

COVER SHEET

CONCEPCION INDUSTRIAL CORPORATION
(formerly Concepcion Airconditioning Corporation)
Company's Full Name

308 Sen. Gil J. Puyat Avenue
Makati City, Philippines
Company's Address: No./Street/City/Town/Province

(02) 8772 1819
Company's Telephone Number

31 December
Fiscal Year Ending
(Month & Day)

PRELIMINARY INFORMATION STATEMENT
SEC Form 20-IS
FORM TYPE

Cashier

LCU

DTU

A1997-13456
SEC Reg. No.

Central Receiving Unit

File No.

Document ID

NONE
EACH ACTIVE SECONDARY LICENSE TYPE AND FILE NUMBER
(State "NONE" if that is the case)

CONCEPCION INDUSTRIAL CORPORATION
(formerly Concepcion Airconditioning Corporation)

NOTICE OF THE SPECIAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

Notice is hereby given that **CONCEPCION INDUSTRIAL CORPORATION** (formerly Concepcion Airconditioning Corporation) (the "Corporation") will conduct its Annual Stockholders' Meeting virtually via Zoom (<https://us02web.zoom.us/join/zt0ld-6rqTkqE9QU5-mT6z8oB05lnzAhNUms>) on October 26, 2022 at 10:00 a.m., at which meeting the following matters shall be taken up:

1. Call to Order;
2. Certification of Existence of Quorum;
3. Election of the Independent Director;
4. Other Matters; and
5. Adjournment.

The record date for the determination of stockholders entitled to notice of, and to vote at, the said meeting is fixed at the close of business hours on September 26, 2022.

To ensure the health and well-being of our stockholders during this COVID-19 pandemic, stockholders may only attend the meeting by remote communication and/or vote *in absentia* or through the Chairman of the meeting as proxy. Stockholders who wish to participate by remote communication or vote *in absentia* or by proxy should notify the Corporate Secretary by email to cic.secretary@romulo.com from **October 11, 2022 to October 15, 2022**.

Successful registrants will receive an electronic invitation via email with a complete guide on how to join the meeting. For any registration concerns, please get in touch with the Corporation through cic.secretary@romulo.com.

All stockholders who wish to vote through a proxy or *in absentia* shall submit the duly signed proxies or ballots, as the case may be, to the Office of the Corporate Secretary at the 21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City and/or by email to cic.secretary@romulo.com not later than October 15, 2022. The proxies and ballots submitted shall be validated on October 19, 2022 at 2:00 p.m. We are not soliciting proxies.

The Information Statement which contains a brief explanation of each item on the agenda and procedures for attending the meeting via remote communication and for casting votes *in absentia*, and Quarterly Report for period ended June 30, 2022 in SEC Form 17-Q are posted on the Corporation's website at <https://cic.ph/investor-relations/#special-stockholders> and PSE EDGE.

The meeting shall be recorded in audio and video format and copies thereof shall be retained by the Corporation.


JAYSON L. FERNANDEZ
Corporate Secretary

AGENDA DETAILS AND RATIONALE

1. Call to Order

The Chairman of the board of directors (the "Board"), Raul Joseph A. Concepcion, will formally open the meeting at approximately 10:00 a.m.

2. Certification of Existence of Quorum

The Corporate Secretary, Atty. Jayson L. Fernandez, will certify that the Notice and Agenda of the Special Meeting of the Stockholders was published in two newspapers of general circulation (in printed and online format), for two consecutive days, in compliance with Section 49 of the Revised Corporation Code, and that the Information Statement, Management Report, Annual Report for the year ended December 31, 2021 on SEC Form 17-A, and Quarterly Report for period ended June 30, 2022 in SEC Form 17-Q were posted on PSE EDGE and on the Corporation's website in accordance with SEC Notice dated February 16, 2022. The Corporate Secretary will also certify, based on the number of shares owned by stockholders present or represented by proxy at the meeting or participating thereat via remote communication, whether a quorum exists for the valid transaction of business.

Further to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up an online and web meeting room which may be accessed by the stockholders to attend the meeting. A stockholder who participates by way of remote communication and votes *in absentia* or through a proxy, as provided herein, shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- a. Stockholders may attend the meeting remotely by viewing the livestream *via* Zoom Meeting (<https://us02web.zoom.us/join/joinMeeting?z0ld=6rqTkqE9QU5-mT6z8oB05lnzAhNUms>). The information necessary to attend the meeting shall be sent to all shareholders who are able to register as required herein.
- b. Stockholders must notify the Corporate Secretary by email to cic.secretary@romulo.com of their intention to attend the meeting by remote communication to be included in determining quorum, together with the stockholders who intend to vote *in absentia* and by proxy.
- c. Registration to attend the meeting by remote communication and/or to vote *in absentia* and by proxy shall be open from October 11, 2022 to October 15, 2022. The Registration Procedure for Voting *In Absentia* and Participation via Remote Communication are set out in Annex "C" of the Information Statement.
- d. Stockholders may cast their votes on any item in the agenda for approval through the following modes on or before October 15, 2022:
 - i. By sending their duly signed proxies appointing the Chairman of the meeting to the Corporate Secretary, together with the information and documents mentioned under item (c); or
 - ii. By voting *in absentia* through sending their duly signed ballots to the Corporate Secretary, subject to the validation procedure mentioned in Annex "C" of the Information Statement.
- e. Other Matters that are proposed to be included in the agenda by qualified minority shareholders as provided in SEC Memorandum Circular No. 14, Series of 2020, must be submitted to the Corporate Secretary by email to cic.secretary@romulo.com not later than October 15, 2022. All stockholders who have validly registered to participate in the meeting by remote communication or vote *in absentia* or through a proxy will receive an email from the Corporate Secretary informing them of the Other Matter(s) for approval by the qualified minority shareholder(s), should such matter(s) require the vote of the shareholders. Stockholders must send their votes (Yes, No, or Abstain) to the Corporate Secretary by email to cic.secretary@romulo.com no later than October 15, 2022.
- f. Stockholders may send their questions or comments on the items in the Agenda prior to or during the meeting by e-mail at investorrelations@cic.ph. The Corporation will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Corporation's Investor Relations Office within a reasonable period after the meeting.
- g. Each Agenda item will be shown on the screen during the live streaming as the same is taken up at the meeting.
- h. All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting.
- i. Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

- j. The Corporate Secretary and a committee organized by the Board will tabulate all votes received and an independent third party will validate the results.
- k. The meeting proceedings shall be recorded in audio and video format and copies thereof shall be retained by the Corporation.

3. Election of the Independent Director

A copy of the *curriculum vitae* and profile of the nominee for Independent Director and member of the Board of Directors, received and screened by the Corporate Governance, Nominations and Remuneration Committee of the Board, are provided in the Information Statement for the examination of the stockholders.

4. Other Matters

The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.

5. Adjournment

After all business has been considered and resolved, the Chairman will declare the meeting adjourned.

PROXY

The undersigned stockholder of **CONCEPCION INDUSTRIAL CORPORATION** (the "Corporation") hereby appoints the Chairman of the meeting as *attorney-in-fact* to represent and vote all shares registered in its/his/her name at the special stockholders' meeting of the Corporation on October 26, 2022 at 10:00 a.m. and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of the members of the Board of Directors

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Luis Y. Benitez (Independent Director)	_____	_____	_____

2. The proxy named above is authorized to vote upon such other matters as may properly come before the meeting

Printed Name of Stockholder and Signature: _____ **Date:** _____

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 15 OCTOBER 2022 AT 5:00 P.M. FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH TO THIS PROXY FORM THE SECRETARY'S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter: **CONCEPCION INDUSTRIAL CORPORATION**
(formerly Concepcion Airconditioning Corporation, the "Corporation")

3. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **A1997-13456**

5. BIR Tax Identification Code: **005-029-401-000**

6. **308 Sen. Gil J. Puyat Avenue, Makati City, Philippines** **1209**
Address of principal office Postal Code

7. Registrant's telephone number, including area code: +632 87721819

8. Date, time and place of the meeting of security holders:

Date: October 26, 2022

Time: 10:00 am

Place: Virtually via Zoom (<https://us02web.zoom.us/join/9124913456>). **The Chairman will conduct the online meeting at Km 20, East Service Road, Alabang, Muntinlupa City Metro Manila, pursuant to Section 15 of SEC Memorandum Circular No. 6, Series of 2020 in relation to Section 50 of the Revised Corporation Code.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:

The Information Statement may be accessed at the Corporation's website (<https://cic.ph/investor-relations/#special-stockholders>) **beginning on October 5, 2022.**

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

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	397,912,491

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes No

Is yes, disclose the name of such Stock Exchange and the class of securities listed therein;

The common shares of the Corporation are listed on The Philippine Stock Exchange, Inc.

**THE MANAGEMENT IS NOT SOLICITING PROXIES FOR
THIS STOCKHOLDERS' MEETING.
PLEASE DO NOT SEND THE MANAGEMENT YOUR PROXY.**

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The Special Stockholders' Meeting of Concepcion Industrial Corporation (formerly Concepcion Airconditioning Corporation) (the "Company") will be held virtually via Zoom (<https://us02web.zoom.us/join/6r4TqE9QU5-mT6z8oB05lnzAhNUms>) on October 26, 2022 at 10:00 a.m.

The complete mailing address of the Company is 308 Sen. Gil J. Puyat Avenue, Makati City, Philippines.

The security holders shall be given access to the Information Statement at the Company's website (<https://cic.ph/investor-relations/#special-stockholders>) beginning October 5, 2022.

Item 2. Dissenters' Right of Appraisal

Shareholders of the Company shall have an appraisal right, or the right to dissent and demand payment of the fair value of their shares, in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:

- In case of any amendment to the Articles of Incorporation, which has the effect of changing or restricting the rights of shareholders or any class of shares, or the authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of the Company's corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's assets as provided under the Revised Corporation Code;
- In case of merger or consolidation of the Company with another corporation; and
- In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one (1) of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made; provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There are no matters or proposed corporate actions included in the agenda for the Special Stockholders' Meeting, which may give rise to a possible exercise by shareholders of their appraisal rights.

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

No current director or officer of the Company or nominee for election or director of the Company, nor any associate of such persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

No director has informed the Company in writing that he/she intends to oppose any action to be taken by the Company at the Special Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) Pursuant to a resolution of the Board of Directors at a special meeting held on September 9, 2022, all stockholders at the close of business hours on September 26, 2022 shall be entitled to notice and to vote at the Special Stockholders' Meeting scheduled on October 26, 2022. The stockholders will vote on matters scheduled to be taken up at the Special Stockholders' Meeting with each share being entitled to cast one (1) vote.
- (b) For the election of the independent director, stockholders entitled to vote may vote such number of shares for as many persons as there are independent directors to be elected, or may cumulate said shares and give one (1) candidate as many votes as the number of independent directors to be elected multiplied by the number of their shares shall equal or may distribute them on the same principle among as many candidates as they shall see fit.
- (c) Pursuant to Article II, Section 7 of the Company's By-Laws, a stockholder may vote in person or by proxy.
- (d) Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than 5% of the Company's voting securities as of September 2, 2022 were as follows:

Title of Class	Name and Address of Record / Beneficial Owner and	Relationship with Issuer	Citizenship	Number of Shares Held	% to Total (Issued and Outstanding)
Common	Foresight Realty & Development Corporation (Formerly Concepcion Holdings, Inc.) Sen. Gil Puyat Ave. Extension, Makati City	Stockholder	Filipino	92,580,290 ¹	23.27%
Common	Horizons Realty, Inc. Pioneer cor. Sheridan St., Mandaluyong City	Stockholder	Filipino	85,545,026 ²	21.00%
Common	Hy-Land Realty and Development Corporation 308 Sen. Gil J. Puyat Ave., Makati City	Stockholder	Filipino	89,387,797 ³	22.46%

The following are the representatives and authorized to cast votes for the three major shareholders to the Annual Stockholders' Meeting: Raul Joseph A. Concepcion (Foresight Realty & Development Corporation), Jose Ma. A. Concepcion III (Horizons Realty Inc.), and Rafael C. Hechanova, Jr. (Hy-Land Realty and Development Corporation).

Security Ownership of Directors and Management

The following are the number of shares of the Company's capital stock (all of which are voting shares) owned by the directors and executive officers of the Company as of September 2, 2022:

Title of Class	Name of Beneficial Owner	Position	Citizenship	Number of Shares	Nature of Ownership	% of Class
Common	Raul Joseph A. Concepcion	Chairman/CEO	Filipino	1,024,160	Direct & Indirect	0.26%
Common	Renna C. Hechanova-Angeles	Vice Chairman/Treasurer	Filipino	3,227,816	Direct	0.81%
Common	Raul Anthony A. Concepcion	Vice Chairman	Filipino	2,230,952	Direct & Indirect	0.56%
Common	Ma. Victoria Herminia C. Young	Director	Filipino	1,149,073	Direct & Indirect	0.29%
Common	Jose Ma. A. Concepcion	Director	Filipino	614,056	Direct & Indirect	0.15%

¹ Including two (2) common shares held by its nominees.

² Including two (2) common shares held by its nominees.

³ Including two (2) common shares held by its nominees.

Common	Raissa C. Hechanova-Posadas	Director	Filipino	2,641,630	Direct	0.66%
Common	Justo A. Ortiz	Director	Filipino	3,500	Direct	0%
Common	Cesar A. Buenaventura	Director	Filipino	3	Direct	0%
Common	Rafael C. Hechanova, Jr.	EVP for Business Development	Filipino	4,207,614	Direct & Indirect	1.06%
Common	Ma. Victoria A. Betita	Chief Strategy and Transformation Officer	Filipino	38,978	Direct	0.01%
Common	Rajan Komarasu	Chief Finance and Operating Officer	Singaporean	51,800	Direct	0.01%
Common	Harold T. Pernikar	President, CDI	American	1,560	Direct	0%
Common	Alexander Villanueva	General Manager, Product Solutions Division and Integrated Logistics	Filipino	12,500	Direct	0%
Common	Phillip F. Trapaga	Managing Director, CCAC	Filipino	12,120	Direct	0%

(e) Voting Trust Holders of 5% or more

There are no voting trusts or similar agreements covering the shares of stocks of the Company.

(f) Changes in Control of the Registrant since beginning of last Fiscal Year

The Company is not aware of any transactions, which may have resulted in a change of control in the Company since the beginning of the last fiscal year.

Item 5. **Directors and Executive Officers**

The members of the Board of Directors and executive officers of the Company are:

Name and Position	Age	Citizenship	Term of Office as a Director / Officer	Period Served As A Director / Officer	Directorship Held In Other Philippine Companies
Raul Joseph A. Concepcion Chairman and President	60	Filipino	1 year	Director and Officer since 1997	Foresight Realty and Development Corporation, Concepcion Durables, Inc., Concepcion Midea, Inc., Concepcion Otis Philippines, Inc., Concepcion Business Services, Inc., Cortex Technologies Corporation, Alstra Incorporated, Teko Solutions Asia, Inc.
Renna C. Hechanova-Angeles Vice-chairman and Treasurer	67	Filipino	1 year	Director and Officer since 1997	Hy-land Realty and Development Corporation, Concepcion Durables, Inc.

					Concepcion Business Services, Inc.
Raul Anthony A. Concepcion	52	Filipino	1 year	Since 5 July 2013	Foresight Realty and Development Corporation, Concepcion Durables, Inc.
Director					
Jose Ma. A. Concepcion III	64	Filipino	1 year	Since 5 July 2013	Horizons Realty, Inc. RFM Corporation
Director					
Ma. Victoria Herminia C. Young	63	Filipino	1 year	Since 5 July 2013	Horizons Realty, Inc., RFM Corporation Concepcion Durables, Inc.
Director					
Raissa C. Hechanova-Posadas	62	Filipino	1 year	Since 5 July 2013	Hy-land Realty and Development Corporation RFM Corporation
Director					
Cesar A. Buenaventura	93	Filipino	1 year	Since 27 November 2013	DM Consunji, Inc., DMCI Holdings, Inc., ICTSI, iPeople, Inc., Mitsubishi Hitachi Powers Philippines, Inc., Pilipinas Shell Petroleum Corporation, SEMIRARA Mining and Power Corporation, Manila Water Company, Inc.
Independent Director					
Luis Benitez	74	Filipino	-	-	Insular Life Assurance Co. Ltd Chinatrust Banking Corporation Credit Suisse Securities Phils. Philippines First Insurance Corporation Sta. Clara Construction Corp.
Independent Director (nominee)					
Justo A. Ortiz	63	Filipino	1 year	Since 6 November 2020	PETNET, Inc., City Savings Bank, Inc., Union Bank of the Philippines, UBP Investments Corporation, UBX Philippines Corporation, City Savings Bank, Inc., Philippine Payments Management, Inc., Fintech Philippines Association, Inc., Distributed Ledger Technology Association of the Philippines, Inc., The Insular Life Assurance Co., Ltd, and Philippine Trade Foundation, Inc. One Food Group, Aboitiz Equity Ventures
Independent Director					
Rafael C. Hechanova, Jr.	62	Filipino	1 year	Since 30 December 1997	Hy-land Realty and Development Corporation, Concepcion Durables, Inc., Concepcion Midea,
Chief Communications Officer					

Executive Vice President, Business Development and Corporate Marketing, CCAC					Inc., Cortex Technologies Corp., Concepcion Business Services, Inc., Alstra Incorporated, Teko Solutions Asia, Inc.
Maria Victoria A. Betita	54	Filipino	1 year	Since 14 November 2011	Alstra Incorporated, Concepcion Otis Philippines, Inc.
Chief Strategy and Transformation Officer					
Rajan Komarasu	57	Singaporean	1 year	Since 11 March 2013	Alstra Incorporated Concepcion Otis Philippines, Inc., Tenex Services, Inc., Concepcion Business Services, Inc., Concepcion Midea, Inc. Concepcion Durables, Inc. Cortex Technologies Corporation
Chief Finance and Operating Officer					
Harold T. Pernikar	45	American	1 year	Since 18 February 2013	Concepcion Durables, Inc.,
President, CDI					
Merril Yu	64	Filipino	1 year	Since 14 July 2021	None
Chief Experience Officer, CCAC					
Phillip F. Trapaga	61	Filipino	1 year	Since 15 July 2013	Concepcion Midea, Inc.
Managing Director, CCAC Chairman of the Board and President of CMI					
Anna M. Alejandro	41	Filipino	1 year	Since 25 May 2022	None
General Manager, Concepcion Midea, Inc..					
Alexander T. Villanueva	50	Filipino	1 year	Since 15 May 2006	Concepcion Durables, Inc.
General Manager, Product Solutions and Integrated Logistics Services, CCAC and Concepcion Durables, Inc.					
Michael Hansson	53	Filipino	1 year	Since 9 August 2021	Cortex Technologies Corp.
Chief Product Officer					
Michael Eric I. Sarmiento	52	Filipino	1 year	Since 8 March 2020	Concepcion Business Services, Inc.
General Manager for Shared Services, CCAC					
Richard L. Parcia	46	Filipino	1 year	Since 15 October 2018	None
Chief Information Officer					

Omar C. Taccad	53	Filipino	1 year	Since 9 July 2018	Cortex Technologies Corporation
Chief Compliance Officer and Chief Legal Officer					
Arazeli Malapad	53	Filipino	1 year	Since 18 October 2021	None
Chief Audit Executive					
Alberto Alfonso Albano	46	Filipino	1 year	Since 14 July 2021	None
Head of Investor Relations					
Jayson L. Fernandez	52	Filipino	1 year	Since 18 July 2013	None
Corporate Secretary					
Roxanne Viel C. Santos Cua	37	Filipino	1 year	Since 15 July 2020	None
Assistant Corporate Secretary					

The information on the business experience of the members of the Board of Directors and the Executive Officers of the Corporation is found in Annex "A" hereof.

The following are the incumbent and/or incoming members of the committees of the Board of Directors, who will be nominated for re-appointment/appointed in the Organizational Meeting of the Board of Directors, following the Annual Meeting of the Stockholders:

Executive Committee

Raul Joseph A. Concepcion (Chairman)
Renna C. Hechanova-Angeles
Raul Anthony A. Concepcion

Audit and Risk Oversight Committee

Cesar A. Buenaventura (Chairman)
Justo A. Ortiz
Raissa C. Hechanova-Posadas
Ma. Victoria Herminia C. Young

Corporate Governance, Nominations and Remuneration Committee

Cesar A. Buenaventura (Chairman)
Justo A. Ortiz
Raul Joseph A. Concepcion
Renna C. Hechanova-Angeles

Strategy and Investments Committee

Justo A Ortiz (Chairman)
Raissa Hechanova Angeles-Posadas
Maria Victoria Herminia C. Young

(a) Directors, Independent Directors, and Executive Officers

Directors

The incumbent directors were elected as members of the Board of Directors of the Company on July 20, 2022 for the ensuing year. The Corporate Governance, Nominations and Remuneration Committee processed and evaluated the nominations of the incumbent directors in accordance with guidelines as required by law, regulations, and the Company's Corporate Governance Manual and By-Laws. The Committee unanimously resolved that all of the incumbent directors are qualified for re-election.

To the knowledge and information of the Company, none of the above members of the Board of Directors and executive officers of the Company currently work with any agency of the Government whether as an appointee or employee thereof.

Independent Directors

The independent directors of the Company are currently as follows:

- 1) Cesar A. Buenaventura
- 2) Justo A. Ortiz

Mr. Buenaventura has been elected as independent director since 2013 and is serving his extended term as independent director based on meritorious justifications approved by the Board on June 15, 2022 and by the Stockholders on July 20, 2022, while Mr. Ortiz has been elected as independent director since 2020. The election of both is in compliance with SEC Memorandum Circular No. 9, series of 2011, as amended by SEC Memorandum Circular No. 4-2017, on term limits of independent directors.

Following the resignation of Mr. Alfredo E. Pascual due to his appointment as Secretary of Trade & Industry, there is one vacancy in the Board of Directors. The nominee for Independent Director to fill said vacancy in the Board of Directors is Mr. Luis Y. Benitez. The information on the business experience of Mr. Benitez is found in Annex "A" hereof.

The Company's Corporate Governance, Nominations and Remuneration Committee evaluated and reviewed Mr. Benitez's qualifications based on the guidelines for Independent Directors spelled out in Section 38 of the Securities Regulation Code ("SRC"), all rules and regulations issued by the SEC to implement the SRC, and the Company's Corporate Governance Manual, and unanimously resolved that Mr. Benitez is qualified and meets the requirements for election.

The name of the person who recommended the nomination of Mr. Benitez for independent director is Ms. Riana H. Trajano. Mr. Benitez is not related to Ms. Riana H. Trajano whether by affinity or consanguinity up to the fourth civil degree.

Mr. Benitez has certified that he possesses all of the qualifications and none of the disqualifications provided for in the SRC. A copy the Certificate of Independent Director executed by Mr. Benitez is found in Annex "D" hereof, in accordance with Memorandum Circular No. 5, Series of 2017 of the SEC.

(b) Significant Employees

The Company values its human resources and considers the entire manpower force as significant employees.

(c) Family Relationships

Raul Joseph A. Concepcion and Raul Anthony A. Concepcion are brothers. Renna C. Hechanova-Angeles, Rafael C. Hechanova, Jr., and Raissa C. Hechanova-Posadas are siblings. Jose Ma. A. Concepcion III and Ma. Victoria Herminia C. Young are likewise siblings. The foregoing groups of siblings are also first cousins. The president of Foresight Realty & Development is the mother of Raul Joseph A. Concepcion and Raul Anthony A. Concepcion.

(d) Involvement in Certain Legal Proceedings

The above-named directors and executive officers have not been involved in any material legal proceedings involving bankruptcy petitions, criminal convictions, court orders and judgments, including violations of securities regulations during the past five (5) years and until the date of this report.

(e) Certain Relationships and Related Transactions

In the normal course of business, the Company transacts with related parties. The following are the balances and significant transactions with these entities as at and for the years ended December 31:

	2021		2020		2019	
	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)
Shareholders						
Rent and utilities	56,933	-	60,666	(2)	52,292	(3)
Lease of warehouse	36,047	-	42,129	-	53,364	-
Advance Rental	1,683	-	2,730	-	-	-
Security Deposit	1,493	-	2,671	-	-	-
Dividend declaration	401,955	-	282,253	-	486,606	-
Reimbursements from shareholders	594	866	303	303	-	(1,157)
Reimbursements to shareholders	1,157	-	-	(1,157)	-	(1,157)
Associate						
Administrative services	22,180	2,058	21,454	2,728	19,115	1,593
Transfer of employees	-	-	110	(110)	706	(8,578)

	2021		2020		2019	
	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)
Transfer of employees	2,763	(2,763)	2,537	2,687	1	1,781
Purchase of goods, net of return	16,280	(27)	17,236	(1,877)	223	(20)
Sale of goods	8,143	4,937	2,773	1,053	232	2,558
Product loan	94	(94)	270	-	-	-
Advance collections	1,771	(1,771)	-	-	-	-
Transaction fees	3,036	-	1,030	1,030	-	-
Reimbursements from associates	173,338	15,198	164,981	22,617	83,039	44,647
Reimbursement to associate	63,138	(28,265)	1,225	(4,736)	2,653	(210)
Entities under common control						
Rent and utilities	34,119	-	34,119	-	34,372	1
Entities with common Shareholders						
Sale of goods	-	-	-	-	24	-
Commission income	6,650	-	10,558	3,731	32,895	27,419
Dividend declaration	266,564	-	341,680	-	895,560	-
Purchases, net purchase returns	165,020	(90,434)	1,973,683	(514,258)	2,511,901	(318,022)
Collections (Payments) in behalf of a related party	(136)	(4,113)	-	(4,331)	54,260	(2,105)
Royalty/Technical fee	51,895	(2,678)	42,697	(29,891)	56,160	(8,049)
Key management personnel						
Short-term						
Directors' fees	3,368	(4,329)	9,412	(9,412)	3,943	3,943
Salaries and wages	361,865	(82,658)	435,561	(60,772)	459,369	(105,307)
Long-term						
Retirement benefit	57,841	(179,616)	19,034	(122,007)	13,462	(61,662)
Retirement plan						
Contributions to the retirement fund	17,412	-	854	-	329	-
Claims from the retirement fund	-	-	25,034	-	29,508	-

None of the Company's directors have entered into self-dealing transactions with or involving the Company in 2021.

(f) Resignation of Directors

No director has resigned nor declined to stand for reelection because of a disagreement with the Company.

No director has informed the Company in writing that he/she intends to oppose any action to be taken by the Company at the Special Stockholder's Meeting.

Item 6. **Compensation of Directors/Executive Officers**

The following are the Company's CEO and four most highly compensated executive officers for the year ended December 31, 2021:

Name	Position
Raul Joseph A. Concepcion	Chief Executive Officer
Raul Anthony A. Concepcion	Vice Chairman of CIC
Renna C. Hechanova-Angeles	Vice Chairman of CIC
Rajan Komarasu	Chief Finance and Operating Officer
Ma. Victoria A. Betita	Chief Strategy and Transformation Officer

The following table identifies and summarizes the aggregate compensation of the Company's CEO and the four most highly compensated executive officers of the Company in 2019, 2020, 2021 and 2022 (forecast):

	Year	Total ⁽¹⁾
		(Amounts are in millions)
CEO and the most highly compensated officers named above	2019	149.1
	2020	153.0

2021	106.5
2022 (est.)	128.7

Aggregate compensation paid to all officers and Directors as a group

Unnamed

.....	2019	254.4
	2020	249.3
	2021	175.6
	2022 (est.)	215.9

Note:

(1) includes salary, bonuses and other income.

Each Director is entitled to receive *per diem* allowance of Php15,000.00 for attending Board meetings and Php20,000.00 for attending Committee meetings. In addition, the Chairman of the Audit & Risk Oversight Committee receives a fee of Php25,000.00 per month. The Directors are also entitled to a bonus equivalent to 2% of prior year's Profit After Tax After Minority Interest, divided equally among all members of the Board of Directors.

Total compensation of each member of the Company's Board of Directors in their capacity as directors of the Company in the year 2021, is as follows:

Director	BOD Meetings	Audit Risk	Governance & Nomination	Audit Chair Fee	Incentive	Total Amount (Php)
RAUL JOSEPH CONCEPCION	75,000.00		40,000.00		1,177,295.06	1,292,295.06
ALFREDO ESPINOSA PASCUAL	75,000.00		40,000.00	325,000.00	1,177,295.06	1,617,295.06
CESAR BUENAVENTURA	75,000.00	80,000.00	40,000.00		1,177,295.06	1,372,295.06
JOSE MA. CONCEPCION III	45,000.00				1,177,295.06	1,222,295.06
JUSTO ORTIZ	75,000.00	80,000.00				155,000.00
MA. VICTORIA HERMINIA YOUNG	75,000.00	80,000.00			1,177,295.06	1,332,295.06
RAISSA HECHANOVA-POSADAS	75,000.00	60,000.00			1,177,295.06	1,312,295.06
RAUL ANTHONY CONCEPCION	75,000.00				1,177,295.06	1,252,295.06
RENNA HECHANOVA-ANGELES	75,000.00		20,000.00		1,177,295.06	1,272,295.06

Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board of Directors for every meeting, there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments from the last completed fiscal year up to the present.

Other Arrangements

There are no other standard arrangements pursuant to which any director of the Company was compensated, or to be compensated, directly or indirectly, during 2021 and as of June 30, 2022 for any service provided as a director.

Employment Contracts

As of the date of this Report, the Company has no special employment contracts with the named executive officers.

Warrants and Options Outstanding

The Company has no outstanding stock warrants or stock options.

Item 7. Independent Public Accountants

Isla Lipana & Co. is the Company's external auditor for calendar year 2022. Representatives thereof are expected to be present at the Special Stockholders' Meeting, and they will have the opportunity to make a statement if they so desire and

respond to appropriate questions, if any. The engagement of the Company's external auditor is in compliance with paragraph (3)(b)(iv) of the Securities Regulation Code - Rule 68, as amended, which requires independent auditors or in case of an audit firm, the signing partner, to be rotated after every five years of engagement, with a two-year cooling-off period to be observed in the re-engagement of the signing partner or independent auditor.

Changes and Disagreements with Accountant on Accounting and Financial Disclosures

There were no changes nor disagreements with accountants on accounting and financial disclosures.

External Audit Fees and Services

The aggregate fees billed in 2021 for each of the professional services rendered by the Group's external auditors are summarized as follows:

NATURE OF AUDIT	FIRM	CIC	CCAC	CDI	COPI	CMI	CBSI	CTC	TEKO	ALSTRA	TENEX	TOTAL
Dec. 31, 2021 External Audit	PWC	777	884	772	720	450	497	180	75	104	40	4,499
Impairment of Goodwill and Valuation of Intangible assets report	P&A	332	-	-	-	-	-	-	-	-	-	332
Actuarial Valuation Report	EMZ	14	45	162	25	18	20	18	30	-	-	331
Tax Consultancy	SGV	943	1,916	-	-	-	-	55	33	33	-	2,979
	ROMULO	240	110	70	-	-	120	-	-	-	-	540
	IGD	-	-	-	-	-	1,458	-	-	-	-	1,458
TOTAL		2,305	2,954	1,004	745	468	2,095	253	138	137	40	10,138

The aggregate fees billed in 2020 for each of the professional services rendered by the Group's external auditors are summarized as follows:

NATURE OF AUDIT	FIRM	CIC	CCAC	CDI	COPI	CMIP	CBSI	CTC	TEKO	ALSTRA	TENEX	TOTAL
Dec. 31, 2020 External Audit	PWC	700	850	735	690	460	450	200	65	10	40	4,200
Impairment of Goodwill and Valuation of Intangible Assets report	P&A	-	-	-	400	-	-	-	240	-	-	640
Actuarial Valuation Report	EMZ	14	45	65	25	18	20	18	30	-	-	233
Tax Consultancy	SGV	438	-	-	800	-	-	-	-	-	-	1,238
	ROMULO	240	120	120	-	120	120	-	-	-	-	720
	VACO	-	-	-	-	-	-	-	-	-	-	-
	IGD	-	-	-	-	-	1,458	-	-	-	-	1,458
TOTAL		1,392	1,015	920	1,915	598	2,048	218	335	10	40	8,489

Audit Committee's Approval Policies and Procedures for the Above Services

The Company's Audit & Risk Oversight Committee ("Audit Committee") chaired by Independent Director Cesar A. Buenaventura reviews the eligibility of the incumbent external auditor for retention, considering certain criteria, during the third quarter of each year. Failing so, the Audit Committee then follows the selection process.

Before the start of each year's audit, the external auditor presents to the Audit Committee for approval its proposed audit plan, describing the areas of focus for the audit, as well as any new accounting standards, laws and new regulatory rules that need to be taken into account in the course of the audit. The audit schedule is also presented. The audit fees are agreed with the external auditor by management. When the audit is completed and before the Board of Directors' meeting in March of the following year, the external auditor presents the audited financial statements and accompanying notes to the Board of Directors for notation in its March meeting, in time for tax filing in April.

Item 8. Compensation Plans

There are no actions to be taken up in the meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

There is no stockholders' action to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification or exchange of securities.

Item 11. Financial and Other Information

The Company's 17Q as of June 30, 2022 and other data related to the Company's financial information are attached hereto as Annex "B".

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no stockholders' action to be taken with regard to the following: (a) the merger or consolidation of the Company into or with any other person or of any other person into or with the Company; (b) the acquisition by the Company or any of its security holders of securities of another person; (c) the acquisition by the Company of any other going business or of the assets thereof; (d) the sale or other transfer of all or any substantial part of the assets of the Company; and (d) the liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting relating to acquisition or disposition of property.

Item 14. Restatement of Accounts

There are no matters or actions to be taken up in the meeting relating to restatement of accounts.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

There are no matters or actions to be taken up in the meeting relating to reports.

Item 16. Matters Not required to be Submitted

All matters or actions that will require the vote of the security holders will be submitted at the meeting.

Item 17. Amendment of Charter, By-laws or Other Documents

There are no matters or actions to be taken up in the meeting with respect to the amendment of the Company's Articles of Incorporation, By-laws, and other documents.

Item 18. Other Proposed Actions

(a) Election of an Independent Director

The independent member of the Board of Directors is elected at the Special Stockholders' Meeting to hold office until the next Annual Stockholders' Meeting and until his successor shall have been elected and qualified.

Item 19. Voting Procedures

(a) Vote Requirement

The following matters require the following votes:

Subject Matter	Votes Required
Election of an Independent Director	The nominee with the most number of votes cast is elected

(b) Method of Voting

In all items for approval, each voting share of stock entitles its registered owner as of September 26, 2022 to one vote. In light of the COVID-19 pandemic (as discussed in Item 20), stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia*.

In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary on or before October 15, 2022.

A stockholder may vote electronically *in absentia* by sending his or her duly signed ballot to the Corporate Secretary, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by the Corporate Secretary and a committee organized by the Board of Directors, and the results will be validated by an independent third party.

Item 20. Participation of Stockholders by Remote Communication

In support of the efforts to contain the outbreak of COVID-19 and to ensure the safety and welfare of its stockholders, directors, officers, and employees, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication. The livestream of the meeting shall be viewable *via* Zoom.

In order for the Company to properly conduct validation procedures, stockholders who have not sent their proxies or registered on the voting *in absentia* website who wish to participate via remote communication must notify the Company by email to **cic.secretary@romulo.com** on or before October 15, 2022.

Please refer to Annex "C" for the detailed guidelines for participation via remote communication and the procedures for registration and casting votes *in absentia*.

[Intentionally left blank]

SIGNATURE

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

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on this 21st day of September 2022.

CONCEPCION INDUSTRIAL CORPORATION

By:


JAYSON L. FERNANDEZ
Corporate Secretary

ANNEX A

THE CURRENT BOARD OF DIRECTORS OF THE COMPANY FOR THE 2022-2023 TERM

Name	Position	Date to be Elected To The Board	Citizenship	Age
Raul Joseph A. Concepcion	Chairman	July 20, 2022	Filipino	60
Renna C. Hechanova-Angeles	Vice-Chairman & Treasurer	July 20, 2022	Filipino	67
Raul Anthony A. Concepcion	Director	July 20, 2022	Filipino	52
Jose Ma. A. Concepcion III	Director	July 20, 2022	Filipino	64
Ma. Victoria Herminia C. Young	Director	July 20, 2022	Filipino	63
Raissa C. Hechanova-Posadas	Director	July 20, 2022	Filipino	62
Cesar A. Buenaventura	Independent Director	July 20, 2022	Filipino	93
Justo A. Ortiz	Independent Director	July 20, 2022	Filipino	63

Raul Joseph A. Concepcion, 60 is the Chairman and Chief Executive Officer of the Company since 2008. He is also the president of CCAC and of Concepcion Industries, Inc. ("CII") as well as the chairman emeritus of the Philippine Appliance Industry Association ("PAIA"). He holds a business administration degree from Simon Fraser University.

Renna C. Hechanova-Angeles, 67 was elected Vice Chairman of the Board and the Treasurer of the Company on July 18, 2013. She is concurrently the vice-chairman and treasurer of CDI, director of CCAC, corporate secretary of Contel Communications, director of the joint venture company between Ayala Land, Inc. and CII, corporate secretary of Republic Commodities Corporation ("RCC"), and executive vice president and corporate secretary of CII. She is also the corporate secretary of Hy-land Realty and Development Corporation. Ms. Angeles holds a B.S. Commerce, Major in Management degree from the Assumption College.

Raul Anthony A. Concepcion, 52 was elected to the Board of the Company on July 5, 2013. He is also the president and chief operations officer of Contel Communications, vice president of the joint venture company between Ayala Land, Inc. and CII, and chairman of CDI. Mr. Concepcion is also the founder and chief event officer of Condura Run, one of the premier running events in the Philippines. He is a finalist in the Ernst and Young Entrepreneur of the Year Awards in 2011 and received the Business Excellence Award for showing exceptional, consistent and systematic application of total quality management principles. He holds a B.A. Political Science degree from the University of the Philippines-Diliman and an Executive Master of Business Administration degree from the Asian Institute of Management.

Jose Ma. A. Concepcion III, 64 was elected to the Board of the Company on July 5, 2013. He concurrently serves as the president and CEO of RFM Corporation and chairman of the board of directors of RFM Unilever Ice Cream, Inc. Mr. Concepcion is also the co-chairman of the agri-business and food committee of PCCI. He is likewise a member of various industry associations such as PCCI, Philippine Association of Feed Millers ("PAFMI"), Philippine Association of Flour Millers ("PAFMIL"), Philippine Chamber of Food Manufacturers, Inc. ("PCFM"), Makati Business Club, and Management Association of the Philippines ("MAP"). Mr. Concepcion is active in various socio-civic associations such as the Philippine Center for Entrepreneurship Foundation which he founded, The Search for the Ten Outstanding Students of the Philippines ("TOSP") and Rotary Club of Makati Central. From 2005 to 2010, he was the presidential consultant for entrepreneurship. Presently, Mr. Concepcion holds the following positions in socio-civic associations: vice chairman and trustee of RFM Foundation, Inc., director of the Laura Vicuna Foundation for Street Children, and vice chairman of the Micro Small and Medium Enterprise Development Council ("MSMED"). He holds a B.S. Business Management degree from the De La Salle University.

Ma. Victoria Herminia C. Young, 63, was elected to the Board of the Company on July 5, 2013. She is a director as well as the vice-president and general manager of the White King Division of RFM Corporation since 2006. She is also a director and general manager of Interbake Commissary Corporation and president of RFM Foundation, Inc. Ms. Young is likewise a trustee of several charitable organizations such as Soul Mission Organization and Ronald McDonald House of Charities. From 2000-2003, she served as a director of the Assumption Alumnae Association. Ms. Young holds a B.S. Management and Marketing degree from the Assumption College.

Raissa C. Hechanova-Posadas, 62, has been a member of the Board of the Company since July 5, 2013. She is concurrently a director of RFM Corporation, advisor to the board of directors of BDO Private Bank, and member of the board of trustees of Knowledge Channel Foundation, Inc. and Pinoy ME (MicroEntrepreneurship) Foundation. Prior to joining the Company, Ms. Hechanova-Posadas had 25 years of experience in corporate and investment banking at Citigroup where she held the positions of managing director, head of corporate finance unit, and designated business senior credit officer. In addition, she was a member of the Citi Philippines senior management team for ten years, and of the board of directors of several Citigroup legal vehicles in the country. Ms. Hechanova-Posadas holds a B.A. Applied Economics degree from De La Salle University and a Master of Business Administration degree from IMD International Institute for Management Development (formerly IMEDE).

Independent Directors

Cesar A. Buenaventura, 93, has been a member of the Board of the Company since November 27, 2013. He is chairman of Buenaventura Echaz and Partners, Inc. and Mitsubishi Hitachi Powers Systems, Inc., as well as vice chairman of the board of directors of DM Consunji, Inc. Mr. Buenaventura is a director in the boards of International Container Terminal Services, Inc (ICTSI) Semirara Mining and Power Corp., iPeople, Inc., Petronenergy Resources Corp., and Pilipinas Shell Petroleum Corporation. The notable positions he previously held include first Filipino CEO and chairman of the Shell Group of Companies, member of the Monetary Board of the Central Bank of the Philippines, member of the board of regents of the University of the Philippines from 1987 to 1994, member of the board of trustees of the Asian Institute of Management from 1994 to 2007, and president of the Benigno Aquino S. Foundation from 1985 to 2000. He holds a B.S. Civil Engineering from the University of the Philippines and a Master's degree in Civil Engineering, major in Structures from Lehigh University.

Justo A. Ortiz, 63, has been a member of the Board since November 6, 2020. Mr. Ortiz is vice chairman of Union Bank of the Philippines and holds the position of chairman and/or director of various subsidiaries of Union Bank of the Philippines, including PETNET, Inc., City Savings Bank, Inc., UBP Investments Corporation and UBX Philippines Corporation. He is also the chairman of the following companies: Philippine Payments Management, Inc., Fintech Philippines Association, Inc. and Distributed Ledger Technology Association of the Philippines, Inc. Mr. Ortiz is a member of the board of trustees of The Insular Life Assurance Co., Ltd., a member of the board of governors of Management Association of the Philippines, a member of the board of trustees of Philippine Trade Foundation, Inc., and a member of Makati Business Club and World Presidents Organization. He was the Chairman of the Board of Union Bank of the Philippines from 2018 to June 2020, and its Chief Executive Officer from 1993 to 2017. Prior to his stint in Union Bank of the Philippines, Mr. Ortiz was Managing Partner for Global Finance and Country Executive for Investment Banking at Citibank, N.A. Mr. Ortiz became a member of the Claustro de Profesores of the University of Santo Tomas (UST) as he was conferred a Doctor of Humanities degree, Honoris Causa, on December 11, 2015. He graduated Magna Cum Laude with a degree in the Economics Honors Program from Ateneo de Manila University.

Luis Y. Benitez, 74 (Nominee) has been nominated as a member of the Board. Mr. Benitez is a Filipino citizen who currently serves as an independent director of Insular Life Assurance Co. Ltd., Chinatrust Banking Corp., Credit Suisse Securities, Phils., Philippines First Insurance Corp., and Sta. Clara Construction Corp. He was a former Vice Chairman, Senior Partner, and Head of the Audit Division for SGV & Co. where he served from 1978 to 2007. Mr. Benitez received his MBA from the Stern School of Business, New York University. He is also a graduate of the Pacific Rim Bankers Program of the University of Washington. Mr. Benitez received his BSBA Major in Accounting from the University of the Philippines. He is a Certified Public Accountant.

THE KEY OFFICERS AS OF SEPTEMBER 26, 2022

Position	Name	Citizenship	Age
Chairman, Chief Executive Officer of CIC and President of CCAC	Raul Joseph A. Concepcion	Filipino	60
Vice Chairman and Treasurer	Renna C. Hechanova-Angeles	Filipino	67
Chairman of CDI	Raul Anthony A. Concepcion	Filipino	52
Chief Communications Officer; Executive Vice President, Business Development and Corporate Marketing, CIC and CCAC	Rafael C. Hechanova, Jr.	Filipino	63
Chief Strategy and Transformation Officer	Ma. Victoria A. Betita	Filipino	54
Chief Finance and Operating Officer; CEO and President, COPI; CEO and President, Alstra	Rajan Komarasu	Singaporean	57
President, CDI	Harold Thomas Pernikar, Jr.	American	45
Chief Consumer Experience Officer, CCAC	Merril Yu	Filipino	64
Managing Director, CCAC; President of CMI	Phillip F. Trapaga	Filipino	61
General Manager, CMI	Anna M. Alejandro	Filipino	41
Chief Information Officer	Richard L. Parcia	Filipino	46
General Manager, Product Solutions Division and Integrated Logistics, CCAC and CDI	Alexander T. Villanueva	Filipino	50
Chief Product Officer, CIC	Michael Hansson	Filipino	53
General Manager for Shared Services, CCAC; President and COO, Concepcion Business Services, Inc.	Michael Eric I. Sarmiento	Filipino	52
Chief Legal Counsel and Compliance Officer	Omar C. Taccad	Filipino	53
Chief Audit Executive	Arazeli Malapad	Filipino	53
Head-Investor Relations	Alberto Alfonso Albano	Filipino	46

Corporate Secretary	Jayson L. Fernandez	Filipino	52
Assistant Corporate Secretary	Roxanne Viel C. Santos	Filipino	37

Raul Joseph A. Concepcion *Please refer to the table of Directors above.*

Renna C. Hechanova-Angeles *Please refer to the table of Directors above.*

Raul Anthony A. Concepcion *Please refer to the table of Directors above.*

Rafael Concepcion Hechanova, Jr., 63 was appointed as Executive Vice President for Business Development and Corporate Marketing of the Company and CCAC on December 30, 1997. He plays a key role in ensuring that the Company continues to do good business across all its markets. He oversees both the Consumer and Business Solutions Groups, including new business units for corporate marketing and business development. Prior to his tenure in CCAC, Mr. Hechanova served as a Director of the Pacific Basin Development Company in Vancouver, Canada. Upon returning to the Philippines and joining Concepcion Industries in 1994, he became responsible for managing the sales and aftermarket service of chillers and AHUs to institutional and commercial customers. In 1998, Mr. Hechanova joined the CCAC leadership as an operating partner managing retail sales and marketing for RLC air conditioning products ensuring that both product and brand development initiatives were based on unique and demanding Filipino insights. This enabled CCAC to launch highly relevant branded communication messages for Carrier, Condura and Kelvinator as well as product innovations including the patented energy saving plug. Mr. Hechanova is also currently a director of Concepcion-Carrier Realty Holdings, Inc. and of Hy-land. He was a director of CAC from 1998 to 2013 and of CCAC from 2006 to 2009. He took up Mechanical Engineering at the De La Salle University and graduated at the British Columbia Institute of Technology.

Ma. Victoria A. Betita, 54 was appointed Chief Strategy and Transformation Officer last November 1, 2021. She was the former Chief Finance Officer of the Company and CCAC from 2011 to 2021. Ms. Betita was the finance director and country controller for Asea Brown Boveri Group from 1996 to 2001. From 2001 to 2005, she was the chief financial officer of CCAC as well as the treasurer and CFO of several Carrier subsidiaries. Prior to re-joining the Company and CCAC in 2011, Ms. Betita held several positions at Deutsche Knowledge Services, Pte. Ltd. She holds a B.S. Management Engineering degree from the Ateneo de Manila University and a Masters in Business Management from the Asian Institute of Management.

Rajan Komarasu, 57, was appointed Chief Finance and Operating Officer last November 1, 2021, and is concurrently the President of COPI and Alstra Incorporated. He was the Chief Financial Officer of CCAC from 2007 to 2011. Mr. Komarasu held several positions with United Technologies Corporation (UTC) primarily in the HVACR segment. Prior to joining the Company, his last role at UTC was Asia director for financial planning and analysis at the climate control and security department in Shanghai, China. Mr. Komarasu holds a Bachelor of Business degree from Curtin University. He is also a Chartered Accountant of Singapore (inactive).

Harold Thomas Perkinar, Jr., 45, is the President of CDI. Prior to joining CCAC, he worked at the various offices of AkzoNobel Car Refinishes and AkzoNobel Automotive & Aerospace Coatings in Asia from 2002 to 2012. He served as a product manager, marketing & logistics manager, global product manager and business development manager at AzkoNobel Car Refinishes, and as a commercial manager at AzkoNobel Automotive & Aerospace Coatings. He holds a B.S. International Business and Finance degree from Northeastern University.

Merril Yu, 64, is the Chief Consumer Experience Officer of CCAC. He is a seasoned senior executive with over 25 years of leadership experience who has demonstrated success in managing full-scope operations and building multimillion dollar corporations. An international hotelier who has honed his craft with leading hotel brands such as Four Seasons Hotels, The Peninsula Group, and MGM, among others. Locally, he has taken on senior leadership roles in reputable organizations, such as Megawide Construction Corporation as its Head of Hotels, LBP Corporation as its President, GHM Hotels Philippines, Inc. as Managing Director, Legend Hotels International as COO, and as SVP for SM Hotels & Entertainment. Merrill finished, B.A. Political Science at Duke University. He also attended the Executive Program-Advanced Marketing Management Program, at the Asian Institute of Management.

Phillip A. Trapaga, 61, Mr. Trapaga is the Chairman and President of CMI and was concurrently appointed as Managing Director of CCAC last November 23, 2021. He also had a stint as Director of Channel Sales of CCAC with over thirty years of experience in the manufacturing, telecommunications and consumer durables. Phillip finished Bachelor of Science in Commerce, Major in Financial Institutions at the De La Salle University.

Anna M. Alejandro, 41, Is the General Manager and Treasurer of CMI. She has more than 15 years of experience in the field of Financial Planning, Statutory and Management Reporting and Analysis across FMCG and Pharmaceutical industries. Over the last 10 years, Anna has taken on various managerial roles both in the Philippines and the Regional Singapore Office covering the areas of Commercial Finance, Integrated Business Project Planning and Finance Business Partnering. Her most recent role is Senior Regional Commercial Finance Manager of A Menarini Asia Pacific, based in Singapore handling 13 countries across Asia Pacific. She joined Concepcion Midea Inc. Phils. (CMIP) in November 15,

2018 as Finance Director. Anna holds a Bachelor's Degree in Accountancy from the Philippine School of Business Administration.

Alexander T. Villanueva, 50, is the General Manager for Product Solutions Division and Integrated Logistics of CCAC and CDI. From 2006 to 2009, he served as the quality director of CCAC. Previously, he performed roles ranging from quality engineer to head of quality at Ford Motor Company, both in the Philippines and in the U.S., and at Nissan Motor Philippines. Mr. Villanueva holds a B.S. Mechanical Engineering degree from the Mapua Institute of Technology.

Richard L. Parcia, 46, is the Chief Information Officer of CIC since November 2018. He was CIO of the Asian Institute of Management (AIM) before joining CIC, and was Head of Global IT Operations Center of LafargeHolcim in France, Head of IT Operations and Infrastructure for LafargeHolcim's East Asia Business Region, and had global roles with Intel Corporation and UnitedHealth Group. Dr. Parcia holds a B.S. degree in Computers Science, an MBA from Letran College-Calamba; and a PhD in Development Studies specializing in Technology Development from the University of Santo Tomas.

Michael Hansson, 53, is the Chief Product Officer of CIC. He is an experienced corporate officer with over 15 years of hands-on experience in product development, engineering, technology management and international expansion, managing teams from various countries. Most of these years were spent with Integrated Microelectronics Inc. (IMI) where he held numerous roles including, Director for Global Operations, Managing Director for Global Test & Systems Development, as well as Global Design and Engineering. His most recent position was CEO for Lean Factories Technologies PTE Ltd. in Singapore. Michael has Master of Science in Computer Science and Engineering from Linkoping University.

Michael Eric I. Sarmiento, 52, was appointed as President & COO of Concepcion Business Services, Inc. (CBSI) on March 9, 2020. CBSI is the Shared Services Co. of CCAC that provides IT, HR, Finance & Accounting, Business Process Re-engineering, & Administrative Services to the Group. Mr. Sarmiento specializes in Finance & IT with almost 20 years of experience in Business & Systems Analysis, Business Intelligence, Data Analytics, IT Project Management & Consulting, and Management Accounting. Prior to joining CIC, he was SVP & General Manager of the ROHQ, Primer Resources Corp, and Deputy CFO of the Intellectual Property Venture Group (IPVG). He graduated from University of Sto. Tomas with a degree in Industrial Engineering and then got his MBA from University of the Philippines, Diliman, Q.C.

Arazeli Malapad, 53, is the Chief Audit Executive of the Company. Ms. Malapad has 30 years of extensive experience in the field of audit, with emphasis on internal controls, financial and operational audits. She was Vice President, Controller of Pilmico Foods Corp, a subsidiary of Aboitiz Equity Ventures, before joining the Company in 2021. She is a Certified Internal Auditor, a globally recognized internal audit certification granted by the Institute of Internal Auditors, New York. She is also a Certified Public Accountant and obtained the Certified Management Accountant (CMA) credentials from the Institute of Certified Management Accountants Australia. Ms. Malapad obtained the Lean Six Sigma Green Belt Certification and completed the Leadership Management and Development Program at the Ateneo de Manila Graduate School of Business where she was accorded the Director's Award for Academic Excellence.

Omar C. Taccad, 53, is the Chief Legal Counsel and Compliance Officer of the Company. Prior to joining the Company on July 9, 2018 as Vice President for Legal, Governance and Compliance, he was the Head of Subsidiaries Services Division – Corporate Affairs and Legal Services Group of PLDT, Inc., and served as Corporate Secretary or Assistant Corporate Secretary of several subsidiaries of PLDT, Inc., including as Assistant Corporate Secretary of PLDT Communications and Energy Ventures, Inc. (formerly Pilipino Telephone Corporation) and ePLDT, Inc. He obtained his Juris Doctor degree from the Ateneo de Manila University and was admitted to the Philippine Bar in 1998.

Alberto Alfonso Albano, 46, is the Head of Investor Relations of the Company and concurrently the CFO of Cortex and Teko Solutions Asia, Inc., Prior to joining the Company, he was the Head for Strategic Investments and Acquisitions as well as the Head for Bid Management of ePLDT, Inc. He also served as Manager for Corporate Finance of Level Up! International Holdings PTE Ltd-ROHQ. Mr. Albano is a Certified Public Accountant. He received his MBA from the Melbourne Business School, University of Melbourne, and obtained his B.S. in Business Management and Accountancy from the University of the Philippines.

Jayson L. Fernandez, 52, was elected as Corporate Secretary of the Company on July 18, 2013. He is a Partner in Romulo Mabanta Buenaventura Sayoc & de los Angeles and currently co-chairs its tax department. He obtained his A.B. Management Economics and Juris Doctor degrees from the Ateneo de Manila University and was admitted to the Philippine Bar in 1996.

Roxanne Viel C. Santos Cua, 37, was elected as the Assistant Corporate Secretary of the Corporation on July 15, 2020. She joined Romulo Mabanta Buenaventura Sayoc & de los Angeles in 2017 and is an Associate. She graduated from the Ateneo de Manila University School of Law with a Juris Doctor degree in 2016 and was admitted to the Philippine Bar in 2017.

The Executive Officers are appointed/elected by the Board of Directors at the organizational meeting following the stockholders' meeting, each to hold for a period of one (1) year.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2022
2. SEC Identification Number **A1997-13456** 3. BIR Tax Identification No. **005-029-401-000**
4. Exact name of issuer as specified in its charter - **CONCEPCION INDUSTRIAL CORPORATION**
5. **Philippines** 6. (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **308 Sen. Gil Puyat Avenue, Makati City, Philippines** **1209**
Address of principal office Postal Code
8. **+632 7721819**
Issuer's telephone number, including area code
9.
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	407,263,891 (as of June 30, 2022)

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

Yes [X] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Stock**

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 RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [X] No []

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

Yes [X] No []

13. The aggregate market value of the voting stock held by non-affiliates of the registrant is P2.2 billion. The price used for this computation is the closing price as of June 30, 2022 is P18.98.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited consolidated financial statements of Concepcion Industrial Corporation (the “Company” or “CIC”) and its subsidiaries, Concepcion-Carrier Air Conditioning Company (“CCAC”), Concepcion Durables, Inc. (“CDI”), Concepcion-Otis Philippines, Inc. (“COPI”), Concepcion Business Services, Inc. (“CBSI”), Cortex Technologies Corporation (“CTC”), Alstra Incorporated (“Alstra”) and Teko Solutions Asia Inc. (“Teko”) (collectively, the “Group”) for the periods ended June 30, 2022 and 2021, and the audited consolidated financial statements of the group as at December 31, 2021 is attached to this 17-Q report, comparing the following:

- 1.1 Consolidated Statements of Financial Position as at June 30, 2022 and December 31, 2021 (Annex A)
- 1.2 Consolidated Statements of Total Comprehensive Income for the periods ended June 30, 2022 and 2021 (Annex B)
- 1.3 Consolidated Statements of Changes in Equity for the periods ended June 30, 2022 and 2021 (Annex C)
- 1.4 Consolidated Statements of Cash Flows for the periods ended June 30, 2022 and 2021 (Annex D)
- 1.5 Notes to Consolidated Financial Statements as at June 30, 2022 and December 31, 2021 and for the periods ended June 30, 2022 and 2021 (Annex E)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations [(based on the Unaudited Consolidated Results for the Period Ended June 30, 2022 (Annex F)]

PART II – OTHER INFORMATION

The following reports on SEC Form 17-C was filed during the 2nd quarter (Q2) of 2022:

Date of Report	Items Reported
April 11, 2022	Notice of Annual Meeting
May 17, 2022	Press Release on Business Updates

SIGNATURES

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



RAJAN KOMARASU
Chief Finance and Operating Officer

July 27, 2022

Concepcion Industrial Corporation and Subsidiaries

Consolidated Statements of Financial Position
As at June 30, 2022 and December 31, 2021
(All amounts in thousand Philippine Peso)

	Notes	2022	2021
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	2	1,606,190	2,518,403
Trade and other receivables, net	3	3,531,403	3,462,954
Contract assets		680,131	493,563
Inventories, net	4	4,059,142	2,968,596
Prepayments and other current assets		188,061	124,067
Total current assets		10,064,927	9,567,583
Non-current assets			
Property and equipment, net		519,751	564,978
Investment property		40,255	40,255
Investment in associates	5	105,011	128,752
Intangible assets, net	6	149,549	164,525
Goodwill	6	802,362	802,362
Right-of-use assets, net		365,495	435,605
Deferred income tax assets, net		584,179	555,825
Other non-current assets		74,186	64,103
Total non-current assets		2,640,788	2,756,405
Total assets		12,705,715	12,323,988
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Trade payables and other liabilities	7	4,640,090	3,930,388
Short-term borrowings	8	251,000	250,000
Lease liabilities		36,831	107,384
Provision for warranty		64,256	56,345
Other provisions		48,848	15,760
Income tax payable		128,484	11,116
Total current liabilities		5,169,509	4,370,993
Non-current liabilities			
Retirement benefit obligation	12	534,673	555,838
Lease liabilities		350,823	348,752
Provision for warranty		5,237	5,199
Total non-current liabilities		890,733	909,789
Total liabilities		6,060,242	5,280,782
Equity			
Attributable to owners of the Parent Company			
Share capital	13	407,264	407,264
Share premium	13	993,243	993,243
Treasury shares	13	(190,450)	(172,108)
Retained earnings	13	3,724,455	4,013,851
Other comprehensive loss		(55,913)	(55,913)
		4,878,599	5,186,337
Non-controlling interest		1,766,874	1,856,869
Total equity		6,645,473	7,043,206
Total liabilities and equity		12,705,715	12,323,988

The notes on pages 1 to 11 are integral part of these consolidated financial statements.

ANNEX B**Concepcion Industrial Corporation and Subsidiaries**

Consolidated Statements of Total Comprehensive Income
For the periods ended June 30, 2022 and 2021
(All amounts in thousand Philippine Peso, except earnings per share)

	Notes	For the six months ended		For the three months ended	
		2022	2021	2022	2021
Net sale of goods		5,201,688	5,253,733	2,893,011	2,875,747
Sale of services		1,523,826	1,184,079	745,955	681,946
Net sales	9	6,725,514	6,437,813	3,638,966	3,557,693
Cost of sales and services	10	(4,543,805)	(4,186,006)	(2,445,783)	(2,361,886)
Gross profit		2,181,709	2,251,807	1,193,184	1,195,807
Operating expenses	11	(1,667,714)	(1,755,283)	(821,268)	(876,463)
Other operating income (loss), net		(77,674)	8,012	(21,625)	1,559
Operating income		436,321	504,536	350,290	320,903
Interest expense		(13,466)	(12,601)	(7,077)	(6,444)
Income before share in net income (loss) of associates and income tax		422,855	491,935	343,213	314,460
Share in net income (loss) of associates	5	(23,741)	14,721	(1,825)	12,022
Income before income tax		399,114	506,656	341,388	326,482
Income tax expense		(135,350)	(146,449)	(108,268)	(94,740)
Net income for the year		263,764	360,208	233,120	231,741
Other comprehensive income (loss) that will not be subsequently reclassified to profit or loss					
Remeasurement gain (loss) on retirement benefits, net of tax		-	-	-	-
Total comprehensive income for the year		263,764	360,208	233,120	231,741
Net income (loss) attributable to:					
Owners of the Parent Company		112,459	195,602	133,783	137,142
Non-controlling interest		151,305	164,606	99,337	94,599
		263,764	360,208	233,120	231,741
Total comprehensive income attributable to:					
Owners of the Parent Company		112,459	195,602	133,783	137,142
Non-controlling interest		151,305	164,606	99,337	94,599
		263,764	360,208	233,120	231,741
Earnings (loss) per share - basic and diluted	14	0.28	0.49	0.33	0.34

The notes on pages 1 to 11 are integral part of these consolidated financial statements.

ANNEX C**Concepcion Industrial Corporation and Subsidiaries**

Consolidated Statements of Changes in Equity
For the periods ended June 30, 2022 and 2021
(All amount in thousand Philippine Peso)

Notes	Attributable to owners of the Parent Company					Non-controlling interest	Total
	Share capital	Share premium	Treasury shares	Retained earnings	Other comprehensive income (loss)		
Notes	13	13	13	13			
Balances as at January 1, 2022	407,264	993,243	(172,108)	4,013,851	(55,913)	1,856,869	7,043,206
Comprehensive income							
Net income for the year	-	-	-	112,459	-	151,305	263,764
Remeasurement gain (loss) on retirement benefits, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	112,459	-	151,305	263,764
Transactions with owners							
Cash dividends declared	-	-	-	(401,855)	-	(241,300)	(643,155)
Treasury shares	-	-	(18,341)	-	-	-	(18,341)
Total transactions with owners	-	-	(18,341)	(401,855)	-	(241,300)	(661,496)
Balances as at June 30, 2022	407,264	993,243	(190,450)	3,724,455	(55,913)	1,766,874	6,645,473
Balances as at January 1, 2021	407,264	993,243	(170,068)	4,251,056	(86,269)	1,898,332	7,293,558
Comprehensive income							
Net income for the period	-	-	-	195,602	-	164,606	360,208
Remeasurement gain (loss) on retirement benefits, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	195,602	-	164,606	360,208
Transactions with owners							
Cash dividends declared	-	-	-	(401,955)	-	(266,564)	(668,519)
Treasury shares	-	-	(2,040)	-	-	-	(2,040)
Total transactions with owners	-	-	(2,040)	(401,955)	-	(266,564)	(670,559)
Balances as at June 30, 2021	407,264	993,243	(172,108)	4,044,703	(86,269)	1,796,374	6,983,207

The notes on pages 1 to 11 are integral part of these consolidated financial statements.

Concepcion Industrial Corporation and Subsidiaries

Consolidated Statements of Cash Flows
For the periods ended June 30, 2022 and 2021

(All amounts in thousand Philippine Peso)

	2022	2021
Cash flows from operating activities		
Income before income tax	399,114	506,656
Adjustments for:		
Provisions for (reversals of):		
Volume rebates, trade discounts and other incentives	147,597	453,838
Warranty cost	63,211	81,477
Commission	20,733	14,967
Impairment of receivables	(2,698)	5,841
Contingencies	30,793	25,629
Inventory obsolescence	7,921	10,279
Amortization of right-of-use assets	70,764	117,967
Retirement benefit expense	45,221	90,889
Depreciation and amortization of property and equipment	77,490	69,729
Amortization of intangible assets	14,693	15,282
Interest expense	13,466	12,601
Share in net loss (income) of associates	23,741	(14,721)
Unrealized foreign exchange losses (gains)	40,116	3,789
Gain on disposal of property and equipment	104	78
Interest income on bank deposits, short-term placements	(3,390)	(2,418)
Operating income before working capital changes	948,876	1,391,883
Changes in:		
Trade and other receivables	(540,887)	(685,065)
Inventories	(1,098,468)	(83,471)
Prepayments and other current assets	(62,966)	1,185
Other non-current assets	(12,170)	(15,577)
Trade payables and other liabilities	689,937	(164,723)
Cash generated from operations	(75,678)	444,232
Income tax paid	(27,977)	(161,757)
Payments of provision for warranty cost	(55,263)	(72,025)
Payments of other provisions	(18,443)	(60,149)
Retirement contributions/ benefits directly paid by the Group	(66,385)	(22,317)
Interest received on bank deposits	2,217	776
Net cash provided by (used in) operating activities	(241,529)	128,760
Cash flows from investing activities		
Interest received from short-term placements	1,278	1,642
Additions to property and equipment	(30,862)	(42,264)
Additions to intangibles	-	(383)
Net cash used in investing activities	(29,584)	(41,005)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,000	20,000
Cash distributions of profits	(542,105)	(560,355)
Principal repayment of lease liabilities	(69,214)	(117,096)
Interest paid on lease liabilities	(6,817)	(6,964)
Interest paid on short-term borrowings	(5,623)	(5,209)
Acquisitions of treasury shares	(18,341)	(2,040)
Net cash used in financing activities	(641,100)	(671,664)
Net increase (decrease) in cash and cash equivalents	(912,213)	(583,909)
Cash and cash equivalents as at January 1	2,518,403	2,986,668
Effects of foreign exchange rate changes on cash and cash equivalents	-	230
Cash and cash equivalents as at June 30	1,606,190	2,402,989

The notes on pages 1 to 11 are integral part of these consolidated financial statements.

Concepcion Industrial Corporation and Subsidiaries

Notes to the Unaudited Consolidated Financial Statements

As at June 30, 2022 and December 31, 2021 and for the

periods ended June 30, 2022 and 2021

(All amounts are shown in thousand Philippine Peso except number of shares, per share amounts and unless otherwise stated)

Note 1 - General information**1.1 Registration and business**

Concepcion Industrial Corporation (the Parent Company or CIC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 17, 1997 primarily to carry on business as a holding company, including but not limited to the acquisition by purchase, exchange, assignment, gift, importation or otherwise, and to hold, own and use for investment or otherwise, and to sell, assign, transfer, exchange, mortgage, pledge, traffic or otherwise to enjoy and dispose of real and personal property of every kind and description, including land, condominium units, buildings, machineries, equipment, bonds, debentures, promissory notes, shares of capital stock or other securities or obligations, created, negotiated or issued by any corporation, association, or other entity, foreign or domestic, and while the owner thereof, to exercise all the rights, powers and privileges of ownership, including the right to receive, collect, and dispose of, any and all dividends, rentals, interest and income derived therefrom and generally perform acts or things designed to promote, protect, preserve, improve or enhance the value of any such land, condominium units, buildings, machineries, equipment, bonds, debentures, promissory notes, shares of capital stock, securities or obligations to the extent permitted by law without however engaging in dealership in securities, in the stock brokerage business or in the business of an investment company. CIC's subsidiaries are incorporated and operating in the Philippines. The subsidiaries are engaged in the manufacture, sales, distribution, installation and service of heating, ventilating and air conditioning (HVAC) products and HVAC services; manufacture, assembly, wholesale, retail, purchase and trade of refrigeration equipment; importation, buy and sell, at wholesale, distribute, maintain and repair, elevators, escalators, moving walkways, and shuttle systems and all supplies, material, tools, machinery and part/components thereof; rendering various corporate back-office support services directly or through duly licensed service providers and/or professionals, where necessary, exclusively for CIC, its subsidiaries, affiliates and/or related companies, to undertake research, development and commercialization of new, existing or emerging technology to existing or future residential and commercial appliances and equipment, and other products.

CIC and its subsidiaries are herein collectively referred to as the "Group".

CIC's primary shareholders are Foresight Realty & Development Corp., Hyland Realty & Development Corp., and Horizons Realty Inc., entities registered and doing business in the Philippines, which have equally divided equity over CIC. These companies are beneficially owned by Filipino individuals.

CIC's registered office address, which is also its principal place of business, is located at 308 Gil Puyat Avenue, Makati City. As at June 30, 2022 and December 31, 2021, CIC has two (2) regular employees.

1.2 Significant business developments

On July 1, 2022, Alstra Inc., a wholly owned subsidiary of CIC, purchased from Mr. Joey P. Penaflor 31% of the subscribed capital of Tenex Services Inc. equivalent to 9.3 million shares with par value of P1 per share or P9.3 million. As at reporting date, Alstra Inc.'s ownership to Tenex increased from 49% to 80%.

Tenex was organized to undertake and transact all kinds of business relating to installation, servicing sale and distribution of heating, ventilation and air conditioning systems and products, and such other activities related thereto, such as construction and mechanical maintenance services.

Note 2 - Cash and cash equivalents

Cash and cash equivalents as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Cash on hand	2,804	65
Cash in banks	671,436	695,893
Short-term placements	931,950	1,822,445
	1,606,190	2,518,403

Cash in banks and short-term placements amounting to P1,241,245 and P362,141 (2021 - P2,222,961 and P295,377) are made with universal and commercial banks, respectively, that earn interest at the prevailing bank deposit rates. For the period ended June 30, 2022, total interest income earned from cash in banks and short-term placements amounted to P3,390 (2021 - P2,418).

The carrying values of cash and cash equivalents, and short-term investments represent the maximum exposure to credit risk other than cash on hand. While these are also subject to the impairment of PFRS 9, the identified impairment loss was immaterial.

Note 3 - Trade and other receivables, net

Trade and other receivables as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Trade receivables		
Third parties	4,103,940	4,007,090
Related parties	2,271	6,995
Provision for volume rebates, trade discounts and other incentives	(655,522)	(651,266)
Provision for impairment of receivables	(167,913)	(174,354)
Net trade receivables	3,282,776	3,188,465
Non-trade receivables, net		
Advances to/Claims from suppliers	132,995	138,510
Advances to employees	27,749	34,456
Related parties	20,562	16,064
Rental deposits	3,309	513
Others	64,012	84,946
	3,531,403	3,462,954

Provisions

The Group applies PFRS 9 simplified approach in measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 to 60 months before January 1, 2022 and 2021 and the corresponding historical credit losses experienced within this period.

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

- a. High performing - settlements are obtained from counterparty following the terms of the contracts without much collection effort.
- b. Underperforming - some reminder/follow-ups are performed to collect accounts from counterparty.
- c. Credit impaired - constant reminder/follow-ups are performed to collect accounts from counterparty.

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. The Group has identified inflation rate in the Philippines to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in such rates.

On that basis, the loss allowance as at June 30, 2022 and December 31, 2021 was determined as follows for both trade receivables and contract assets:

	High performing	Underperforming		Credit impaired	Total
	Current	Up to 6 months past due	6 to 12 months past due	Over 12 months past due	
	Within 0% to 12%	Within 1% to 27%	Within 1% to 27%	Within 1% to 100%	
2022					
Trade receivables					
Third parties	2,914,554	865,198	132,955	191,232	4,103,940
Related parties	2,271	-	-	-	2,271
	2,916,826	865,198	132,955	191,232	4,106,211
Contract assets	680,131	-	-	-	680,131
Total	3,596,957	865,198	132,955	191,232	4,786,342
Loss allowance	-	-	3,933	163,980	167,913
2021					
Trade receivables					
Third parties	2,332,970	1,347,996	146,177	179,947	4,007,090
Related parties	6,995	-	-	-	6,995
	2,339,965	1,347,996	146,177	179,947	4,014,085
Contract assets	493,563	-	-	-	493,563
Total	2,833,528	1,347,996	146,177	179,947	4,507,648
Loss allowance	-	-	5,117	169,237	174,354

Advances to employees are realized through salary deductions. Rental deposits are expected to be applied to future lease obligations. All these accounts, including non-trade receivables from related parties, and other receivables do not contain impaired assets and are not past due.

The contract assets relate to unbilled work in progress and have the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The maximum exposure to credit risk at the reporting date are the respective carrying values of trade receivables, contract assets, other receivables and due from related parties as at reporting date.

Note 4 - Inventories, net

Inventories, net as at June 30, 2022 and December 31, 2021 consist of:

	Note	2022	2021
At cost			
Raw materials		1,608,040	1,376,444
Finished goods	10	1,922,219	1,140,542
Work in process	10	5,808	2,587
Inventories-in-transit		506,025	460,817
Spare-parts and supplies used in business		112,939	76,174
		4,155,031	3,056,564
Provision for inventory obsolescence		(95,889)	(87,968)
		4,059,142	2,968,596

For the period ended June 30, 2022, the cost of inventory recognized as expense and included in cost of sales and services amounted to P4,082,124 (2021 – P3,915,307) (Note 10).

Note 5 - Investments in Associates

Details of movement in investment in associates as at June 30, 2022 and December 31, 2021 follow:

	2022	2021
At cost, beginning	274,700	274,700
Additional investments	-	-
At cost, ending	274,700	274,700
Cumulative share in total comprehensive loss, beginning	(145,948)	(122,985)
Share in net income (loss) for the year	(23,741)	(22,513)
Share in other comprehensive income (loss) for the year	-	(450)
Cumulative share in total comprehensive loss, ending	(169,689)	(145,948)
	105,011	128,752

Note 6 - Goodwill and intangible assets, net

6.1 Goodwill

Goodwill is the excess of consideration over proportionate share in fair value of net assets.

Goodwill resulted from CIC's acquisition of COPI in 2014 and Teko in 2018.

For the COPI acquisition, the Group applied the proportionate interest approach to account for the resulting NCI from this business combination. The goodwill of P783,983 arising from the acquisition is attributable to an established brand, and customer and product base.

In 2019, the Group finalized the Purchase Price Allocation relevant to its acquisition of Teko in 2018. The Group applied the proportionate interest approach to account for its NCI. The goodwill of P18,379 arising from the acquisition is attributable to Teko's web-based platforms, consisting of its website and mobile application.

Impairment test for goodwill

Discounted cash flow (DCF) method was used as base for estimating the recoverable value of COPI and Teko as at June 30, 2022 and December 31, 2021. The Group did not recognize impairment losses for the period ended June 30, 2022 and for the year ended December 31, 2021 as the recoverable value exceeds the carrying amount of the cash-generating unit (CGU).

6.2 Intangible assets, net

Details and movements of intangible assets account at June 30, 2022 and December 31, 2021 are shown below:

	Customer relationship	Customer backlogs	Computer software	Total
Cost				
At January 1, 2022	187,113	13,883	118,846	319,842
Additions (adjustments)	-	-	(283)	(283)
At June 30, 2022	187,113	13,883	118,563	319,559
Accumulated amortization				
At January 1, 2022	60,908	13,883	80,526	155,317
Amortization	3,742	-	10,951	14,693
At June 30, 2022	64,650	13,883	91,477	170,010
Net book values at June 30, 2022	122,463	-	27,086	149,549
Cost				
At January 1, 2021	187,113	13,883	112,513	313,509
Additions	-	-	6,333	6,333
At December 31, 2021	187,113	13,883	118,846	319,842
Accumulated amortization				
At January 1, 2021	53,424	13,883	55,958	123,265
Amortization	7,484	-	24,568	32,052
At December 31, 2021	60,908	13,883	80,526	155,317
Net book values at December 31, 2021	126,205	-	38,320	164,525

Note 7 - Trade payables and other liabilities

Trade payables and other liabilities as at June 30, 2022 and December 31, 2021 consist of:

	2022	2021
Trade payables		
Third parties	2,116,086	1,511,545
Related parties	158,119	90,461
	2,274,205	1,602,006
Accrued expenses		
Project costs	501,050	518,732
Outside services	122,784	243,648
Benefits of directors, officers and employees	309,871	272,559
Professional fees	34,517	45,367
Commission	8,481	13,840
Installation and cleaning costs	126	129
Rental and utilities	166,049	46,757
Freight	66,539	42,690
Importation costs	49,210	60,525
Advertising and promotion	48,482	40,133
Others	131,820	110,004
	1,438,929	1,394,385
Other liabilities		
Advances on sales contract	204,582	205,687
Billings in excess of costs incurred and estimated earnings on uncompleted contracts	323,949	317,271
Withholding taxes and other mandatory government remittances	29,486	99,964
Output value-added tax (VAT), net of input VAT	83,170	100,897
Related parties	21,538	39,684
Others	264,231	170,494
	926,956	933,997
	4,640,090	3,930,388

Project costs represent costs of HVAC related projects incurred but not yet billed as at reporting date.

Note 8 - Short-term borrowings

Movements of short-term borrowings as at June 30, 2022 and December 31, 2021 are as follows:

	2022	2021
Beginning	250,000	190,000
Availment	1,000	60,000
Ending	251,000	250,000

As at June 30, 2022 and December 31, 2021, the Group has unsecured interest-bearing short-term loans ranging from three (3) to six (6) months from 5.25% to 5.5% (2021 - 5.25%). Interest expenses on borrowings paid during the period ended June 30, 2022 amounted to P5,623 (2021 – P5,209).

Note 9 - Revenue from contracts with customers

Details of net sales and services for the periods ended June 30 are as follows:

	2022	2021
Gross sales		
Sale of goods (Point in time)	6,603,242	6,724,194
Sale of services (Over time)	757,408	538,187
	7,360,650	7,262,381
Deductions		
Trade and volume discounts and other incentives	(330,722)	(558,011)
Sales returns	(304,414)	(266,557)
	(635,136)	(824,568)
Net sales and services	6,725,514	6,437,813

Note 10 - Cost of sales and services

Details of cost of sales and services for the periods ended June 30 are as follows:

	Note	2022	2021
Raw materials used		3,254,974	2,608,283
Labor		79,193	103,246
Overhead		308,372	347,613
Total manufacturing cost		3,642,539	3,059,142
Work-in-process, beginning	4	2,587	4
Work-in-process, ending	4	(5,808)	(2,815)
Cost of goods manufactured		3,639,318	3,056,331
Finished goods inventory, beginning	4	1,140,542	1,295,612
Gross purchases - trading		1,224,483	457,474
Finished goods available for sale		6,004,343	4,809,417
Finished goods inventory, ending	4	(1,922,219)	(894,110)
Total cost of sales		4,082,124	3,915,307
Cost of installation and maintenance of elevators		450,147	264,833
Others		11,534	5,866
Total cost of services		461,681	270,699
Total cost of sales and services		4,543,805	4,186,006

Note 11 - Operating expenses

Details of operating expenses for the periods ended June 30 are as follows:

	2022	2021
Personnel costs	607,083	694,863
Outside services and professional fees	410,071	379,477
Outbound freight	176,079	176,730
Amortization of right-of-use assets	63,045	87,902
Advertising and promotion	67,179	109,437
Warranty cost	63,105	77,193
Rent and utilities	84,369	61,985
Taxes and licenses	25,035	47,951
Depreciation and amortization	32,187	29,685
Provision for (Reversal of) inventory obsolescence	7,935	(7,466)
Royalty	16,766	18,245
Amortization of intangible assets	13,633	16,138
Transportation and travel	14,778	8,805
Repairs and maintenance	6,659	4,307
Provision for impairment of receivables	(6,457)	5,841
Others	86,247	43,689
	1,667,714	1,755,283

Note 12 - Retirement plan

12.1 CIC

CIC has an established retirement plan which is a non-contributory and of the defined benefit type which provides retirement benefits ranging from twenty percent (20%) to one hundred twenty-five percent (125%) of basic monthly salary times number of years of service. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the retirement plan. This retirement plan is in agreement with CCAC's retirement plan that was started on July 1, 1999 since most of the employees of CIC were absorbed from CCAC.

12.2 CCAC

CCAC has an established funded, trustee and non-contributory and of the defined benefit type retirement plan covering all its regular employees. The retirement plan provides lump sum benefits upon retirement, death, total and permanent disability, voluntary separation after completion of ten (10) years of credited service, and involuntary separation (except for cause). Normal retirement age is 60 years or 15 years of credited service, whichever is earlier and provides for retirement benefit equivalent to 125% of the latest monthly salary per year of service.

The Retirement Plan Trustee, as appointed by CCAC in the Trust Agreement executed between CCAC and the duly appointed Retirement Plan Trustee, is responsible for the general administration of the Retirement Plan and the management of the Retirement Fund. The Retirement Plan Trustee may seek advice of counsel and appoint an investment manager or managers to manage the Retirement Fund, an independent accountant to audit the Fund and an actuary to value the Retirement Fund.

There are no unusual or significant risks to which the Plan exposes CCAC. However, in the event a benefit claim arises under the Retirement Plan and the Retirement Fund is not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from CCAC to the Retirement Fund.

In accordance with the provisions of Bureau of Internal Revenue (BIR) Regulation No. 1-68, it is required that the Retirement Plan be trustee; that there must be no discrimination in benefits that forfeitures shall be retained in the Retirement Fund and be used as soon as possible to reduce future

contributions; and that no part of the corpus or income of the Retirement Fund shall be used for, or divided to, any purpose other than for the exclusive benefit of the Plan members. CCAC is not required to pre-fund the future defined benefits payable under the Retirement Plan before they become due. For this reason, the amount and timing of contributions to the Retirement Fund are at the CCAC's discretion.

12.3 Alstra; Teko

These entities have not yet established a formal retirement plan for its employees but pays retirement benefits required under Republic Act (RA) No. 7641 (Retirement Law). RA 7641 provides that all employees between ages 60 to 65 with at least 5 years of service with the entities who may opt to retire are entitled to benefits equivalent to one-half month salary for every year of service, a fraction of at least six (6) months being considered as one full year. The term one-half month shall mean fifteen (15) days plus one-twelfth (1/12) of the 13th month and the cash equivalent of not more than five (5) days of service incentive leaves.

As at June 30, 2022 and December 31, 2021, estimated retirement benefits and obligations for Alstra is deemed immaterial, hence, not provided for.

12.4 COPI

The Company has a funded, non-contributory defined benefit plan which provides a retirement benefit range of twenty percent (20%) to two hundred percent (200%) of plan salary for every year of service to its qualified employees and is being administered by a trustee bank. The normal retirement age is 60 years and optional retirement date is at age 50 or completion of at least ten (10) years of service.

12.5 CBSI

CBSI has a non-contributory retirement benefit plan which provides a retirement benefit ranging from twenty percent (20%) to one hundred twenty-five percent (125%) of basic monthly salary times number of years of service. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

12.6 CTC

CTC has established an unfunded, defined benefit retirement plan which provides a retirement benefit equivalent to 125% of basic salary times number of years in service. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

The retirement obligation of each entity in the Group is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined using the amount necessary to provide for the portion of the retirement benefit accruing during the year. The latest actuarial valuation of the retirement benefits for each entity in the Group was sought from an independent actuary as at December 31, 2021.

12.7 CDI

In February 2021, the CDI's BOD approved to established a non-contributory retirement plan covering all its regular employees. The plan provides lump sum benefits upon retirement, death, total and permanent disability, voluntary separation after completion of at least ten (10) years of credited service, and involuntary separation (except for cause). Normal retirement age is 60 years or 25 years of credited service, whichever is earlier and provides for retirement benefit equivalent to 125% of the latest monthly salary per year of service. The plan has been registered with Bureau of Internal Revenue and the certificate was issued on November 02, 2021.

The following are the details of the retirement benefit obligation (asset) and retirement benefit expense as at June 30, 2022 and December 31, 2021:

	CIC	CCAC	CDI	CBSI	COPI	CTC	Teko	Total
2022								
Retirement benefit obligation	17,432	286,586	153,403	63,617	8,559	2,179	2,897	534,673
Retirement benefit expense	963	21,294	9,148	8,632	4,441	308	434	45,221
2021								
Retirement benefit obligation	16,469	287,555	166,609	75,676	5,194	1,872	2,463	555,838
Retirement benefit expense	1,959	54,932	147,390	16,584	3,933	2,836	755	228,389

Retirement benefit expense is included as part of personnel costs under operating expenses (Note 11).

Note 13 - Equity

13.1 Share capital

As at June 30, 2022 and December 31, 2021, CIC's authorized share capital amounting to P700,000 is composed of 700 million shares with par value of P1 per share.

The details and movement of share capital as at and for the period ended June 30, 2022 and for the year ended December 31, 2021 follows:

	Number of common shares issued and outstanding	Amount		
		Share capital	Share premium	Treasury shares
January 1, 2021	401,955,091	407,264	993,243	(170,068)
Acquisition of treasury shares	(100,000)	-	-	(2,040)
December 31, 2021	401,855,091	407,264	993,243	(172,108)
Acquisition of treasury shares	(963,600)	-	-	(18,341)
June 30, 2022	400,891,491	407,264	993,243	(190,450)

13.2 Dividend declaration

Cash dividends declared, attributable to owners of CIC, for the period ended June 30, 2022 and for the year ended December 31 are as follows:

Date declared	Dates paid	Per share	2022	2021	2020
February 16, 2022	April 12, 2022	1.0	401,855	-	-
February 10, 2021	April 12, 2021	1.0	-	401,955	-
May 13, 2020	June 17, 2020	0.7	-	-	282,253
			401,855	401,955	282,253

For the period ended June 30, 2022 and for the year ended December 31, 2021, NCI from profit distribution of CCAC and COPI amounted to P202,100 and P39,200, respectively (2021 - P188,164 and P78,400, respectively).

CIC annually performs an evaluation of the amount to be declared as dividends. On February 16, 2022, CIC's BOD declared cash dividends in the amount of P1.00 per share totaling to P401,855 for shareholders of record as at March 17, 2022 (net of treasury shares), paid on April 12, 2022.

13.3 Treasury shares

On February 17, 2016, CIC's BOD approved a non-solicitation share buyback program to be carried out until February 16, 2019. On September 9, 2019, CIC's BOD approved a non-solicitation share buyback program to be carried out until September 9, 2022.

On March 20, 2020, the BOD amended the terms of the share buyback program to increase the limit of the common shares that may be repurchased during the first year of the program from P100 million to P300 million.

As at June 30, 2022 and December 31, 2021, acquisition of treasury shares amounted to P190,450 (2021 - P172,108).

Note 14 - Earnings per share

Basic earnings per share is calculated by dividing the net income attributable to owners of CIC by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by CIC and held as treasury shares, if any.

Earnings per share for the years ended June 30, 2022 and December 31, 2021 is calculated as follows:

	2022	2021
Net income (loss) attributable to owners of the Parent Company	112,459	195,602
Weighted average common shares - basic and diluted (in '000)	401,227	401,895
Basic and diluted earnings per share	0.28	0.49

The basic and diluted earnings per share are the same each for the year presented as there are no potential dilutive common shares.

Management’s Discussion and Analysis of Financial Condition and Results of Operations (based on the Unaudited Consolidated Results for the Periods Ended June 30, 2022)

Concepcion Industrial Corporation (the “Company” or “CIC”), formerly Concepcion Airconditioning Corporation (“CAC”), is one of the Philippines’ most established and leading suppliers of air conditioners, air conditioning solutions, and refrigerators. The Company has expanded its business beyond being a trusted expert in air conditioning and refrigeration, towards becoming a complete consumer and commercial solutions company with a range of solutions and aftermarket services across multiple international and Philippine brands including Carrier, Toshiba, Condura, Kelvinator, Midea and Otis. These solutions are designed to serve a wide array of customers from individuals and single families living in residences, to thousands of people spread across large residential towers, office buildings, entertainment facilities, and commercial and industrial sites. These solutions are also designed to meet a variety of diverse needs, such as reliability, durability, comfort, energy efficiency, environmental impact, ease of use, and aesthetic appeal at varying price points with customized features to match the individual requirements. Moreover, the Company continues to develop these technologies to meet the current and future needs of its customers. In addition, the Company offers an array of aftermarket services such as periodic maintenance, parts supply, repairs and other services intended to support its products through their entire life cycle. Moving beyond products, the Company has invested heavily on strengthening its relationship with its customers through the development of various platforms and applications designed to ensure a better fit between the product and service offerings to the customer’s lifestyle. The Company believes that these aftermarket services, combined with its wide range of air conditioning and refrigeration products catering to various customer needs, offer customers enhanced value that distinguishes the Company’s air conditioning and refrigeration solutions from those of its competitors.

As of June 30, 2022, CIC has seven (7) major subsidiaries and three (3) associates. For its subsidiaries, the Company owns 60% of CCAC, 100% of CDI, effectively 51% of COPI through its ownership in Alstra Inc., 100% of CBSI, 100% of CTC, 100% of Alstra Inc., and effectively 58% of Teko through its ownership in CTC. For its associates, the Company owns effectively 40% of CMI through its ownership in CCAC, effectively 49% of Tenex through its ownership in Alstra and 33% of Teko SG through its ownership in CTC.

CCAC

CCAC engages in the manufacture, sale, distribution, installation, and service of heating, ventilating, and air conditioning products and services for residential, commercial, and industrial use. CCAC is a joint venture between the Company and Carrier Air Conditioning Philippines, Inc. (CACPI), which allows it to offer Carrier and Toshiba brand air conditioners and Totaline parts. CCAC also offers other brands such as Condura and Kelvinator. CCAC manufactures a select range of its air conditioning equipment at its factory in Light Industry and Science Park in Cabuyao, Laguna, Philippines. The factory is Philippines’ largest air conditioning facility with a capacity of approximately 500,000 units per year and a production area of 19,620 sqm. CCAC’s products are distributed and sold primarily in the Philippines. It has a nationwide distribution reach supported by a nationwide aftermarket network. The Company believes CCAC has the largest share of the total air conditioning market in the Philippines as measured by revenues, including leading market positions in the residential, commercial and industrial segments.

CDI

CDI engages primarily in the manufacture, assembly, wholesale, retail, purchase, and trade of refrigeration equipment, including Condura and Kelvinator brand refrigerators and freezers. CDI manufactures a select range of its products at its factory at Light Industry and Science Park in Cabuyao, Laguna, adjacent to CCAC's air conditioning factory. CDI factory has a capacity of 300,000 units per year and a production area of 16,420 sqm. CDI has leadership presence in the residential and light commercial ("RLC") refrigeration market in the Philippines. From 2020 onwards, CDI expanded its product portfolio to include from small domestic appliances such as rice cooker, coffee maker, juicer to kitchen and laundry appliances.

CMI

CMI is a joint venture between Midea Electric Trading (Singapore) Co. Pte. Ltd. (Midea), and CIC and CCAC. CMI's primary purpose is to introduce Midea brand products in the Philippine market as a supplier of a full range of appliances such as air conditioners, refrigerators, laundry and kitchen appliances. CMI is also a distributor of Toshiba brand such as refrigerator, laundry and kitchen appliances since 2019. This will not only expand the Company's multi-brand offering to the Philippine market but will also allow it to expand into the wider white goods market. Established in 1968, Midea is a leading global white goods and air conditioning systems manufacturer, with operations around the world. Midea is a Global Fortune 500 company and has joint venture agreement with Carrier Corporation in selected countries.

COPI

COPI is a joint venture between Alstra Inc., a wholly owned subsidiary of CIC, and Otis Elevator Company (Philippines). COPI sells, installs and service Otis brand elevators and escalators in the Philippines. Its solutions include engineering design, supply and installation, project management, testing and commissioning, service repairs and parts, retrofit services on vertical transportation equipment. Otis is the world's leading brand for elevator and escalator equipment, installation and service.

CBSI

CBSI's primary business purpose is to consolidate support services across CIC and its subsidiaries and affiliates particularly in the areas of Finance, Human Resources, Information and Communications Technology, Legal and Compliance, as well as Facilities Management. In 2020, CBSI introduced an online platform (Conceptstore) to allow other subsidiaries to sell directly to consumers.

CTC

CTC engages in the research, development and commercialization of new and emerging technologies. CTC also develops strategic partnerships and identifies potential acquisitions, both locally and abroad, to develop solutions that are aligned with CIC's broader vision of building better lives and businesses and owning the home. CTC works across the enterprise to help facilitate innovation and maintain CIC's position as a market leader.

Alstra Inc.

Alstra Inc. was organized primarily as a holding company to make investments in solutions for buildings and the industrial markets. Alstra may also engage in the business of installation, construction, maintenance and supply of equipment for mechanical, electrical, plumbing and fire protection services, facilities management, civil construction, technology services, electronics, devices and equipment in relation to building services and other building solutions-related services, among others.

Teko

Teko is focused on building and operating a platform to provide appliance repair and maintenance services. It leverages on information technology solutions and innovative business models to transform the appliance services market.

Tenex

Tenex is a joint venture company of Alstra Inc. and Mr. Joey P. Penaflor, and is positioned to provide HVAC installation, repairs and maintenance services to commercial and business establishments.

Teko SG

Teko SG is a company incorporated in Singapore. It's purpose of business is to be a holding company for the regional expansion of Teko across Southeast Asia.

Factors Affecting the Company's Results of Operations

Factors affecting the Company's financial and operational results in the first six months of 2022

Macroeconomic Fundamentals: The Philippine Gross Domestic Product (GDP) grew by 8.3% in Q1 and projections for Q2 to show growth, albeit at a slower rate. The economy has started to recover with NCR and much of the country at Alert Level 1 and both business and consumer activities have normalized. Despite this, the onset of the Omicron variant in January impacted Q1 results, with revenue bouncing back by the balance of the quarter. Challenges remained thru Q2 due to increasing inflation, higher fuel, commodity and logistics costs, and weakening of the Peso against the US Dollar.

Construction Sector Developments: The adoption of Alert level 1 for NCR and much of the Philippines, has opened the economy and led to more normalization of both business and consumer activities. With offices opening and many workers returning to work, we have seen the recovery of H1 orders, with both backlogs and pipeline building up. The office market has reported a net positive take up, with both the residential and retail sector also recovering.

Commodity Prices: The Company depends on raw materials sourced from third parties to produce majority of its products. Raw materials represent about 80% of the Company's manufactured cost of sales. Commodity prices remained high due to supply chain disruption, the high demand from the recovery and high oil prices.

Description of Selected Income Statement Items

Net Sales

The Company generates revenues primarily from sales of its heating, ventilation and air conditioning (HVAC), refrigeration units, laundry and kitchen appliances through its subsidiaries CCAC and CDI, including sales and service of elevators and escalators in COPI.

Costs and Expenses

- Cost of sales and services

The Company's cost of sales and services comprise the cost of finished goods, raw materials used for the Company's manufactured products, installation costs, labor, and manufacturing and service overhead.

- Expenses

The Company's operating expenses include employee costs, outside services, freight out, rent and utilities, warranty cost, marketing and advertising costs, transportation, travel and entertainment, provisions for commission, impairment of receivables, inventory obsolescence, legal disputes and assessments, repairs and maintenance, royalties, non-income taxes and licenses, depreciation and amortization, commission expense, supplies, insurance, and professional fees.

- Other net operating income (loss)

The Company's other operating income (loss) comprise of interest expense on loans , foreign exchange losses, net of interest income on bank deposits and short-term placements, commission and service income.

Income tax expense (benefit)

The Company's income tax expense comprises the income taxes accrued and/or paid by the Company and its respective subsidiaries including the deferred income tax assets or tax related to future tax benefits.

Net Income

Net income represents the earnings of Company and its respective subsidiaries.

Net Income Attributable to Parent

Net income attributable to Parent represents the Company's share at 60% of the net income of CCAC, 100% of the net income of CDI, 100% of the net loss of CBSI, 100% of the net loss of CTC, 100% of the net income of Alstra, effectively 58% of net loss of Teko, and effectively 51% of the net income of COPI.

Segment information

The Company reviews and analyzes profit or loss into Consumer and Commercial Business while assets, liabilities and other accounts are analyzed on a per entity basis - CCAC, CDI and COPI and all other entities as part of Others.

a. Profit or Loss

a.1. Consumer business

The segment's products and related services include HVAC for consumer use, domestic refrigeration products, laundry and kitchen appliances. It is supported by a vast network of distributors, dealers, retailers and technicians, who sell, install and service the Group's products primarily in the residential and light commercial segments.

a.2. Commercial business

The segment's products and related services include HVAC as well as sales and service of elevators and escalators, primarily for residential, commercial and industrial use. It is sold directly to end customers or through a network of accredited specialist contractors.

b. Assets, liabilities and other accounts

b.1. CCAC

The segment's products and related services include HVAC, and air conditioning products. It is supported by a vast network of distributors, dealers, retailers and technicians who sell, install and service the Group's products in the industrial, commercial and residential property sectors. The management performs review of gross profit per component, while review of segment operating expenses, income tax, and profit or loss are done in total.

b.2. CDI

The segment is engaged in manufacturing of refrigerators, freezers, laundry and kitchen appliances for domestic market.

b.3. COPI

The segment is engaged in distribution and service of elevators and escalators.

Segment information on reported consolidated profit or loss for the periods ended June 30 are as follows (amounts are in millions):

	Consumer business	Commercial business	Others	Total
2022				
Net sales and services	5,200	1,503	23	6,726
Timing of revenue recognition				
At point in time	5,200	-	2	5,202
Over time	-	1,503	21	1,524
Cost of sales and services	(3,504)	(1,027)	(13)	(4,544)
Gross profit	1,696	476	10	2,182
Operating expenses	(1,138)	(361)	(168)	(1,668)
Share in net loss of associates	(5)	-	(19)	(24)
Income tax (expense) benefit	(112)	(40)	17	(135)
Net income for the year	379	43	(158)	264
2021				
Net sales and services	5,253	1,169	16	6,438
Timing of revenue recognition				
At point in time	5,253	-	1	5,254
Over time	-	1,169	15	1,184
Cost of sales and services	(3,407)	(769)	(10)	(4,186)
Gross profit	1,846	400	6	2,252
Operating expenses	(1,267)	(273)	(215)	(1,755)
Share in net income of associates	4	-	11	15
Income tax (expense) benefit	(153)	(30)	37	(146)
Net income for the year	449	85	(174)	360

Segment information on consolidated assets and liabilities as at June 30, 2022 and December 31, 2021 are as follows:

	CCAC	CDI	COPI	Others	Total
2022					
Current assets	5,875	2,649	944	597	10,065
Non-current assets	755	521	929	436	2,641
Current liabilities	2,726	1,084	620	739	5,170
Non-current liabilities	471	310	21	88	891
2021					
Current assets	5,559	2,423	869	717	9,568
Non-current assets	799	550	942	465	2,756
Current liabilities	2,521	657	556	637	4,371
Non-current liabilities	472	323	17	99	910

The balances presented in Others are composed of the other entities in the Group including CIC's standalone balances.

Key Performance Indicators

The Company monitors its financial and operating performance in terms of the following indicators:

	For period ended June 30, 2022	For period ended June 30, 2021
Gross Profit Margin	32.4%	35.0%
Profit Before Tax	5.9%	7.9%
Net Income (Loss) Attributable to Shareholders (Php Millions)	112.5	195.6
Net Income (Loss) Attributable to Shareholders (% to Sales)	1.7%	3.0%
Return on Average Equity	2.2%	3.9%
Return on Average Assets	2.1%	3.0%
Earnings per Share*	0.28	0.49

	As at June 30, 2022	As at June 30, 2021
Debt to Equity Ratio	0.9	0.8
Asset-to-Equity Ratio	1.9	1.8
Current Ratio	1.9	2.0
Book Value Per Share*	12.1	12.9

*Total Number of Shares (weighted average) used was 401,227,425 in 2022 and 401,895,091 in 2021

Key Performance Indicator	Definition
Gross Profit Margin	Gross Profit/Net Sales
Profit Before Tax	Profit before Tax/Net Sales
Return on Average Equity	Net Income after Non-Controlling Interest / Average Shareholder's Equity net of Non-Controlling Interest
Return on Average Assets	Net Income / Average Assets
Earnings Per Share	Net Income after Non-Controlling Interest / Average Shares Outstanding
Debt to Equity Ratio	Total Liabilities/Total Equity
Asset-to-Equity Ratio	Total Assets/Total Equity
Current Ratio	Current Assets/Current Liabilities
Book Value Per Share	Shareholder's Equity net of Non-Controlling Interest /Total Shares Outstanding

RESULTS OF OPERATIONS

Period ended June 30, 2022 compared with period ended June 30, 2021

Businesses picked up from an improving domestic environment attributed to declining COVID cases, increased vaccination rate, and wider economic reopening. Consumer and Commercial activities resumed, however, business conditions remained challenging due to impact of the lockdown in the early part of Q1, weak retail market, increasing inflation, rising fuel and commodity prices because of the ongoing Russia-Ukraine war, increasing logistics costs due to the slowdown in China and the weakening of the Peso against the US Dollar and Chinese Yuan.

Net sales and services

For the period ended June 30, 2022, the total consolidated net sales and services was at P6.7 billion, an increase of 4.5% versus same period in 2021. This was due to higher sales in the Commercial Business partly offset by a slight decline in the Consumer business.

The Commercial Business first half sales was at P1.5 billion or a 28.5% increase from last year. This was due to the realization of a higher backlog of orders resulting from the opening of business establishments and easing of lockdown restrictions.

The Consumer Business was at P5.2 billion sales, a slight decline of 1% versus same period last year. The decrease in sales was mainly caused by COVID-19 restrictions due to surge of Omicron in January and the early onset of the rainy season that dampened sales in April and May. Sales bounced back in March and June. Further challenges were experienced due to supply chain disruptions and increasing inflation caused by the volatility of oil and non-oil prices, from the continued impact of the war in Ukraine on global commodities market.

Gross Profit and Margins

CIC registered consolidated gross profit of P2.2 billion for the period ended June 30, 2022, a 3.1% decrease from same period in 2021. The decrease was attributed to lower margins due to higher commodity and logistics costs coupled with unfavorable FX and lower consumer sales. This was partly mitigated with price increases.

Operating Expenses

CIC's total operating expenses was P1.7 billion for the period ended June 30, 2022, 5% favorable than 2021. This is due to cost mitigation initiatives thru imposed furlough in Q1, restricted hiring, rationalization of the organization structure, lower advertising and promotion and various cost reduction activities.

Other Operating Income (loss) and Finance Costs

Other operating loss of P0.08 billion was driven by foreign exchange losses. Finance cost of P0.01 billion was related to interest expense on short-term borrowings and amortization of lease liabilities.

Net Income

CIC achieved, for the period ended June 30, 2022, P0.26 billion in consolidated net income, a 26.8% decline from 2021, while profit after tax after minority interest (PATAMI) was P0.11 billion, 42.5% decline against same period last year. The decrease in earnings was due to weak market and low sell-out coupled with early onset of the rainy season and COVID restrictions in Q1. In addition, higher commodity and logistics costs and unfavorable FX further impacted earnings. These headwinds were partially offset by selling price increases and cost curtailment actions.

FINANCIAL CONDITION

As at June 30, 2022 compared with as at December 31, 2021

Consolidated total assets as at June 30, 2022 was at P12.7 billion, an increase by P0.38 billion from end of 2021 of P12.3 billion. The increase in assets was mainly from higher inventories. Consolidated net cash position was decreased by 36.2% or P0.91 billion lower compared to end of 2021.

Inventory increased by P1.1 billion versus balance at December 31, 2021 due to build up in anticipation for the peak season and mitigating supply chain concerns. Lower consumer sales due to weak retail market also contributed to the higher inventory balance.

Total liabilities as at June 30, 2022 amounted to P6.1 billion, an increase of P0.78 billion from December 31, 2021, mainly due to trade payables from inventory purchase.

WORKING CAPITAL

As at June 30, 2022 and December 31, 2021, the Company's net current assets (the difference between total current assets, including cash and cash equivalents, and total current liabilities), was P4.9 billion and 5.2 billion, respectively, representing working capital sufficiency.

The Company's current assets consist of cash and cash equivalents, trade and other receivables, contract assets, inventories and prepayments and other current assets. The Company's current liabilities consist of trade payables and other liabilities, short-term borrowings, lease liabilities, provisions for warranty, other provisions, and income tax payable.

CASH FLOWS

The following table sets forth information from the Company's consolidated statements of cash flows for the periods indicated (amounts in millions):

	For the period ended June 30	
	2022	2021
Net cash flows provided by (used in) operating activities	(242)	129
Net cash flows used in investing activities	(30)	(41)
Net cash flows used in financing activities	(641)	(672)
Net increase (decrease) in cash and cash equivalents	(912)	(584)

The net cash flows used by operating activities for the period ended June 30, 2022 was at P242 million composed of income before provision for income tax of P399 million, excluding adjustments, changes in working capital, interest received and including actual income tax paid. The decrease in cash flow from operating activities were due to buildup of inventory and higher settlement of payables.

The net cash flows used in investing activities for the period ended June 30, 2022 was at P30 million, mainly for the acquisition of property and equipment.

The net cash flows used in financing activities for the period ended June 30, 2022 was at P641 million, relating to dividend payout, short-term borrowings and lease liabilities.

ANNEX C

2022 SPECIAL STOCKHOLDERS' MEETING OF CONCEPCION INDUSTRIAL CORPORATION (formerly Concepcion Airconditioning Corporation) (the "Corporation")

REGISTRATION AND PROCEDURE FOR VOTING *IN ABSENTIA* AND PARTICIPATION VIA REMOTE COMMUNICATION

I. VOTING IN ABSENTIA

1. Stockholders as of September 26, 2022 (the "Stockholder/s") may register by notifying the Corporate Secretary by email to cic.secretary@romulo.com on or before October 15, 2022. Registration shall be open from October 11, 2022 to October 15, 2022.
2. Upon registration, Stockholders shall provide the following information and documents (the file size should be no larger than 5MB):
 - i. For Individual Stockholders:
 - a. Email Address
 - b. First and Last Name
 - c. Address
 - d. A valid and active Mobile / Phone Number
 - e. A scanned copy of the Stockholder's valid government-issued ID with picture and signature
 - f. Additional requirement for Stockholders with joint accounts: A scanned copy of an authorization letter signed by all joint Stockholders, identifying who among them is authorized to cast the vote for the account
 - ii. For Corporate Stockholders:
 - a. Email Address of the representative of the corporate Stockholder
 - b. First and Last Name of the representative of the corporate Stockholder
 - c. Address of the corporate Stockholder
 - d. A valid and active Mobile / Phone Number of the representative of the corporate Stockholder
 - e. A scanned copy of a valid government-issued ID of the representative of the corporate Stockholder authorized to cast the vote for and on behalf of the corporate Stockholder ("Authorized Vote") with photograph
 - f. A scanned copy of the certification duly signed by the corporate secretary of the corporate Stockholder attesting to the authority of the representative to vote for and on behalf of the corporate Stockholder
 - iii. For stockholders under Broker Accounts (PCD Nominee)
 - Individual beneficial owner
 - a. Email Address
 - b. First and Last Name
 - c. Address
 - d. A valid and active Mobile / Phone Number
 - e. A scanned copy of a valid government-issued ID of the individual beneficial owner with photograph
 - f. A scanned copy of the broker's certification on the individual beneficial owner's name, account number and shareholdings as of record date (September 26, 2022)
 - Corporate beneficial owner
 - a. A scanned copy of the broker's certification on the corporate beneficial owner's name, account number and shareholdings as of record date (September 26, 2022)
 - b. A scanned copy of the certification duly signed by the corporate secretary of the corporate beneficial owner attesting to the authority of the representative to vote for and on behalf of the corporate beneficial owner
 - c. A scanned copy of a valid government-issued ID of the representative of the corporate beneficial owner with photograph

3. Registration shall be validated by the Office of the Corporate Secretary in coordination with the Stock Transfer Agent of the Corporation. The Corporate Secretary shall inform the Stockholder of the validation results.
4. Voting shall be open from October 11, 2022 to October 15, 2022. All Stockholders who wish to vote through a proxy or *in absentia* shall submit the duly signed proxies or ballots, as the case may be, to the Office of the Corporate Secretary at the 21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City and/or by email to cic.secretary@romulo.com not later than October 15, 2022.
5. The Office of the Corporate Secretary shall tabulate all votes cast *in absentia* together with the votes cast by proxy, and committee organized by the Board will validate the results.
6. Stockholders who vote *in absentia* are hereby deemed to have given their consent to the collection, use, storing, disclosure, transfer, sharing and general processing of their personal data by the Corporation and by any other relevant third party for the purpose of electronic voting in absentia for the Special Stockholders' Meeting and for all other purposes for which the Stockholder can cast his/her/its vote as a Stockholder of the Corporation.

II. PARTICIPATION VIA REMOTE COMMUNICATION

1. Stockholders may attend the meeting remotely by viewing the livestream *via* Zoom Meeting (<https://us02web.zoom.us/join/91234567890>). The information necessary to attend the meeting shall be sent to all shareholders who are able to register as required herein.
2. For purposes of quorum, only the following Stockholders shall be counted as present:
 - a. Stockholders who have voted *in absentia* within the period of October 11, 2022 to October 15, 2022;
 - b. Stockholders who have sent their proxies to the Corporate Secretary at the 21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City and/or by email to cic.secretary@romulo.com on or before October 15, 2022; and
 - c. Stockholders who have notified the Corporation of their intention to participate in the meeting by remote communication by sending an email to cic.secretary@romulo.com not later than October 15, 2022.
3. Questions and comments on the items in the Agenda may be sent to investorrelations@cic.ph. Questions or comments received on or before October 15, 2022 may be responded to during the meeting. Any questions not answered during the meeting shall be answered by the Corporation's Investor Relations Office via email or by posting on the Corporation's website.

ANNEX D

CERTIFICATION OF INDEPENDENT DIRECTOR

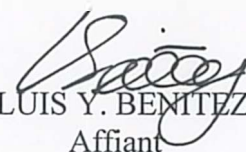
I, **LUIS Y. BENITEZ**, Filipino, of legal age, and a resident of 611 Acacia Avenue, Ayala Alabang, Muntinlupa City, after having been duly sworn to in accordance with law do hereby state that:

1. I am a nominee for Independent Director of Concepcion Industrial Corporation (the "Corporation").
2. I am affiliated with the following companies and organizations:

Company/Organization	Position/Relationship	Period of Service
Insular Life Assurance Co. Ltd.	Independent Trustee	2016 to Present
CTBC Bank Philippines	Independent Director	2021 to Present
Credit Suisse Securities Phils.	Independent Director	2021 to Present
Philfirst Insurance Corp.	Independent Director	2021 to Present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations, and other SEC issuances.
4. I am not related to any directors/officers/substantial shareholders of the Corporation and its subsidiaries and affiliates other than the relationships provided under Rule 38.2.3 of the Securities Regulations Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am neither in government service nor affiliated with any government agency or government owned or controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulations Code, its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

DONE, this ___ day of September, 2022 at Muntinlupa City


LUIS Y. BENITEZ
Affiant

16 SEP 2022

SUBSCRIBED AND SWORN to before me in the City/Municipality of Muntinlupa this
_____ 2022. Affiant who is personally known to me, exhibited to me his Driver's
License No. N18-74-032668 valid until May 29, 2025.

Doc. No. 79 ;
Page No. 17 ;
Book No. 140 ;
Series of 2022.

PATRICIO L. BONCAYAO, JR.

Notary Public

2nd Floor, KLC (formerly Ancestry) Bldg.,

Rotonda, Alabang, Muntinlupa City

MCE Compliance No. VI-0015578

Issued on 04-13-22; Valid until 4-14-2025

IBP Lifetime No. 019651; 11-06-15; Pasay City

PTR No. 4120670; 01-03-22

NC-22-031; Muntinlupa City Until Dec. 31, 2023

TIN: 137-734-581

Roll No. 33796

Tel. No. 800-70-16

patricio_boncayao_lawoffice@yahoo.com.ph

Annex E – Curriculum Vitae of Mr. Luiz Y. Benitez



Benitez, Luis Y.
Certified Public Accountant

Areas of Expertise:

- Chairs Audit Committee and participates in Board of Directors Meetings.
- Banks and Financial Services Industry
- Public Accounting and Business Advisory Services

Work Experience:

SGV & Co. (member firm of Ernst & Young Global Limited)
Senior Partner (1978-2007)

Independent Directorships

- Insular Life Assurance Co. Ltd. (2016 to present)
- Chinatrust Banking Corp. (2021 to present)
- Credit Suisse Securities Phils. (2021 to present)
- Philippines First Insurance Corp. (2021 to present)
- Sta. Clara Construction Corp. (2012 to present)

Educational Background:

- MBA Graduate, Stern School of Business, New York University
- Graduate, Pacific Rim Bankers Program, University of Washington
- BSBA Major in Accounting, University of the Philippines

Trainings and Associations:

- SGV/Ernst & Young Executive Program.
- Ernst & Young Asia/ Pacific Expert Partner Network.
- Philippine Institute of Certified Public Accountants (PICPA)
- New York University Alumni Association

ANNEX F

REPUBLIC OF THE PHILIPPINES)
 MAKATI CITY) SS.

SECRETARY'S CERTIFICATE

I, **JAYSON L. FERNANDEZ**, of legal age, with office address at 21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, after being duly sworn in accordance with law, hereby depose and certify that:

- I am the incumbent Corporate Secretary of **CONCEPCION INDUSTRIAL CORPORATION** (the "Corporation"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with business address at 308 Sen. Gil J. Puyat Avenue, Makati City, Philippines.
- To the best of my knowledge, none of the following directors and key officers of the Corporation are currently employed by any government office of the Republic of the Philippines:

Name	Position
Raul Joseph A. Concepcion	Chairman and President
Renna C. Hechanova-Angeles	Vice-chairman and Treasurer
Raul Anthony A. Concepcion	Director
Jose Ma. A. Concepcion III	Director
Ma. Victoria Herminia C. Young	Director
Raissa C. Hechanova-Posadas	Director
Cesar A. Buenaventura	Independent Director
Justo A. Ortiz	Independent Director
Luis Y. Benitez	Independent Director (candidate)
Rafael C. Hechanova, Jr.	Executive Vice President, Business Development
Maria Victoria A. Betita	Chief Finance Officer
Rajan Komarasu	Director, Business & Industrial Solutions Group
Harold T. Pernikar	Director, Consumer Sales Group
Phillip F. Trapaga	General Manager, Concepcion Midea
Alexander T. Villanueva	Director and General Manager, Manufacturing and Supply Chain Management
Shaun Byrne	President, Cortex Technologies Corp.
Michael Eric I. Sarmiento	President and COO, Concepcion Business Services, Inc.
Richard L. Parcia	Chief Information Officer
Omar C. Taccad	Chief Compliance Officer and Vice President for Legal, Governance and Compliance
Jayson L. Fernandez	Corporate Secretary
Roxanne Viel C. Santos Cua	Assistant Corporate Secretary

IN WITNESS WHEREOF, this certification has been signed on the date indicated in the jurat.


JAYSON L. FERNANDEZ
Corporate Secretary

SUBSCRIBED AND SWORN to before me in Makati City this SEP 21 2022 2022.
Affiant who is personally known to me, exhibited to me his Passport No. P5655631A issued on 18 January 2018 at the DFA – NCR South.

Doc. No. 491 ;
Page No. 100 ;
Book No. 2 ;
Series of 2022.


ATTY. JUSTIN VINCENT J. LA CHICA
Commission No. M-290
Notary Public for Makati City
Extended until Dec 31, 2022 under R.M. No. 3795
21st Floor, Philamlife Tower
8767 Paseo de Roxas, Makati City
Roll No. 59255
PTR No. 8865595 / 04-Jan-2022 / Makati City
IBP No. 859335 / Lifetime / Makati City
MCLE Compliance No. VI-0023048