



# CONCRETE AGGREGATES CORPORATION

Don Mariano Santos Avenue, San Isidro, Angono, Rizal  
Tel. No.: 651-3211 to 15    Telefax No.: 451-0192



September 07, 2007

**THE PHILIPPINE STOCK EXCHANGE, INC.**

4/F Philippine Stock Exchange Center  
Exchange Road, Ortigas Center  
Pasig City, Metro Manila

Attention:    **Atty. Pete M. Malabanan**  
Head, Disclosure Department

Gentlemen:

In compliance with Philippine Stock Exchanges' Rules on Disclosure, please find attached hereto a copy of the Definitive Information Statement (SEC Form 20-IS), which we filed with the Securities and Exchange Commission today, September 7, 2007.

Thank you and best regards.

Very truly yours,

  
**MICHAEL DAVID I. ABUNDO III**  
Corporate Information Officer

# COVER SHEET

3 6 1 4 0

S.E.C. Registration Number

C O N C R E T E A G G R E G A T E S

C O R P O R A T I O N

(Company's Full Name)

D O N M A R I A N O S A N T O S A V E N U E ,

S A N I S I D R O , A N G O N O , R I Z A L

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

MICHAEL DAVID I. ABUNDO III

Contact Person

6311231

Company Telephone Number

1 2 3 1

Month Day  
Fiscal Year

0 6 2 8

Month Day  
Annual Meeting

S E C 2 0 - I S D E F I N . I N F O . S T A T E M E N T

FORM TYPE

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

27,466,449

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

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. **CONCRETE AGGREGATES CORPORATION**  
Name of Registrant as specified in its charter
3. **Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **36140**
5. BIR Tax Identification Code **000-201-881**
6. **Don Mariano Santos Avenue, Barrio San Isidro**  
**Angono, Rizal** **1930**  
Address of principal office Postal Code
7. **(02) 651-32-11 to 15 / 451-11-02 fax no.: 451-01-92**  
Registrant's telephone number, including area code
8. **October 03, 2007, 9:00 am**  
**2<sup>nd</sup> floor of Ortigas Building, Ortigas Avenue, corner Meralco Avenue,**  
**Pasig City**  
Date, time and place of the meeting of security holders
9. **September 10, 2007**  
Approximate date on which the Definitive Information Statement is first to be sent or given to security holders
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b><u>Common Shares</u></b>	<b><u>27,466,449</u></b>
11. Are all of registrant's securities listed in The Philippine Stock Exchange?  
Yes  No

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

CONCRETE AGGREGATES CORPORATION

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**(Company's Full Name)**

DON MARIANO SANTOS AVENUE, BARRIO SAN ISIDRO, ANGONO, RIZAL

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**(Company's Address)**

651-32-11 to 15 / 451-11-02  
Fax no.: 651-3211 to 15

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**(Company's Telephone Number)**

DECEMBER 31

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**(Fiscal Year Ending)**  
**(Month & Day)**

**SEC FORM 20-IS**  
**Definitive Information Statement**  
**(for the Special Stockholders' Meeting to be held on October 03, 2007)**

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**(FORM TYPE)**

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**(Amendment Designation if Applicable)**

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**Period Ended Date**

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**(Secondary License Type, if any)**

September 07, 2007

**NOTICE OF SPECIAL STOCKHOLDERS' MEETING**

TO ALL STOCKHOLDERS:

NOTICE is hereby given that a Special Meeting of the Stockholders of CONCRETE AGGREGATES CORPORATION will be held on **October 03, 2007**, Wednesday, at 9:00 o'clock in the morning at the 2nd Floor of Ortigas Building, Ortigas Avenue, Pasig City, Metro Manila.

The agenda for the said meeting shall be as follows:

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Approval of the sale by CAC of its property located in Longos, Bagumbayan, Quezon City in favor of Ortigas & Company, Limited Partnership (OCLP).
4. Other Matters
5. Adjournment

The close of business on September 03, 2007 has been fixed as the record date for the determination of the stockholders entitled to notice of such meeting and any adjournment thereof, and to attend and vote thereat. All stockholders who will not, are unable, or do not expect to attend the meeting in person may choose to execute and send a valid proxy to the company's offices at the 8<sup>th</sup> floor, Ortigas Building, Ortigas Avenue, Pasig City. Proxies should be submitted at least five (5) business days prior to the scheduled date of the meeting.

Please note that Management is not asking you for a proxy nor is it requesting you to send a proxy in its favor.

Very truly yours,

**MICHAEL DAVID I. ABUNDO III**  
Assistant Corporate Secretary

## **INFORMATION REQUIRED IN INFORMATION STATEMENT**

### **GENERAL INFORMATION**

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

The Special Stockholders' Meeting of Concrete Aggregates Corporation (hereinafter referred to as "CAC", "the Corporation" or "the Company") will be held on October 03, 2007 at 9:00 am at the 2nd Floor of Ortigas Building, Ortigas Avenue, corner Meralco Avenue, Pasig City.

The complete mailing address of the Corporation is Don Mariano Santos Avenue, Barrio San Isidro, Angono, Rizal. Proxies and other communications regarding the Special Stockholders' Meeting, however, may be sent to the company's offices at the 8<sup>th</sup> floor, Ortigas Building, Ortigas Avenue, Pasig City.

Copies of the Definitive Information Statement will be sent to the stockholders of record by September 10, 2007.

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

Any stockholder of the Corporation may exercise his/her appraisal right against any proposed corporate action which qualifies as an instance under Section 81 of the Corporation Code that gives rise to the exercise of such appraisal right pursuant to and in the manner provided in Section 82 of the Corporation Code, *to wit*:

"SEC. 81. *Instances of appraisal right.* – Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code; and
3. In case of merger or consolidation.

"SEC. 82. *How right is exercised.* – 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 corporation 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 effected, the corporation 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 days (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraiser shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the corporation had unrestricted retained earnings in its books to cover such payment; and *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall for with transfer his shares to the corporation."

No matter shall be discussed during the Special Stockholders' Meeting on October 03, 2007 that will give rise to the exercise of the dissenter's right of appraisal.

### **Proxy Form and Proxy Solicitation**

The company does not intend to undertake any proxy solicitation activity for the Special Stockholders' Meeting on October 03, 2007.

### **CONTROL AND COMPENSATION INFORMATION**

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

The following table indicates the number of shares outstanding for each class of shares of the Corporation. Each share is entitled to one vote.

<b>Title of Each Class</b>	<b>Number of Outstanding Shares</b>
Common	27,466,449 shares

The cut-off date for the above-stated information is September 03, 2007.

Only stockholders of record as of September 03, 2007 shall be entitled to notice and to vote at the Special Stockholders' Meeting on October 03, 2007.

**Security Ownership of Certain Record and Beneficial Owners**

<b>Title Of Class</b>	<b>Name &amp; address of record owner and (Relationship with Issuer)</b>	<b>Name of Beneficial Owner and (Relationship with Record Owner)</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>% of class</b>
Class "A" and "B"	Ortigas & Co. Ltd. Part. 9 <sup>th</sup> flr, Ortigas Bldg., Ortigas Ave., Pasig City (Security Holder)	Ortigas & Co. Ltd. Partnership, (Same Entity)	Filipino	21,007,588	76.48
Class "A"	Ramon E. Rodriguez, temple Drive, Greenmeadows, Quezon City (Security Holder)	Ramon E. Rodriguez (Same Person)	Filipino	2,309,939	8.41

Cut off date for the determination of the above is September 03, 2007.

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

As a registered partnership with legal standing, Ortigas & Co., Ltd. Partnership (OCLP) acts through its General Partners composed of the following persons:

1. Atty. Rafael Ortigas, Jr.
2. Atty. Ignacio R. Ortigas
3. Mr. Francisco M. Ortigas III
4. Mr. Fernando M. Ortigas
5. Mr. Mark R.P. Watkinson
6. Mr. Suresh Nanoo

Because they are the General Partners of OCLP, the above-listed persons have indirect beneficial interest in the shares of the Corporation held by OCLP, and are the

ones who direct the voting or disposition of said shares. Except for Atty. Rafael Ortigas, Jr., Mr. Fernando M. Ortigas and Mr. Suresh Nanoo, the General Partners of OCLP are also incumbent Directors of the Corporation.

### **Security Ownership of Management**

<b>Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount of Beneficial Ownership</b>	<b>Citizenship</b>	<b>% of Class</b>
Class A	Ortigas, Francisco III M. (Director, President)	53,085	Filipino	Negligible
Class A	Ortigas, Ignacio R. (Chairman of the Board)	3,602	Filipino	Negligible
Class A	Rodriguez, Jose IV C. (Director, Treasurer)	319	Filipino	Negligible
Class A	Ortigas, Jaime M. (Director)	100	Filipino	Negligible
Class B	Watkinson, Mark R.P. (Director, Vice- President)	91	British National	Negligible
Class A	Montilla, Alberto M. (Director)	126	Filipino	Negligible
Class A	Ortigas, Rafael B. (Director)	44	Filipino	Negligible
Class A	Ortigas, Ma. Victoria B. (Director, Corporate Secretary)	100	Filipino	Negligible
Class A	Rex C. Drilon II (Director, Executive Vice-President)	81	Filipino	Negligible
Class A	Roberto M. Paterno (Director)	01	Filipino	Negligible
Class A	Samson C. Lazo (Director)	01	Filipino	Negligible
Total		57,550		Negligible

The cut off date for the determination of the above is September 03, 2007.

The aggregate ownership of all the Directors as a group would total 57,550 shares, considered negligible as compared with the total amount of outstanding shares.

The voting powers of OCLP reside with the duly authorized person (usually one of its General Partners) who is designated to attend the Stockholders' Meeting. The Corporation will only know who will represent OCLP at the Stockholders' Meeting when said representative attends the meeting.

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

No voting trust arrangements exist with respect to the Special Stockholders' Meeting.

## **Directors**

### **Ignacio R. Ortigas (Chairman of the Board)**

66 years old

Filipino

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

Chairman of the Board/Director, Concrete Aggregates Corporation

Term of Office: June 2007 to June 2008

Period Served: June 2007 to present

General Partner/Secretary, Ortigas & Company, Limited Partnership

Director, Itogon Suyoc Mines Inc.

Director, Sagitro, Inc.

Director, Igmar Holdings, Inc.

Director, Philtread Tire & Rubber Corporation

Director, Columbian Carbon Philippines, Inc.

### **Francisco M. Ortigas III (President)**

61 years old

Filipino

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

President/Director, Concrete Aggregates Corporation

Term of Office: June 2007 to June 2008

Period Served: June 2007 to the present

General Partner/Treasurer: Ortigas & Company, Limited Partnership

President & CEO, Rotary Golfing Foundation of the Philippines

Chairman of the Board, Philam Bond Fund Inc.

Chairman of the Board, Philam Strategic Growth Fund, Inc.

Chairman of the Board, Philam Management Asset, Inc.

Chairman of the Board, Philam Fund, Inc.

Chairman of the Board, Bayer (Phils.), Inc.

Chairman of the Board, Orica Explosives, Inc.

Corporate Nominee/Director, Francisco Ortigas Securities, Inc.

Director/Treasurer, Philippine Golf Foundation

Director, Commonwealth Foods Corporation

Director, J. Romero & Associates

Director, Valle Verde Country Club

### **Mark R. P. Watkinson (Vice President)**

44 years old

British National

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

Director/Vice President, Concrete Aggregates Corporation  
Term of Office: June 2007 to June 2008  
Period Served: June 2007 up to the present  
CEO, Hongkong & Shanghai Banking Corporation Limited, Philippines  
General Partner, Ortigas & Company, Ltd. Partnership  
Senior Vice-President/Group Executive of Commercial Banking for Upstate New York, Hongkong & Shanghai Banking Corporation, New York, USA

**Rex C. Drilon II (Executive Vice-President)**

60 years old

Filipino

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

Director/Executive Vice-President, Concrete Aggregates Corporation  
Term of Office: June 2007 to June 2008  
Period Served: June 2007 to the present  
Chief Operating Officer, Ortigas & Company, Limited Partnership  
Vice-President, Ayala Land, Inc.  
President, Cebu Holdings, Inc.

**Jose C. Rodriguez IV (Treasurer)**

39 years old

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

Director/Treasurer, Concrete Aggregates Corporation  
Term of Office: June 2007 to June 2008  
Period Served: June 2007 to the present  
Vice-President, Goodah Foodhouse Corporation  
Managing Director, Rod Taylor Sports Co., Inc.  
Treasurer, Rod Taylor Sports Co., Inc.

**Ma. Victoria B. Ortigas (Corporate Secretary)**

36 years old

Filipino

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

Director, Concrete Aggregates Corporation  
Term of Office: June 2007 to June 2008  
Period Served: June 2007 to the present

**Jaime M. Ortigas**

62 years old

Filipino

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

Director, Concrete Aggregates Corporation  
Term of Office: June 2007 to June 2008  
Period Served: June 2007 to the present  
Managing Director, Francisco Ortigas Securities, Inc.  
Director/Treasurer, Xaviera Holdings, Inc.  
Director/Treasurer, FOSI Realty, Inc.  
Director/Treasurer, Susana Commercial Corporation

**Rafael B. Ortigas**

35 years old

Filipino

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

Director, Concrete Aggregates Corporation

Term of Office: June 2007 to June 2008

Period Served: June 2007 to the present

**Alberto M. Montilla**

72 years old

Filipino

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

Director, Concrete Aggregates Corporation

Term of Office: June 2007 to June 2008

Period Served: June 2007 to the present

President, Itogon-Suyoc Mines

Vice President/Secretary, Sagitro, Inc.

Assistant General Manager, Creative Trade Center (Metal Manufacturing)

**Roberto M. Paterno**

71 years old

Filipino

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

Director, Concrete Aggregates Corporation

Term of Office: June 2007 to June 2008

Period Served: June 2007 to the present

Chairman of the Board of Directors, Philippine Cancer Society

Consultant, Manila Electric Company

Director, MCO Foundation

Senior Vice President for Administration, Manila Electric Company

Director, Meralco Industrial Engineering Services Corporation

Director, Software Breakthroughs, Inc.

Director, Computer Information Systems, Inc.

**Samson C. Lazo**

63 years old

Filipino

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

Director, Concrete Aggregates Corporation

Term of Office: June 2007 to June 2008

Period Served: June 2007 to the present

President, Chief Operating Officer, EEI Corporation (up to 2005)

Commissioner, Construction Industry Arbitration Commission

Board Member, Philippine Overseas Construction Board

Director, 1<sup>st</sup> Vice-President, Philippine Construction Association

Chairman, Philippine Institute of Steel Construction (1997)

Member, Rotary Club of Pasig

An independent director is a person other than an officer or employee of the Corporation, its parent or subsidiaries, or any other individual having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. Mr. Roberto M. Paterno and Mr. Samson C. Lazo were elected to serve as independent directors, pursuant to Section 38 of the Securities Regulation Code. They were subsequently re-elected during the 2007 Annual Stockholders' Meeting of the Company held last June 28, 2007.

Family relationships among the Board of Directors are as follows: Atty. Ignacio R. Ortigas, Mr. Francisco M. Ortigas III and Mr. Jaime M. Ortigas are cousins. Mr. Rafael B. Ortigas is the nephew of Atty. Ignacio R. Ortigas, while Atty. Ma. Victoria B. Ortigas is the daughter of Mr. Francisco M. Ortigas III.

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

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

The matter to be acted upon involves the Company and Ortigas & Company, Limited Partnership (OCLP), which owns approximately 76% of the Company's shares. As a registered partnership with legal standing, Ortigas & Co., Limited Partnership (OCLP) acts through its General Partners composed of the following persons:

1. Atty. Rafael Ortigas, Jr.
2. Atty. Ignacio R. Ortigas
3. Mr. Francisco M. Ortigas III
4. Mr. Fernando M. Ortigas
5. Mr. Mark R.P. Watkinson
6. Mr. Suresh Nanoo

As stated above, since they are the General Partners of OCLP, the above-listed persons have indirect beneficial interest in the shares of the Corporation held by OCLP, and are the ones who direct the voting or disposition of said shares. Except for Atty. Rafael Ortigas, Jr., Mr. Fernando M. Ortigas and Mr. Suresh Nanoo, the General Partners of OCLP are also incumbent Directors of the Corporation.

As of the filing of this Definitive Information Statement, no director of the registrant has given written notice to the Company that he/she intends to oppose the matter to be taken up for stockholders' approval during the Special Stockholders' Meeting to be held on October 03, 2007, which is the proposal of OCLP to purchase CAC's property located in Longos, Bagumbayan, Quezon City, with an area of approximately 12.60 hectares including a submerged portion of 2 hectares and accretions, under terms and conditions agreed upon by the parties and specified in this Information Statement.

## Related Party Transactions

	<b>Unaudited January to June 2007</b>	Audited December 2006
Due from CAC Insurance	-	-
Due to OCLP	<b>₱14,500</b>	₱7,480,181
Due to CAC Marketing and Services Corporation	<b>3,047,069</b>	3,297,069
Due to CAC Insurance	<b>(807,221)</b>	192,779

- a. On January 24, 2006, the Company entered into a management agreement with its majority stockholder, OCLP. Under the terms of the agreement, the Company shall pay OCLP a monthly fee of ₱700,000 from commencement of the agreement up to December 31, 2005, subject to an annual escalation fee of 5% or the average inflation rate for the immediately preceding year, whichever is higher, plus an additional fee of 5% of incremental audited net income after tax, starting on January 1, 2006 with the 2005 audited net income as base year. OCLP waived the Company's payment of the management fee for the first two months of the implementation of the contract. The total management fee recognized during the first three months of year 2007 amounted to ₱2.40 million. The outstanding balance due to OCLP amounted to ₱1.19 million and ₱7.48 million as of March 31, 2007 and December 31, 2006, respectively.
- b. The Company also leases from OCLP its office and a parking space in Ortigas Building, Ortigas Avenue, Pasig City. The lease contract is for a period of two years, renewable annually. Total amount of rental and parking charges recognized as expense amounted to ₱443,100 during the first semester of year 2007. The Company has no outstanding liability related to this contract as of June 30, 2007.
- c. The compensation of key management personnel of the Company amounted to ₱3,152,828 and ₱5,186,187 as of June 30, 2007 and for the year ended December 31, 2006, respectively.
- d. Last July 26, 2007, the Company's Board of Directors formally accepted the proposal of OCLP to purchase CAC's property located in Longos, Bagumbayan, Quezon City under terms and conditions specified in this Information Statement, which transaction is being presented for stockholders' approval at the Special Stockholders' Meeting to be held on October 03, 2007.

Other than the above-disclosed related party transactions, there are no other transactions involving the Corporation in which a director, executive officer, or a stockholder owning at least ten percent (10%) of the Corporation's total outstanding

shares and the members of their immediate family had a direct or indirect material interest.

## **Significant Employees**

### **Emmanuel A. Rapadas**

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

47 years old

Filipino

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

General Manager, Concrete Aggregates Corporation

Chief Financial Officer, Ortigas & Company Limited Partnership

Head, Corporate Resources Division, Ortigas & Company Limited Partnership

### **Joven G. Layug**

53 years old

Filipino

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

Plant Manager, Concrete Aggregates Corporation

Project Manager, Citimax Group, Inc.

Plant Manager, Rockworks, Inc.

### **Eleanor C. Trumata**

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

31 years old

Filipino

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

Accounting Manager, Concrete Aggregates Corporation

Treasury Officer, Ortigas & Company Limited Partnership

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

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

37 years old

Filipino

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

Asst. Corporate Secretary, Concrete Aggregates Corporation

Legal Manager, Ortigas & Co., Limited Partnership

### **Dolores N. Dollaga**

50 years old

Filipino

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

Technical Auditor, Concrete Aggregates Corporation

Quality Management Representative, Concrete Aggregates Corporation

Management Consultant, Concrete Aggregates Corporation

**Alberto Felix C. Villadelgado**

48 years old

Filipino

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

Sales and Marketing Manager, Concrete Aggregates Corporation

Sales Manager, Philmetal Products, Inc.

Sales and Marketing Manager, CPAC–Monier Phils., Inc

Assistant Vice-President – Marketing, First Lepanto Ceramic, Inc.

**Apollo L. Alinea**

38 years old

Filipino

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

Human Resources Department Officer, Concrete Aggregates Corporation

Human Resources Department Officer, Forest Hills Golf and Country Club

**Parent Company**

As of September 03, 2007, OCLP owned 21,007,588 shares of the Corporation, which amounts to 76.48% of the outstanding shares of the Corporation.

**Management Agreement**

The implementation of the Management Agreement between CAC and OCLP began in earnest during the year 2006. The said agreement was approved in a regular meeting held on August 30, 2005 by the company's Board of Directors and ratified by the stockholders during the Special Stockholder's Meeting held last January 24, 2006. In 2006, managerial personnel of OCLP were seconded to the company to perform the obligations and undertakings stipulated in the Agreement. In particular, OCLP managerial personnel began taking over management of several key departments such as finance, legal, information systems and information technology, and human resources during the year 2006.

**Independent Public Accountants**

SyCip Gorres Velayo & Co. (SGV) was the Company's independent auditor for the fiscal year ending December 31, 2006 in lieu of Laya Mananghaya (KPMG) whose five (5) years of audit engagement which ended after the completion of the audit of the company for the 2005 fiscal year. For the year 2006, there were no disagreements relating to accounting principles, practices and financial disclosures with 2006. Financial statements prior to 2006 have been restated in 2006, the details of which are fully described in Notes 2 and 25 of the 2006 audited financial statements submitted by the company with the BIR and SEC.

SGV was likewise the independent auditor recommended for election, approval and ratification for the current fiscal year during the 2007 Annual Stockholder's Meeting held last June 28, 2007. SGV, therefore, will be serving as the Company's independent auditor for the second straight year and, as such, does not come within the purview of the five year rotation requirement set forth by Rule 68 (3)(b)(iv) of the Implementing Rules and Regulations of the Securities Regulation Code (SRC).

### External Audit Fees

	<b>2006</b>	2005
(a) The aggregate fees, net of VAT, billed for professional services rendered by SGV in year 2006 & by KPMG in year 2005 for: 1. The audit of the company's annual financial statements for the years ended December 31, 2006 and December 31, 2005. 2. Other assurance and related services rendered by SGV in year 2006 & by KPMG in year 2005 that are reasonably related to the performance of the audit of the company's financial statements.	₱500,000.00	₱330,000.00
(b) Tax Fees The aggregate fees, net of VAT, billed for professional services rendered by SGV for tax accounting, compliance, advice, planning and any other form of tax services.	350,000.00	150,000.00
(c) All Other Fees The aggregate fees, net of VAT, billed for products and services provided by SGV in year 2006 & by KPMG in year 2005, other than the services reported under items (a) and (b) above. The nature of which includes out of pocket expenses such as transportation, meals, postage, printing and documentation.	42,275.00	74,601.25

### (d) Audit Committee's Approval Policies and Procedures

The following are the Audit Committee's policies and procedures with regard to the company's External Auditors (as enunciated in its Charter):

- The Audit Committee shall review and evaluate the effectiveness of the company's processes for assessing significant risks or exposures and the steps management has taken to minimize such risks.
- The Audit Committee shall consider and review the effectiveness of or weaknesses in the company's overall control environment, and any related

- significant findings and recommendations of the independent accountants, together with management's responses thereto.
- The Audit Committee shall review the coordination of the audit effort to assure completeness of coverage of key business controls and risk areas, reduction of redundant efforts, and the effective use of audit resources.
  - The Audit Committee shall discuss the status and adequacy of management information systems and other information technology.
  - The Audit Committee shall review filings with the SEC and other agencies, and other published documents containing the company's financial statements, and consider whether the information contained in these documents is consistent with the information contained in the financial statements.
  - The Audit Committee shall recommend to the Board of Directors the External Auditor to be nominated, approved.

## **OTHER MATTERS**

### **Exclusions from the Agenda of the subject Special Stockholders' Meeting**

No action is intended to be taken with respect to any of the following matters, which have already been take up during the 2007 Annual Stockholders' Meeting conducted last June 28, 2007, to wit: the election of directors; compensation of directors and executive officers; independent public accountants; compensation plans; issuance and exchange of securities; modification or exchange of securities; financial and other information; mergers, consolidations, acquisitions and similar matters; acquisition or disposition of property, restatement of accounts.

The following matter shall be presented for approval of the shareholders:

### **Sale of CAC's Property located in Longos, Bagumbayan, Quezon City**

The registrant corporation received a proposal from Ortigas & Company, Limited Partnership (OCLP) for the latter to purchase its property located in Longos, Bagumbayan, Quezon City, with an area of approximately 12.60 hectares including a submerged portion of 2 hectares and accretions (covered by Transfer Certificates of Title Nos. RT-52017, RT-52019, RT-107470, RT-107471, N-216368, N-216369, N-216371, N-216372, N-216373, N-216374, N-216375, N-216376, N-216377, N-216378, N-216379, and N-170025), under the following terms and conditions:

#### **Purchase Price**

Pesos 1.13 Billion

#### **Terms and Conditions of Payment**

Pesos 150 Million Down Payment with the Balance payable in forty (40) equal quarterly installments and six percent (6%) interest on principal balance.

## **Other Terms and Conditions of Sale**

Such other terms and conditions of the sale, including the implementing agreements therefor, are to be delegated to the sound discretion and judgment of the Board of Directors.

As of September 03, 2007, OCLP owned 21,007,588 shares of the Corporation, which amounts to 76.48% of the outstanding shares of the Corporation.

During the meeting of the Company's Board of Directors held last 26 July 2007, the Board formally accepted OCLP's proposal to purchase the above-mentioned property under the above-stated terms and conditions subject to the approval of the Company's shareholders at a meeting held for that purpose.

Shareholders' approval is being sought and the above matter is made part of the agenda for calling the subject stockholders' meeting.

## **Voting Procedures**

Generally, a vote by stockholders, present in person or by proxy and entitled to vote, representing a majority of the Corporation's outstanding capital stock is required for the approval of any corporate act. The exception is when the law provides for a higher vote requirement.

As regards the matter being presented for stockholders' approval at the October 03, 2007 Special Stockholders' Meeting, the said transaction involves CAC and its parent company, OCLP, which owns 76.48% of the Company. Moreover, three members of the Board of Directors of the Company are General Partners of OCLP, namely Francisco M. Ortigas III, Atty. Ignacio R. Ortigas and Mark R.P. Watkinson. Another member of the Board of Directors, Mr. Rex C. Drilon II, is the Chief Operating Officer of OCLP.

Given the foregoing, the provisions of the Corporation Code of the Philippines on transactions between companies with interlocking directors may find application in this case. Sections 32 and 33 of the Corporation Code provide:

**"Section 32.** *Dealings of directors, trustees or officers with the corporation.* - A contract of the corporation with one or more of its directors or trustees or officers is voidable, at the option of such corporation, unless all the following conditions are present:

1. That the presence of such director or trustee in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting;

2. That the vote of such director or trustee was not necessary for the approval of the contract;
3. That the contract is fair and reasonable under the circumstances; and
4. That in case of an officer, the contract has been previously authorized by the board of directors.

Where any of the first two conditions set forth in the preceding paragraph is absent, in the case of a contract with a director or trustee, such contract may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or of at least two-thirds (2/3) of the members in a meeting called for the purpose: Provided, That full disclosure of the adverse interest of the directors or trustees involved is made at such meeting: Provided, however, That the contract is fair and reasonable under the circumstances. (n)

**Section 33.** *Contracts between corporations with interlocking directors.* - Except in cases of fraud, and provided the contract is fair and reasonable under the circumstances, a contract between two or more corporations having interlocking directors shall not be invalidated on that ground alone: Provided, That if the interest of the interlocking director in one corporation is substantial and his interest in the other corporation or corporations is merely nominal, he shall be subject to the provisions of the preceding section insofar as the latter corporation or corporations are concerned.

Stockholdings exceeding twenty (20%) percent of the outstanding capital stock shall be considered substantial for purposes of interlocking directors."

Should the above provisions be deemed applicable, a vote of the Company's stockholders representing at least two-thirds (2/3) of the outstanding capital stock or of at least two-thirds (2/3) of the members in a meeting called for the said purpose will be required to ratify the act of the Company's Board of Directors of accepting the proposal of OCLP to purchase the Company's Property in Longos, Bagumbayan, Quezon City under the agreed terms and conditions.

Votes of stockholders present are counted by identifying raised hands for yes or no on certain matters brought to the attention of, for a vote of approval/ratification or otherwise, by the stockholders in person or by proxy, or if in the case of a corporate stockholder, through its duly designated representative. The Corporate Secretary, or in his/her stead, the Assistant Corporate Secretary shall be responsible for counting the votes of the stockholders. Prior to the Special Stockholders' Meeting subject of this Report, proxy forms that have been submitted to the Corporate Secretary or the Assistant Corporate Secretary and have been validated shall be recognized. During the

registration and before the meeting commences, the attendees sign up on a list where their respective shares are displayed so a determination can be made right away as to quorum purposes and what percentage of the total and outstanding shares was in favor or not with respect to a certain matter discussed.

### **SIGNATURE**

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

**CONCRETE AGGREGATES CORPORATION**  
**September 07, 2007**

By:

**MICHAEL DAVID I. ABUNDO III**  
Assistant Corporate Secretary  
(In the absence of the Corporate Secretary)


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Assistant Corporate Secretary  
(In the absence of the Corporate Secretary)