000.00	0.00%
SP6	2.	Higantes Festival - band	50,000.00	0.00	50,000.00	0.00%
SP7	3.	Higantes Festival - decorations	50,011.68	0.00	50,011.68	0.00%
		<b>Sub-Total</b>	<b>130,011.68</b>	<b>0.00</b>	<b>130,011.68</b>	<b>0.00%</b>
		<b>Sub-total for DHNC - Brgy. SAN PEDRO</b>	<b>311,011.68</b>	<b>0.00</b>	<b>311,011.68</b>	<b>0.00%</b>

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**ANNEX A**


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	<b>BARANGAY SAN VICENTE</b>				
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		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
SVC1	cont	CCTV	81,500.00	0.00	81,500.00	0.00%
		<b>NOT INCLUDED IN TOTALS</b>	<b>81,500.00</b>	<b>0.00</b>	<b>81,500.00</b>	<b>0.00%</b>
		<b>a. Human Resources Development</b>				
SV1	2.	Trainings	20,000.00	0.00	20,000.00	0.00%
		<b>Sub-Total</b>	<b>20,000.00</b>	<b>0.00</b>	<b>20,000.00</b>	<b>0.00%</b>
		<b>b. Assistance to Infrastructure Development and</b>				
SV2	1.	Construction materials	60,000.00	0.00	60,000.00	0.00%
		<b>Sub-Total</b>	<b>60,000.00</b>	<b>0.00</b>	<b>60,000.00</b>	<b>0.00%</b>
		<b>c. Access to Education and Educational Support</b>				
SV3	1.	Improvement of Daycare	70,000.00	0.00	70,000.00	0.00%
		<b>Sub-Total</b>	<b>70,000.00</b>	<b>0.00</b>	<b>70,000.00</b>	<b>0.00%</b>
		<b>d. Access to Health and Services, Health</b>				
SV4	1.	Infant and children medicines	20,000.00	0.00	20,000.00	0.00%
SV5	2.	Adult medicines	10,000.00	0.00	10,000.00	0.00%
SV6	2.	Adult medicines	55,000.00	0.00	55,000.00	0.00%
		<b>Sub-Total</b>	<b>85,000.00</b>	<b>0.00</b>	<b>85,000.00</b>	<b>0.00%</b>
		<b>e. Protection and Respect of Socio-Cultural</b>				
SV7	1.	Higantes Festival - band	40,000.00	0.00	40,000.00	0.00%
SV8	2.	Higantes Festival - decorations	36,011.68	0.00	36,011.68	0.00%
		<b>Sub-Total</b>	<b>76,011.68</b>	<b>0.00</b>	<b>76,011.68</b>	<b>0.00%</b>
		<b>Sub-total for DHNC - Brgy. SAN VICENTE</b>	<b>311,011.68</b>	<b>0.00</b>	<b>311,011.68</b>	<b>0.00%</b>

	<b>BARANGAY STO. NINO</b>				
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		PROJECT/PROGRAM/ACTIVITY (PPA)	BUDGET	ACCOMPLISHED	BALANCE	% TO DATE
SNC1	cont	Solar Streetlights	70,802.94	0.00	70,802.94	0.00%
		<b>NOT INCLUDED IN TOTALS</b>	<b>70,802.94</b>	<b>0.00</b>	<b>70,802.94</b>	<b>0.00%</b>
		<b>a. Human Resources Development</b>				
SN1	1.	Brgy. Tanod	36,000.00	0.00	36,000.00	0.00%
		<b>Sub-Total</b>	<b>36,000.00</b>	<b>0.00</b>	<b>36,000.00</b>	<b>0.00%</b>
		<b>b. Assistance to Infrastructure Development and</b>				
SN2	1.	Solar street lights	70,802.94	0.00	70,802.94	0.00%
		<b>Sub-Total</b>	<b>70,802.94</b>	<b>0.00</b>	<b>70,802.94</b>	<b>0.00%</b>
		<b>c. Access to Health and Services, Health</b>				
SN3	1.	Adult medicines	44,625.00	0.00	44,625.00	0.00%
SN4	2.	PWD medicines	5,375.00	0.00	5,375.00	0.00%
		<b>Sub-Total</b>	<b>50,000.00</b>	<b>0.00</b>	<b>50,000.00</b>	<b>0.00%</b>
		<b>d. Protection and Respect of Socio-Cultural</b>				
SN5	1.	Sto. Nino Festival	30,000.00	30,000.00	0.00	100.00%
SN6	2.	Higantes Festival - band	74,190.64	19,950.00	54,240.64	26.89%
SN7	3.	Higantes Festival - decorations	50,018.10	0.00	50,018.10	0.00%
		<b>Sub-Total</b>	<b>154,208.74</b>	<b>49,950.00</b>	<b>104,258.74</b>	<b>32.39%</b>
		<b>Sub-total for DHNC - Brgy. STO. NINO</b>	<b>311,011.68</b>	<b>49,950.00</b>	<b>261,061.68</b>	<b>16.06%</b>
		<b>TOTAL for DHNC</b>	<b>8,293,644.74</b>	<b>49,950.00</b>	<b>8,243,694.74</b>	<b>0.60%</b>

## **Customer Management**

### *Customer Satisfaction*

<b>Disclosure</b>	<b>Score</b>	<b>Did a third party conduct the customer satisfaction study?</b>
Customer satisfaction	Very Satisfactory (90%)	No.

Although the Operator supplies only to one customer, Holcim Philippines, Inc. ("HPI"), Customer Satisfaction Surveys are sent out to HPI's major clients on a semi-annual basis to improve engagements and quality of service being accorded to them by the Operator.

The Customer Satisfaction Survey measures overall satisfaction with the product, especially in terms of quality (cleanliness, grading, consistency, compliance to specifications), stock availability, and price. The survey is also used to gauge overall satisfaction with the service, queueing time at the plant, loading time, queueing time at the weigh bridge, availability of loading equipment, technical support, plant health and safety practices, and customer service.

### *Health and Safety*

<b>Disclosure</b>	<b>Quantity</b>
No. of substantiated complaints on product or service health and safety	5
No. of complaints addressed	5

The Operator had four product complaints in 2023 due to alleged contamination of finer materials and/or presence of weathered basalt in the delivered aggregates. All complaints were acted on and immediately followed by a root cause analysis to implement necessary corrective actions for process improvement. The Operator diligently documents the area stockpile source of the materials, takes photos of trucks before covering and leaving the premises and weighs trucks upon entry and exit from the quarry.

### *Marketing and labelling*

<b>Disclosure</b>	<b>Quantity</b>
No. of substantiated complaints on marketing and labelling	n/a
No. of complaints addressed	n/a

Crushed aggregates are directly hauled out by HPI's customers from the stockpiles to their trucks with no packaging and labelling requirements. Nevertheless, conveyor lines are properly marked to match the loading cards provided to trucks upon entry to ensure that the correct size of aggregates are loaded. Loaded trucks are also required to pass through final inspection at the Quality Control Office as an added assurance of the correctness and quality of aggregates provided.

### *Customer privacy*

<b>Disclosure</b>	<b>Quantity</b>
No. of substantiated complaints on customer privacy	0
No. of complaints addressed	0

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No. of customers, users, and account holders whose information is used for secondary purposes	0
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Respect for customer privacy is being sustained in the organization from Sales to Dispatch to Quality Control. Confidential information is not disclosed to any entity or is used for secondary purposes without written consent from HPI's customers.

#### Data Security

Disclosure	Quantity
No. of data breaches, including leaks, thefts, and losses of data	0

Integrity is one of the values embraced by CAC and the Operator. As such, sensitive data are kept confidential with access to information limited to relevant parties only.

## UN SUSTAINABLE DEVELOPMENT GOALS

### Contributions to UN SDGs

Key products and services and their contribution to sustainable development

HAI, in its operation of CAC's mine, is committed to contributing to the sustainable development goals set by UNESCO through various aspects of its business operations.



The mining and quarrying industry in general is dominated by men. However, among the Operator's employees, gender diversity is high at 17% women from a total of ninety-eight employees, embracing diversity and inclusion in the workforce. The Operator passionately believes that gender, age, religious or cultural background, disabilities and sexual orientation do not pose any barrier to entry into the company. Female applicants are never shunned even in positions mostly dominated by men with the confidence that they will provide inspiration, motivation, and balance to the organization.

The Operator ensures that the most competitive benefits package and good working conditions for its direct hires are provided. Equal training opportunities and equal access to professional development that are relevant to the needs and career path of the employees are also given to ensure that they are equipped to perform their job to allow them to see themselves as contributing to corporate goals.

Outside the organization, the Operator's SDMP provides commitments to lower poverty rate in the community:

- The 2023 Education Programs provide financial and school program assistance to 120 students.
- Training programs such as Shielded Metal Arc Welding NC II, barbers' training, and dressmaking are provided to forty-two unemployed members of the community to allow them to have decent work for their families.
- The Banlik Enterprise, which is a start-up livelihood program started in 2015 by the local government of Angono and the Operator, allows unemployed women, and persons with disabilities have a source of income through the livelihood program.
- PhP 2 million worth of infrastructure projects (including construction of roads, pathways and day care centers and installation of solar streetlights and CCTVs) ensure sustainable communities in the Municipality of Angono.

The Operator provides educational assistance to seventy-five secondary and tertiary students of Brgys. San Isidro and San Roque through the grant of scholarships. For residents of other barangays, the Operator also provides school supplies and other educational equipment and materials such as LED television sets, learning materials as part of Alternative Learning System, and fans for proper ventilation.



Aside from these, the Operator, through the DMTG Program, has four geology scholars provided with tuition fees, miscellaneous fees, allowances, dormitories, and other expenses necessary for them to complete their program.

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With health and safety as the core value of the Operator, world-class initiatives are adopted to ensure the overall well-being of its employees, partner contractors, and visitors. Health assessment and training are provided by the Operator's resident doctor and nurses apart from their primary role of manning the clinic and initiating first aid treatments.

HMO benefits for regular employees can be extended to three dependents, including children and parents.

Further to these, the SDMP Program includes support to health services in all 10 barangays of Angono with an aggregate PhP 2 million in projects, programs, and activities from medical and dental missions, to Operation Tuli, to provision of Cervical Awareness and Vaccination Programs, to provision of medicines and equipment such as oxygen tanks, autoclave and stretchers for the improvement of health facilities, to provision of sports equipment to promote fitness and well-being of the youth and senior citizens. The health programs of the SDMP also include supporting clean and green programs such as declogging of canals and river rehabilitation programs.

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The Operator is keen on helping lessen the negative effects of climate change and protecting the environment. In the years to come, the Operator commits to continuously re-evaluate its processes and keep up with technological progress to support the reduction of adverse effects of mining to the environment, all the while supporting the UN Sustainable Goals.

- *Clean water and sanitation.* Considered as best practice among the industry, the Operator employs a zero-discharged, closed-loop water recycling system through a series of sand traps and settling ponds to collect water from aggregates washing. The ponds allow silt to settle by gravitation and for the water to be recycled and used again for aggregate washing. The company takes utmost care to ensure that silt is managed to avoid run-off to existing surface water bodies. Further, the quarry pit bottom acts as a natural catchment basin that helps prevent flooding in neighboring low-lying areas as supported by Flood Modelling Research Studies in 2015 and 2017.



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In the communities, the Operator funds river rehabilitation programs to ensure the free flow of clean water along the tributaries in Angono, especially during the rainy season. Water PVC pipes were also provided to Brgy. Poblacion Ibaba to rehabilitate the water system in the barangay to make clean water accessible to the families therein.

- *Affordable and clean energy.* As solar panels become priced, projects under the SDMP have seen PhP 0.6 million worth of solar streetlights provided to illuminate the streets of Brgy. San Isidro in 2019 with other barangays planning to follow suit in 2020 and beyond.
- *Responsible consumption and production.* Produced aggregates with quality concerns are referred to crushers for reprocessing so as not to put them to waste. Recycling and upcycling initiatives are also encouraged across the plant's operations.
- *Climate action.* The Operator's target is to reduce carbon intensity through LED lights, shift from synthetic oil to mineral oil, and promote solar panel use to contribute to this goal.

Further to this, the Operator commits to demonstrating a positive change for biodiversity. The BIRS, established through LafargeHolcim's partnership with Flora and Fauna International ("FFI")

In 2021, the Operator commissioned a third-party service provider to conduct biodiversity rapid assessment to determine the species diversity, tree endemism, and wildlife migration pattern within the site as part of its sustainability commitment.

The Biodiversity Indicator and Reporting System ("BIRS") is still used by the Operator today to help the business track and assess changes to biodiversity in the quarry and its surrounding areas. The Operator is consistently applying its best environmental practices to ensure that the assessment in 2023 will show favorable results for flora and wildlife that are gradually returning.

- *Life below water.* The Operator sustains projects which aim to reduce single-use plastic to beat plastic pollution in oceans and allow life below water to thrive.
- *Life on land.* The Operator's rehabilitation program and reforestation programs in mined-out and idle areas improve biodiversity in support to sustainability goals. In 2023, the Operator planted an additional 657 trees with an over-all survival rate of 91%.

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**17 PARTNERSHIPS  
FOR THE GOALS**



The Operator has existing partnerships with FFI, IUCN, and the University of the Philippines (UP) – Biology Department in relation to the implementation of community-based conservation programs and monitoring its biodiversity targets.

The Operator also commissioned the UP National Institute of Geological Sciences (UP NIGS) for its flood modeling targets. UP NIGS conducted flood modeling studies for the Operator, which indicate that the quarry pit can contain 1.2 million cu.m of rainwater, which showed that the quarry helps in flood mitigation in Angono.

The Operator likewise maintains close coordination with its stakeholders, including its host and neighboring barangays, for the implementation of SDMP projects. Planning sessions are being conducted on a regular basis to monitor the status of funds and completion of the projects.

## LAFARGEHOLCIM AGGREGATES, INC.

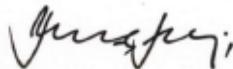
### Integrated Management System (IMS) Policy

LafargeHolcim Aggregates, Inc. contributes to building better cities for the present and future generations.

We pursue excellence and sustainability by ensuring a responsible aggregates quarry operations in strict compliance with quality, environmental, health and safety standards and regulatory requirements.

We recognize the impact of our products and processes to our internal and external stakeholders and to our environment, thus, we commit to the following actions:

1. Provide products and services which consistently meet and/or exceed our customers' expectations;
2. Sustain market leadership by maintaining a reliable, efficient, safe, and environmental-friendly operations;
3. Set and review objectives and targets for Quality, Environment, Health and Safety in a timely manner;
4. Establish, implement and maintain programs for achieving business objectives at relevant functions and levels of the organization;
5. Prevent work-related injury and ill-health through provision of safe and healthy working conditions, eliminate hazards, and reduce occupational health and safety risks;
6. Minimize waste, conserve resources, prevent pollution and promote good environmental stewardship among all employees;
7. Comply with all applicable legal requirements and other requirements;
8. Strengthen strategic partnerships with relevant internal and external stakeholders through regular consultation, participation and communication;
9. Implement effective QEHS training and development programs for employees and contractors;
10. Uphold a culture of steadfast learning, leadership development, and well-informed decision-making;
11. Innovate and develop our products, services and processes to be consistent with world-class standards;
12. Undertake regular review and continual improvement of the Integrated (QEHS) Management System to ensure its relevance and appropriateness to the organization.



RENATO A. BAJA  
President



## Health and Safety Policy

LafargeHolcim is the industry leader in the building materials industry.

We conduct our business in a manner that creates a healthy and safe environment for all stakeholders – our employees, contractors, communities and customers – built on a sound healthy and safety culture.

Health and Safety is our core value. We believe in visible leadership and personal accountability for Health and Safety at all levels and throughout our organization.

Nothing we do is worth getting hurt for.

### Our Commitment

We will:

- Conduct our business with a goal of zero harm.
- Provide safe, healthy and secure work conditions for employees and contractors.
- Maintain a global Health and Safety Management System designed to continuously improve our performance and actively minimize risk in our business.
- Comply with applicable legal, regulatory, industry and corporate requirements.
- Communicate openly with all stakeholders on relevant health and safety issues.
- Empower all employees and contractors to stop any unsafe work.

Renato A. Baja  
President and General Manager