

SEC Number 152249
CODE NO. PR-005
File Number _____

ARANETA PROPERTIES, INC.

Company's Full Name

21st Floor BDO Towers Valero Condo Corp, Paseo de Roxas, Makati City

Company's Address

(632) 848-1501 to 04

Telephone Number

December 31

Calendar Year Ending
(month& day)

17-A ANNUAL REPORT

(Form Type)

(Amendment Designation (if applicable))

December 31, 2024

(Period Ended Date)

Registered and Listed

(Secondary License Type and File Number)

ARANETA PROPERTIES, INC.
21st Floor Citibank Tower, Paseo de Roxas Makati City
Philippines

SEC FORM 17-A

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

1. For the calendar year ended: **December 31, 2024**
2. SEC Identification Number: **152249**
3. BIR Tax Identification No. **000-840-355**
4. Exact name of registrant as specified in its charter: **ARANETA PROPERTIES, INC.**

5. **Makati City, Philippines**

Province, Country, or other jurisdiction of Incorporation or organization

6. (SEC Use Only)

Industry Classification Code:

7. **21/F BDO Towers Valero Condo Corp., Paseo de Roxas, Makati City**1227.
(Address of Principal Office) (Postal Code)

8. **(632) 848-1501 to 04**

(Registrant's telephone number, including area code)

9. **Not applicable**

(Former name, former address, and former fiscal year, if changed since the last report)

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
CommonPhp1.00 par value	1,951,387,570 shares

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

Yes (**x**) No ()

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation

Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports).

Yes (☒) No (☐)

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

Yes (☒) No (☐)

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

a. Total number of shares held by non-affiliates
as of December 31, 2024---**475,842,618shares**

b. Closing price of the registrant's share on the exchange
as of December 27, 2024 - - **PhP0.51 per share**

c. Aggregate market price
as of December 27, 2024---**PhP13,743,000**

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

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

Yes [☒] No [☐] Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

None

MANAGEMENT REPORT

PART I - BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

DESCRIPTION OF BUSINESS

Business Development

Araneta Properties, Inc. (the “Company” or “ARA”) is a publicly listed corporation in the Philippine Stock Exchange with real estate development as its primary purpose. The Company was formerly known as Integrated Chrome Corporation (INCHROME) which was organized on June 15, 1988. The principal business was to mine chrome ore and produce ferro silicon metal or commonly known as ferrochrome. INCHROME stopped its smelter operations in January 1996 because of the depressed ferrochrome market and increasing production costs. In September 1996, the stockholders and the Board of Directors approved the following changes in the Company’s business and structure:

- 1) Change in the corporate name from INCHROME to Araneta Properties, Inc.;
- 2) Change in the primary purpose of business to land and property development and maintain the smelter operations as a secondary purpose;
- 3) Removal of stockholders’ pre-emptive right to subscribe with respect to issuance of shares of stock of the Company from un-issued portion of the authorized capital stock, including increases thereof;
- 4) Change in par value from P0.30 to P1 per share;
- 5) Increase in authorized capital stock from P300,000,000 (divided into 1 billion shares with a par value of P0.30 per share) to P5,000,000,000 (divided into 5 billion shares with a par value of P1 per share); and
- 6) Removal of classification of shares of stock.

Since its inception, the Company has not gone through any bankruptcy, receivership or similar proceeding. There has been no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

In year 2024 the real estate business remains so slow after the devastating effect of the CoVid-19, the management decided to overhaul marketing strategy by way of initiating a re-launch of the Company product line. To be able to shake -up market, the re-launching includes giving away of sales discounts and incentives to be able to catch and rebuild market trend. The strategy resulted positive response of which the company has sold 336 lot cuts with a total of 72,618 square meters as at end of December 31, 2024

In year 2023 the Covid-19 is still a thing and should be taken seriously regardless of fewer case numbers, updated booster vaccines and the fact that life seemingly returning to normal. This catastrophe has been a bad experience to call from year 2019, 2020, 2021, 2022 and even in year 2023, while the Covid-19 is still the world's issues of concern. Another issue shaken the world is the Israel and Gaza war resulting to tragic loss of life and the risks to peace in Israel, Gaza, and the rest of the region, the world-wide economy was affected in terms of the prices of oil and other commodities

drastically gone high for the entire year 2023 because of the turmoil, but no matter how hard life hits these challenges has taught a lesson especially the importance and value of unity in times of great disaster. These obstacles hold us together as one solid entity and community ready to strive to be able to overcome the hurdles.

The move by the National Government to classify Metro Manila and the entire National Capital Region under the “New Normal” gave a go signal to all businesses to operate in full, and the management is optimistic that scenario will somehow help the company to implement the plan of action that has been established during the pandemics to more or less put into and re-positioning for a new normal as planned specifically the following:

- a) To intensify cost-cutting measures to combat the effect of economic changes such as price increases in operating costs;
- b) To expand land banking activities; and
- c) To intensify its marketing strategies, which include more lucrative discounts and perks to all prospective buyers and to give special incentives to marketing people to encourage them to attack new/improve sales.

On November 29, 2019, the Company entered into an agreement with Sta. Lucia Land, Inc. (SLand for brevity) to develop a parcel of land owned by the Company. Under the agreement, SLand will develop the parcel of land into a residential subdivision with complete facilities and amenities, upon turnover of the property and upon securing the required clearance and permit to develop, in which the property shall be free and clean from any lien and encumbrance. The agreement further states that the Company shall compensate SLand, in the form of lots consisting of 60% of the net saleable area. The remaining 40% shall be the share of Araneta Properties, Inc.

On August 30, 2019, Sta. Lucia Land, Inc., paid in advance the outstanding amount of the liability to Insular Life Insurance Company amounting to ₱115.31 million on behalf of the Company. The said advances a non-interest-bearing and are payable either by way of the Company's shares from sales proceeds or by way of direct payments within a period of two years upon issuance of a license to sell.

On September 19, 2016, the Company entered into a contract for the acquisition of 580,154 sq.m. land from Insular Life Insurance Company for a total gross consideration of ₱430.47 million.

On November 17, 2015, Gregorio Araneta, Inc., a corporation duly registered with Securities and Commission and with business address located at 6th Floor, Suite A, Adamson Center Centre, 121 LP Leviste Streets, Salcedo Village, Makati City, subscribed and paid three hundred ninety million two hundred seventy-seven thousand five hundred (390,277,500) shares at P1.12 per share for the aggregate amount of Philippine Pesos: Four hundred thirty-seven million one hundred ten thousand eight hundred (P437,110,800.00).

On November 12, 2015 Board of Directors meeting the board unanimously approved the private placement of Gregorio Araneta Inc. The use of the proceeds from said placement is to boost the Company’s land banking activity

Business of Issuer

As of the end of December 31, 2024, the total lots sold by the Company is 1,018,621 square meters of developed lots to 5,195 buyers.

Particulars	As at end of Dec 31, 2022	As at end of Dec 31, 2023	As at end of Dec 31, 2024
Total subdivided lot sold (in sqm.)	943,567	946,003	1,018,621
Number of buyers	4,847	4,859	5,195

Phase 3, Phase 3A, and Phase 3B, have been opened to buyers with more or less a total aggregate lot area of Three Hundred Seven Thousand Four Hundred Thirty-Four (307,434) square meters of saleable lots.

The project engineer in charge of the overall Project development has reported that Phase 1, Phase 2 and Phase 3 are 100% respectively complete. While the Country Club is also 100% complete as of December 31, 2024.

As part of the land banking activities of the Company started in the year 2012, total land acquisitions as of December 31, 2024, are detailed as follows:

Acquired from	Lot area (inSq.m.)	Value of Land	Payment made	Balance Payable
<i>All in Sn Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	6,618,779.27	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
MargaDev't Corporation	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Sub-total</i>	<i>2,385,151</i>	<i>870,887,230.17</i>	<i>870,887,230.17</i>	<i>-0-</i>
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
<i>Sub-total</i>	<i>721,700</i>	<i>229,672,000.00</i>	<i>-0-</i>	<i>229,672,000.00</i>
Total (Sn Jose Del Monte)	3,106,851	1,100,559,230.17	870,887,230.17	229,672,000.00
Add; Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et al	286,480	80,559,106.61	73,925,936.61	6,633,170.00
Emma Almazan	11,862	2,526,670.00	1,254,456.00	1,272,214.00
Hugo Nat D. Juan	13,186	4,615,100.00	4,615,100.00	-0-
	368,739	118,880,879.61	110,975,495.61	7,905,384.00
Total land banking	3,475,590	1,219,440,109.78	981,862,725.78	237,577,384.00

On June 5, 2003 ARA signed a Joint Venture Agreement with Sta. Lucia Realty and Development, Inc. (SLRDI) to develop the Company's 2,364,082 square meters property being described in the master plan which consists of Class "A" Residential and Commercial Subdivision with a Country Club. The developer gave a period of not more than two (2) years for the project implementation of the commercial subdivision. The Company hired Orchard Property Marketing Corp to handle the sales and marketing of said joint venture project.

Pursuant to the Joint Venture Agreement between the Company and the Sta. Lucia Realty and Development, Inc. (SLRDI), the Company being the owner of the land is entitled to forty percent (40%) of the net proceeds; in case of a Cash Override, or forty percent (40%) of the saleable, in case of lot override, while the SLRDI is entitled to sixty percent (60%) on Cash or lot override as it has to carry the master-plan and implement it including all the required development such road preparation, drainage system, pavement of roads, curbs, gutters, sidewalks, water systems, deep well or water tank, electrical system, perimeters or security

walls, planting of trees or landscaping, and development of parkways or open spaces at their own cost.

No problem is foreseen as far as suppliers are concerned, since all the materials needed for property development are 100% available locally.

There are no other transactions with and/or dependence on related parties.

The Company is the only establishment holding such a large area of land in contiguous lots. The management positively believes that there will be no such “competitor/s” seen in the near future within the geographic area for the reason that there is no more such large quantity of land easy to consolidate for “Commercial, Residential and Mixed” projects like the **Ayala Business District of Makati**, the Trinoma of Quezon City, the **Fil-Invest of Ayala Alabang** or the **Nuvali of Sta. Rosa City**. Thus, competition or such is no longer an issue in the business operation of the Company.

As mentioned above the business of the Company is developing more or less 2,364,082 square meters property in San Jose Del Monte Bulacan, while the Company has already consolidated more or less 2,385,151 square meter in San Jose Del Monte Bulacan area, as at end of December 31, 2023 and with the potential for acquisition of 721,700 square meter which is currently the negotiation is in process.

The percentage of revenues during each of the last three fiscal years, are as follows:

Particulars	Year 2022	Year 2023	Year 2024
Sale from Real Estate	42,981,521	25,988,482	706,672,339
Cost of Land	2,811,909	1,473,316	66,745,240
Percentage to revenue	6.542%	5.669%	9.445%

Note: Increase in sales in Year 2024 is a positive result of a marketing strategy implemented by the company to able to regain momentum and recovery from the prior year economic turmoil specifically the Covid-19 pandemics and as well as the Israel and Gaza war conflict..

Government Approvals and Regulations

Since the primary business of the Company is to develop and sell real properties, the following governmental approvals are needed:

- 1) Environmental Clearance Certificate – (Approved ECC),
- 2) Locational Clearance Certificate – (Approved LCC for Lot 13, approximately 96 hectares).
- 3) Effect of existing or probable governmental regulation on the business - None

Human Resources

As of December 31, 2024 the total number of officers, managers, consultants and regular employees of the Company are as follows:

Executives & Managers	4
Consultants	6
Supervisors, Rank and File	<u>15</u>
Total number of employees	25

Employees & consultants described above are exclusive of external auditors & stock-transfer agent.

The above employees of the Company are not subject to Collective Bargaining Agreement *and* have not experienced any conflict between employees *and* with the management for the past three (3) years. The Company did not deal with any labor strike for the past three years nor were there union complaints submitted to the Department of Labor and Employment. At present there are no supplemental benefits or incentive arrangements that the Company has or will have with its employees

Financial Instruments and Capital Management

In General Management

The Company has risk management policies that systematically view the risks that could prevent the Company from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Company's objectives are achieved. The Company's risk management takes place in the context of day-to-day operations and normal business processes such as strategic planning and business planning. Management has identified each risk and is responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Company's established business objectives.

Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash and cash equivalents, receivables and loans payable. The primary purpose of these financial instruments is to finance the Company's operations. The Company has other financial instruments such as receivables, AFS investments, accounts payable and accrued expenses which arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk and credit risk. As of December 31, 2024 and 2023 the Company has minimal exposure to any significant foreign currency risk because most of its financial instruments are denominated in Philippine peso. As assessed by the management, the Company has minimal exposure to equity price risk for the AFS financial asset and as such, has no material impact to the financial statements. The BOD reviews and approves the policies for managing each of these risks such as:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effects to the Company's credit standing.

The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical figures experiences and forecasts from its collection and disbursement.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables. Concentrations arise when a number of counterparties are engaged in

similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

Economic and health risk

The declaration of the National Government classifying Metro Manila and the entire National Capital Region under the "New Normal" gave a go signal to all business sectors to operate normally, the management is optimistic that this scenario will somehow help the company to implement already the plan of action that has been put into and re-positioning for a new normal operation.

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Country for a period of six (6) months & imposed an enhanced community quarantine throughout the entire island of Luzon until April 12, 2020, for selected areas, including Metro Manila, this was subsequently extended to May 31, 2020. The ECQ was subsequently lifted and replaced by a more lenient general community quarantine starting June 1, 2020. This measure is expected to result in disruptions to businesses and economic activities.

The Company implemented compliance measures to the community quarantine (CQ) protocols in conjunction with the National Government's strategy to flatten the curve and/or to combat the spread of the outbreak as follows:

- a) Full shutdown of Makati Offices started on March 16, 2020. All employees received their salaries for the period March 16 to 31, 2020 in full.
- b) After March 31, 2020, employees were encouraged to utilize their available leave credits and work on a skeletal basis.
- c) Other measures are being implemented to ease the impact of the CQ on the employees, e.g. the early release of the prorated 13th month pay, extend cash advances to regular employees in the event that the CQ is extended.

Business opportunity is paralyzed such as cash inflows. Presently, the Company concentrates on Cash Management to be able to rationalize and ensure availability of funds to sustain payments of employees' payroll.

At present, the General Community Quarantine (GCQ) have collateral effect in all business aspects both sales and collection of the Company's receivables depending on the capability of buyers to meet future payments. The Company will continue to monitor the situation, and should the GCQ be further prolonged, the BOD may at any time form a Crisis Management Team/Committee that will focus on the impact to the Company's revenue and operations, or formulate assessment tools to measure and/or benchmark costs and expenses or anticipate scenario beyond "COVID-19", upon assumption of work and "Normal" operation.

Certain Issues or Issuers

Investment Company Securities.

On November 29, 2019, the Company entered into an agreement with Sta. Lucia Land, Inc. (SLand for brevity) to develop more or less 300 hectares of land owned by the Company. Under the agreement, SLand will develop the parcel of land into a residential subdivision with complete facilities and amenities, upon turnover of the property and upon securing the required clearance and permit to develop, in which the property shall be free and clean from any lien and encumbrance. The agreement further states that the Company shall compensate SLand, in the form of lots consisting 60% of the net saleable area. The remaining 40% shall be the share of Araneta Properties, Inc.

On June 5, 2003 ARA signed a Joint Venture Agreement with SLRDI to develop the Company's 2,364,082 square meters property being described in the master plan as a Class A Residential and Commercial Subdivision with Country Club. The JV appointed Orchard Property Marketing Corporation to handle the marketing plan and strategy for the sales of said joint venture project.

Land banking activities-San Jose Del Monte Bulacan

On November 24, 2019, the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On May 08, 2018, the company signed a Deed of Absolute Sale to acquire land from Rodolfo M. Cuenca, located in San Jose del Monte, Bulacan with a total lot area of Fifty Thousand Ninety-Four (50,094) square meters.

On October 12, 2017, the company signed a Deed of Absolute Sale to acquire land from Paramount Finance Corporation, located in San Jose del Monte, Bulacan with a total lot area of Ten Thousand (10,000) square meters.

On September 19, 2016, the company signed a contract to sell to acquire land from Insular Life Assurance Company LTD. (IL for brevity), located in San Jose Del Monte, Bulacan, with a total lot area of Five Hundred Eighty Thousand One Hundred Fifty-Four (580,154) square meters for or less. The contract covers an installment term without interest payable until September 16, 2020, on August 30, 2019 ARA has already pre-terminated its installment terms and paid in full its obligation with IL.

On February 21, 2014 the company signed a memorandum of understanding to acquire land located at Barrio Tungkong Mangga, City of San Jose Del Monte Bulacan with a total area of Three Hundred Sixty Thousand Square Meters (360,000 sq.m.), The contract covers an installment term without interest, the contract is fully paid as at end of December 31, 2016.

On December 19, 2012, the company signed another contract to acquire land from BDO Strategic Holdings, Inc. located also in San Jose Del Monte, Bulacan with a total lot area of Nine Hundred Twenty-Six Thousand Five Hundred Fifty (926,550) square meters. The contract

covers a Ten (10) years installment terms with fixed interest rate of 8% per annum, the acquisition contract is already fully paid.

In August 24, 2012 signed a contract to sell with Don Manuel Corporation a domestic Corporation owner of parcels of land located at San Jose Del Monte, Bulacan with a total lot area of Four Hundred Ten Thousand Three Hundred Seventy-Seven (410,377) square meters. The contract excludes Twenty-One Thousand Eight Hundred Thirty-Six (21,836) square meters being occupied by the National Transmission Corporation. Thus, the net saleable lot acquired is Three Hundred Eighty-Eight Thousand Five Hundred Forty-One (388,541) square meters payable via installment terms over a period of three (3) years the contract is already fully paid

Land banking activities-City of Laoag, Ilocos Norte

On November 24, 2019 the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On November 20, 2018, the company signed a contract to sell to acquire land from Hugo Nat D. Juan, located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Thirteen Thousand One Hundred Eight Six (13,186) square meters via installment purchase repayable into three (3) equal payments.

On November 18, 2016, the company signed a deed of absolute sell to acquire *via-cash purchase land* from Manuel M. Bonoan located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Fifty-Seven Thousand Two Hundred Eleven (57,211) square meters.

On October 8, 2015 the company signed a unilateral Deed of Absolute Sell to acquire on installment of more or less 169,904 square meters of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest payable until April 19, 2019.

On June 3, 2014 the company entered into a Memorandum of Agreement (MOA) with Emma F. Almazan, to acquire more or less 116,576 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

ITEM 2 PROPERTIES

DESCRIPTION OF PROPERTIES

San Jose del Monte, Bulacan Property

Size and Location - The property of the Company consists of 2,364,082sq.m. of prime land most of which is located in Barrio Tungkong Mangga, San Jose del Monte, Bulacan, and bounded by Caloocan City on the southwest, Quezon City on the South, Montalban on the East

and San Jose del Monte on the Northeast. The 236.408 hectares of prime land subject of the above discussion do not include the 232.640 hectares of land already acquired as at end of December 31, 2021 making the total consolidated lot area of 2,385,151 square meters in San Jose Del Monte Bulacan area, and with highly potential to acquire is the more or less 721,700 square meters to complement additional expansion which the negotiation is still in progress.

Access-The main road leading to the property is the Quirino Highway. It can be easily be reached via Gregorio Araneta Avenue which runs for about 6 kms., from the southwest entrance in Caloocan City to the northeast point of the development site. In the near future, the proposed C-6 (from the Bicutan junction of the South Luzon Tollway to North Luzon Tollway in Marilao, Bulacan) will either cut through the property or pass right next to it.

Likewise, The ongoing construction of Quezon City LRT (from welcome Rotonda through Commonwealth Avenue until Norzaragay Bulacan via Quirino Highway), The ongoing subway project from Bicutan Alabang Muntinlupa City up to Quezon City, and the EDSA LRT will provide faster, easier access to and from Metro Manila the ongoing construction the C-6 Skyway (which will connect North Edsa to Norzagaray Bulacan) and the North Luzon Expressway East (which will connect C-5 to Nueva Ecija and will run parallel to North Luzon Toll Way) will pass nearby.

What It Looks Like - The rolling terrain rises gently from the SW entrance to the NE tip, reaching a height of 280 meters at its highest point. From there one can see the Capitol Hills area nearby and Manila Bay farther out in the distance. Most of the property (approximately 65%) has a slope of less than ten degrees, which is suitable to commercial and residential development. About 25% of the land has a 10–20degree slope, which presents constraints to commercial development but is suited to housing. Some 10% of the terrain has a 20-30 degree slope, making it fit mostly for hillside housing. From the air, one can see the Marilao River running along the eastern and southern boundaries of the site. Much of it now is grassland, with some areas planted to crops and mango groves. A few spots of heavy vegetation exist. Surrounding the property - and keeping it free from pollution - are the Angat and La Mesa watersheds.

Utilities - Electricity is provided by Manila Electric Company. Philippine Long Distance Telephone Company and Digitel share the telecommunications franchise in the area. Water comes from underground sources and the San Jose del Monte Sapang Palay filtration plant. Over the long run, however, the water needs of the developed property will be supplied by a MWSS aqueduct connected to Angat River and coursed through an in-site filtration plant.

Manticao Misamis Oriental Property

Size and Location of Land - The property consists of 17.3 hectare of regular residential land, located along the national highway of Cagayan de Oro City to Iligan City and within the Poblacion of Barrio Patag, Manticao, Misamis Oriental.

Land Banking Activities-San Jose Del Monte, Bulacan

On May 08, 2018 the company signed a Deed of Absolute Sell to acquire land from Rodolfo M. Cuenca, located in San Jose del Monte, Bulacan. with a total lot area of Fifty Thousand Ninety-Four (50,094) square meter. On October 12, 2017 the company signed a Deed of Absolute Sale to acquire land from Paramount Finance Corporation, located in San Jose del Monte, Bulacan with a total lot area of Ten Thousand (10,000) square meter. On September

19, 2016 the company signed a contract to sell to acquire land from Insular Life Assurance Company LTD., located in San Jose Del Monte, Bulacan with a total lot area of Five Hundred Eighty Thousand One Hundred Fifty-Four (580,154) square meters for or less. The contract covers an installment term without interest and payable until September 16, 2020. On February 21, 2014 the company signed a memorandum of understanding with Marga Capital Holdings, Inc. to acquire land located at Barrio Tungkong Mangga, City of San Jose Del Monte Bulacan with a total area of Three Hundred Sixty Thousand Square Meters (360,000sq.m.), The contract covers an installment term without interest. On December 19, 2012, the company signed another contract to acquire land from BDO Strategic Holdings, Inc. located at San Jose Del Monte, Bulacan with a total lot area of Nine Hundred Twenty-Six Thousand Five Hundred Fifty (926,550) square meters. The contract covers a Ten (10) years installment terms with fixed interest rate of 8% per annum. On August 24, 2012 the company entered a contract to sell with Don Manuel Corporation a domestic Corporation owner of parcels of land located at San Jose Del Monte, Bulacan with a total lot area of Four Hundred Ten Thousand Three Hundred Seventy-Seven (410,377) square meters. The contract excludes Twenty-One Thousand Eight Hundred Thirty-Six (21,836) square meters being occupied by the National Transmission Corporation. Thus, the net saleable lot acquired is Three Hundred Eighty-Eight Thousand Five Hundred Forty-One (388,541) square meters payable via installment terms over a period of three (3) years.

Land Banking Activities- City of Laoag, Ilocos Norte

On November 24, 2019 the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On November 20, 2018, the company signed a contract to sell to acquire land from Hugo Nat D. Juan, located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Thirteen Thousand One Hundred Eight Six (13,186) square meters via installment purchase repayable into three (3) equal payments. On November 18, 2016, the company signed a deed of absolute sell to acquire *via-cash purchase land* from Manuel M. Bonoan located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Fifty Seven Thousand Two Hundred Eleven (57,211) square meter. On October 8, 2015 the company signed a unilateral Deed of Absolute Sell to acquire on installment of more or less 169,904 square meters of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment terms without interest payable until April 19, 2019. On June 3, 2014 the company entered into a Memorandum of Agreement (MOA) with Emma F. Almazan, to acquire more or less 116,576 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

As at end of December 31, 2023 the Company has already consolidated more or less 2,753,890 square meters of parcels of land making to the total land area for expansion of 3,475,590 square meters not to include the potential acquisition of 721,700 square meter which is presently the negotiation is in process.

ITEM 3. LEGAL PROCEEDINGS

- a) No legal proceeding was filed or is pending involving claims exceeding 10% of the current assets for or against the Company, except for a court case filed by the Bureau of Internal

Revenue Examiner against Araneta Properties, Inc. (ARA), officers due to none compliance and submission of the required document in relation to ARAs BIR examination of books for the 2019 Income Tax Return, the LOA was served in 2019 during pandemics which ARAs offices is closed from April 2019 until August 2021, the Court has already issued resolution acquitting Araneta Properties, Inc. (ARA), officers.

- b) There were no bankruptcy petitions filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- c) There were no convictions by final judgment of the competent court, including the nature of the offense, in a criminal proceeding/s, domestic or foreign, or being subject to a pending criminal proceeding domestic foreign excluding traffic violations and other minor offenses;
- d) There has been no order of judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction domestic or foreign permanently or temporarily enjoining barring suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities, and
- e) The company has not been found by a domestic or foreign court of competent jurisdiction (in a civil action) commission or comparable foreign body, a domestic or foreign exchange, other organized trading market, or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended or vacated

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The stockholder's meeting of the Company was held last December **12, 2024**, at **2:00' clock in the afternoon**, information about said virtual meeting can be accessed at the link provided on ARA's website at <https://aranetaproperties.com>. Agenda at the said meeting are as follows:

1. Call to order;
2. Proof of notice and due calling of meeting; Determination of a quorum;
3. Rules of conduct and procedures of the meeting;
4. Approval of Minutes of the Annual Stockholders' Meeting held on October 19, 2023;
5. Presentation and approval of the Financial Statements as of December 31, 2023;
6. Ratification of the acts of the Board of Directors and Officers;
7. Election of members of the Board of Directors;
8. Appointment of External Auditors;
9. Other Matters;
10. Adjournment

At the said meeting, the following were presented and approved by the stockholders present entitled to vote:

1. Minutes of the Regular Meeting of the Stockholders held on October 19, 2024;

2. Financial Statements as of December 31, 2023;
3. Ratification of acts of the Board of Directors and Officers

The shareholders also ratified the acts of management for the period.

The following were elected Directors of the Company for the year 2024-2025, namely: Gregorio Ma. Araneta III, Cesar C. Zalamea, Crisanto Roy B. Alcid, Alfonso M. Araneta, Luis M. Araneta, Francisco A. Segovia and as Independent Directors, Antonio O. Cojuangco, Lazaro Deltas Llagas Madara, and Tarcisio M. Medalla.

Reyes Tacandong & Co. was appointed as the External Auditor of the Corporation for the ensuing fiscal year.

PART II - OPERATIONAL *and* FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY *and* RELATED STOCKHOLDERS' MATTERS

(1) Market Information

(a) The principal market of the Company's shares of stocks is the Philippine Stock Exchange. The high and low sales price of the Company's shares for the last three (3) years are as follows:

	2022		2023		2024	
Period	High	Low	High	Low	High	Low
First Quarter	1.14	0.94	1.06	1.03	0.65	0.61
Second Quarter	2.21	1.03	0.84	1.81	0.86	0.82
Third Quarter	1.75	1.20	1.01	0.93	0.65	0.61
Fourth Quarter	1.29	1.02	1.08	1.03	0.63	0.58

(b) The closing prices of the Company's stock as of the latest practicable trading dates were as follows:

Year	Month/Date	Closing Price (in Php)
2025	April 07, 2025	P0.50
2025	March 31, 2025	P0.53
2025	February 28, 2025	P0.50
025	January 31, 2025	P0.52

The approximate number of shareholders as of December 31, 2024, is 2,120 shareholders, and the top twenty (20) shareholders as of December 31, 2024, are the following:

1	PCD Nominee Corporation	Filipino	733,684,650	37.60%
2	Carmel Development, Inc.	Filipino	499,999,997	25.62%
3	Gregorio Araneta, Inc.	Filipino	390,277,500	20.00%
4	Gamma Properties, Inc	Filipino	136,000,000	6.97%
5	Olongapo Mabuhay Express, Corp.	Filipino	124,855,422	6.40%
6	PCD Nominee Corporation	Non-Filipino	36,182,492	1.85%
7	Brand Realty Corporation	Filipino	13,725,404	0.70%
8	Seafront Resources Corporation	Filipino	3,756,788	0.19%
9	Solar Securities	Filipino	720,000	0.04%
10	Ruby D. Roa	Filipino	588,599	0.03%
11	TeresitaDela Cruz	Filipino	528,458	0.03%
12	Maria Cristina Dela Paz	Filipino	525,000	0.03%
13	Flora Pascual	Filipino	493,720	0.03%
14	Leonides Francisco Balmeo	Filipino	425,000	0.02%
15	Luis V. Ongpin, JR ITF Victor Luis M. Ongpin	Filipino	411,000	0.02%
16	Paolo Tuason	Filipino	376,500	0.02%
17	EBC Securities Corporation	Filipino	300,000	0.02%
18	Jaye Marjorie R. Gonzales	Filipino	200,000	0.01%
19	Jocelyn L. Oquias	Filipino	195,135	0.01%
20	Antonio Dy	Filipino	180,000	0.01%
	Total		1,943,395,716	99.59%
	Add: Other Stockholders		7,991,854	0.41%
	Total shares		1,951,387,570	100.00%

(3) Dividends

The Company has no restrictions that will limit the ability to pay dividends on common equity. But the Company, as a general rule, shall only declare from surplus profits as determined by the Board of Directors as long as such declaration will not impair the capital of the Company.

Since the Company has only started recognizing income, no dividends have been declared for the last three (3) years.

(4) Recent Sales of unregistered securities

- No unregistered securities have been sold during the calendar year ended.
- Underwriter and other purchases – Not applicable
- Exemption from registration claimed – 10.1 (k) The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve- month period.

On November 12, 2015 Board of Directors meeting the board unanimously approved the private placement of Gregorio Araneta Inc. The use of the proceeds from said placement is to boost the Company's land banking activity

On August November 17, 2015 Gregorio Araneta, Inc., a corporation duly registered with Securities and Commission and with business address located at Mezzanine Floor, Adamson Centre, 121 LP Leviste Streets, Salcedo Village, Makati City, subscribed and paid three hundred ninety million two hundred seventy seven thousand five hundred (390,277,500)

shares at P1.12 per share for the aggregate amount of Philippine Pesos: Four hundred thirty seven million one hundred ten thousand eight hundred (P437,110,800.00).

ITEM 6. MANAGEMENT’S DISCUSSION and ANALYSIS OR PLAN OF OPERATION

Year 2024

(1) Management’s Discussion and Status of Operation

As mentioned above in year 2024 the real estate business remains so slow after the devastating effect if the CoVid-19, the management decided to overhaul I marketing strategy by way of initiating a re-launch. To be able to shake -up market, the re-launching includes giving away of sales discounts and incentives to be able to catch and rebuild market trend. The strategy resulted positive response of which the company has sold 336 lot cuts with a total of 72,618 square meters as at end of December 31, 2024

CoVid-19 is still a thing and should be taken seriously regardless of fewer case numbers, updated booster vaccines and the fact that life seemingly returning to normal. This catastrophe has been a bad experience to call from year 2019, 2020, 2021, 2022 and even in year 2023, while the Covid-19 is still the worlds issues of concern. Another issue shaken the world is the Israel and Gaza war resulting to tragic loss of life and the risks to peace in Israel, Gaza, and the rest of the region, the world-wide economy was affected in terms of the prices of oil and other commodities drastically gone high for entire of year 2023 because of the turmoil, but no matter how hard life hits these challenges has taught a lesson especially the importance and value of unity in times of great disaster. These obstacles cling us together as one solid entity and community ready to strive to be able to overcome the hurdles.

The performance of the Company in terms of revenue increased by 2,210%, sales for the year is P706.672 million, as compared to is P25.988 million in year 2023 and P42.982 million in Year 2022. This performance is directly attributed to the marketing strategies which is already implemented, specifically the holding on of some Inventory for a much better price and “new normal” in operation following the declaration of the National Government to classify the entire Metro Manila under the lowest Covid-19 the alert level-1, management read it as a good signal for a much better scenario in the near future.

The above strategies are already conclusive, where some buyers have already reserved more or less 72,618 square meters of subdivided lot at the price of P12,000.00 to P14,000.00per square meter, much higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

The Company is using “Project Percentage of Completion” (PPOC) in the recognition of revenue, the residential area of Phase 1, Phase 2 & Phase 3 are 100%complete, while the Country club is likewise 100% complete as of December 31, 2024. The Company uses the PPOC in determining sales during the period.

Table I – The comparative figures of the results of operations for the three (3) year period ending December 31, 2024 with comparative figures of year 2024 and 2023 for the same period

	For the Years Ended December 31	% Change	% Change
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<i>In millions (Php)</i>	Year 2022	Year 2023	Year 2024	2022 vs 2023	2023 vs 2024
Revenue	47.523	30.832	712,246	(35.12%)	2,210%
Expenses	50.321	55.690	206.048	10.67%	270%
Net Income (loss) before tax	(2.798)	(24.858)	506.198	788.42%	2,136%

Table II – The comparative figures of revenues consist of: (1) Sales from real estate business, (2) Interest Income from installments sales of real estate business, and (3) Other Income for the years ended December 31, 2024 with comparative figures of year 2023 and 2022 for the same period

	For the Years Ended December 31			% Change	% Change
<i>In millions (Php)</i>	Year 2022	Year 2023	Year 2024	2022 vs 2023	2023 vs 2024
Income from Real Estate	42.983	25.988	706.672	(39.539%)	2619.224%
Accretion of interest Income from installment sales	4.277	4.573	4.786	6.921%	4.658%
Other Income	0.265	0.271	.788	2.652%	190.775%
Total Revenue	47.524	30.832	712.246	(35.123%)	2210.087%

As part of the land banking activities of the Company started in year 2012 total land acquisition as of December 31, 2024 detailed as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance Payable
<i>All in Sn Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	6,618,779.27	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
Marga Dev't Corporation	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Sub-total</i>	2,385,151	870,887,230.17	870,887,230.17	-0-
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
<i>Sub-total</i>	721,700	229,672,600.00	-0-	229,672,000.00
Total (Sn Jose Del Monte)	3,106,851	1,100,559,230.17	870,887,230.17	229,672,000.00
Add; Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et all	286,480	80,559,106.61	73,925,936.61	6,633,170.00
Emma Almazan	11,862	2,526,670.00	1,254,456.00	1,272,214.00
Hugo Nat D. Juan	13,186	4,615,100.00	4,615,100.00	-0-
	368,739	118,880,879.61	110,975,495.61	7,905,384.00
Total land banking	3,475,590	1,219,440,109.78	981,862,725.78	237,577,384.00

Key Performance Indicators

The Company operates in one business segment, the real estate. The following Key Performance Indicators were adopted by the corporation in order to measure the profitability of the Company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

	As of Dec 31, 2022	As of Dec 31, 2023	As of Dec 31, 2024
Current Ratio (1)	6.1435: 1	5.4235 : 1	7.2516 : 1
Debt to Equity Ratio (2)	1 : 0.1392	1 : 0.1453	1 : 0.1219
Earnings (Loss) per Share (3)	(1 : 0.0015)	(1 : 0.0073)	1 : 0.2594
Earnings (Loss) before interest and Income Taxes (4)	(P2.835) million	(P14.337) million	P422.364 million
Return on Equity	(0.0016)	(0.01443)	0.19710

- 1) Current Assets / Current Liabilities
- 2) Total Liabilities / Stockholders' Equity
- 3) Net Income / Outstanding Shares
- 4) Net Income plus Interest Expenses and Provision for Income Tax
- 5) Net Income / Average Stockholder's Equity

Other than the above-mentioned trend, specifically the trend introduced by new player in real estate company the Ayala Land, Inc., and the Avida Land Corporation has made a significant impact resulted to a price per square meter increased. There are no known trends, events or uncertainties with significant impact on net sales, or income that will have a material impact on liquidity or that would trigger direct or contingent liability, including default or acceleration of obligation other than what was mentioned in the Plan of Operation, The Company has not found any future cash flow problem that would trigger the default or breach of note, loan, lease or other indebtedness or financing arrangement requiring it to make payments of any significant amount. None the trade payables have been unpaid within the staled trade terms. There is no material deficiency in any nature identified and there were no internal and external source of liquidity.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period

There were material commitments for capital expenditures specifically the acquisition of parcels of land in relation to Company's land banking activity details of which already described above.

There are no known trends events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There is no material change from period to period including vertical and horizontal analyses of any material item, except for land acquisition the details of which is already described in the above captioned land banking activity.

(2) Analysis of Financial Condition and Results of Operations.

The full detail of the analysis of financial condition and results of operations is stated in the audited financial statement which is form part of this report.

Cash

Cash in banks earn interest at the respective bank deposit rates. Interest income earned from cash with banks and cash equivalents amounted to ₱2.9 million, ₱2,345, and ₱2,270 in 2024, 2023, and 2022 respectively.

The account consists of:

	As of Dec 31, 2024	As of Dec 31, 2023
Cash on hand	₱32,281	₱32,281
Cash in bank	192,840,536	1,957,427
Total	₱192,872,817	₱1,989,708

Receivables

	As of Dec 31, 2024	As of Dec 31, 2023
Trade receivables	₱693,371,243	₱331,293,932
Advances to officers, employees & other receivables	4,254,040	3,432,974
Total	697,625,283	334,726,906
Less: Noncurrent portion of trade receivables	156,636,085	158,276,064
Total	₱540,989,198	₱176,450,842

Trade receivables pertain to the Company's outstanding receivable balance from its sale of real estate inventories in relation to its joint operations with SLRDI. These are collectible in monthly installments over a period of one to ten (10) years

Income from interests and penalties arising from late payment of these receivables amounting to ₱2.6 million, ₱4.7 million and ₱4.5 million in 2024, 2023, and 2022, respectively, are recognized under "Interests, penalties and other income" in the statements of comprehensive income.

Advances to officers, employees and other receivables are noninterest-bearing receivables that are due within 12 months from the reporting date.

Real Estate Inventories

This account mainly pertains to land developed for a residential subdivision under the project agreement with SLRDI and includes other lots owned and held for sale by the Company.

The Company and SLRDI began regular activities in 2005 based on their project agreement, As of December 31, 2024 and 2023, the projects with SLRDI are 100% completed based on the physical completion report provided by the project's supervising engineer.

Movements of this account are accounted as follows:

	As of Dec 31, 2024	As of Dec 31, 2023
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Balance at beginning of year	₱893,298,213	₱894,771,529
Cost of land sold	(66,745,240)	(1,473,316)
Development cost		-
Balance at end of year	₱826,552,973	₱893,298,213

Based on management's evaluation, the NRV of the real estate inventories is substantially higher than its cost, hence, no write-down was recognized in 2024, 2023 and 2022. The amount of real estate inventories recognized under "Cost of real estate sales" in the statements of comprehensive income amounting to ₱66.745 million, ₱1.473 million and ₱2.812 million in 2024, 2023 and 2022 respectively.

Input VAT

Input VAT amounting to ₱0.00 million and ₱57.80 million as at December 31, 2024 and 2023, respectively, pertains to the 12% indirect tax paid by the Company in the course of the Company's trade or business on local purchase of goods or services which can be applied against the Company's output VAT. Management has assessed that these are recoverable in future periods, all the Input VAT have been fully utilized from the payment of Output vat during the year

Investment Properties

The Company's investment properties which are carried at cost consist of land currently held for long-term capital appreciation amounting to ₱674.01 million as at December 31, 2024 and 2023.

Based on the Company's latest appraisal report dated March 15, 2023, the fair value of the investment properties amounted to ₱2,587.9 million. The valuation was performed by a qualified independent appraiser and the valuation techniques used and key inputs to valuation on the investment properties are as follows:

Property Valuation Technique Significant Unobservable Inputs Range

Land Market Data Approach Price per square meter ₱1,200 - ₱1,500

Price per square meter is the estimated value prevailing in the real estate market depending on the location, area, shape and time element. The fair valuation techniques used as at December 31, 2024 and 2023 are categorized as Level 2 in the fair value hierarchy. Significant increases (decreases) in price per square meter would result in a significantly higher (lower) fair value of the property.

Property and Equipment.

Details and movements of this account are as follows:

	2024				
	Office Condominium Unit	Building and Improvements	Hauling and Transportation Equipment	Furniture, Fixtures and Other Equipment	Total
Cost					
Balance at beginning of year	₱46,047,004	₱12,143,398	₱5,964,870	₱6,803,345	₱70,958,617
Additions	-	-	8,230,714	46,204	8,276,918
Balance at end of year	46,047,004	12,143,398	14,195,584	6,849,549	79,235,535
Accumulated Depreciation					
Balance at beginning of year	46,047,004	12,143,398	5,355,732	6,677,256	70,223,390
Depreciation	-	-	304,699	58,639	363,338
Balance at end of year	46,047,004	12,143,398	5,660,431	6,735,895	70,586,728
Carrying Amount	₱-	₱-	₱8,5335,153	₱113,654	₱8,648,807

Fully depreciated property and equipment still being used in operations amounted to ₱69.5 million and ₱67.6 million as at December 31, 2024 and 2023, respectively.

No property and equipment were pledged as security to the Company's obligations in 2024, 2023, and 2022.

Land Banking Activities-San Jose Del Monte, Bulacan

On November 29, 2019 the Company signed a Joint Venture Agreement with Sta. Lucia Land, Inc. (SLand for brevity), a Publicly Listed Corporation to handle the development of more or less 300 hectares of land owned by the Company and SLand shall develop and subdivide the property to be able to have it ready for sale and that will form part of Annex of the existing Colinas Verdes Subdivision Project.

On May 08, 2018 the company signed a Deed of Absolute Sale to acquire land from Rodolfo M. Cuenca, located in San Jose del Monte, Bulacan. with a total lot area of Fifty Thousand Ninety-Four (50,094) square meter. On October 12, 2017 the company signed a Deed of Absolute Sale to acquire land from Paramount Finance Corporation, located in San Jose del Monte, Bulacan with a total lot area of Ten Thousand (10,000) square meter. On September 19, 2016 the company signed a contract to sell to acquire land from Insular Life Assurance Company LTD., located in San Jose Del Monte, Bulacan with a total lot area of Five Hundred Eighty Thousand One Hundred Fifty-Four (580,154) square meters for or less. The contract covers an installment term without interest and payable until September 16, 2020. On February 21, 2014 the company signed a memorandum of understanding with Marga Capital Holdings, Inc. to acquire land located at Barrio Tungkong Mangga, City of San Jose Del Monte Bulacan with a total area of Three Hundred Sixty Thousand Square Meters (360,000 sq.m.), The contract covers an installment term without interest. On December 19, 2012, the company signed another contract to acquire land from BDO Strategic Holdings, Inc. located at San Jose Del Monte, Bulacan with a total lot area of Nine Hundred Twenty-Six Thousand Five Hundred Fifty (926,550) square meters. The contract covers a Ten (10) years installment terms with fixed interest rate of 8% per annum. On August 24, 2012 the company entered a contract to sell with Don Manuel Corporation a domestic Corporation owner of parcels of land located at San Jose Del Monte, Bulacan with a total lot area of Four Hundred Ten Thousand Three Hundred Seventy-Seven (410,377) square meters. The contract excludes Twenty-One Thousand Eight Hundred Thirty-Six (21,836) square meters being occupied by the National Transmission Corporation. Thus, the net saleable lot acquired is Three Hundred Eighty-Eight Thousand Five Hundred Forty-One (388,541) square meters payable via installment terms over a period of three (3) years.

Land Banking Activities- City of Laoag, Ilocos Norte

On November 24, 2019 the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On November 20, 2018, the company signed a contract to sell to acquire land from Hugo Nat D. Juan, located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Thirteen Thousand One Hundred Eight Six (13,186) square meters via installment purchase repayable into three (3) equal payments. on November 18, 2016, the company signed a deed of absolute sell to acquire *via-cash purchase land* from Manuel M. Bonoan

located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Fifty Seven Thousand Two Hundred Eleven (57,211) square meter. on October 8, 2015 the company signed a unilateral Deed of Absolute Sell to acquire on installment of more or less 169,904 square meters of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment terms without interest payable until April 19, 2019. On June 3, 2014 the company entered into a Memorandum of Agreement (MOA) with Emma F. Almazan, to acquire more or less 116,576 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

As at end of December 31, 2024 the Company has already consolidated more or less 2,385,151 square meters of parcels of land making to the total land area for expansion of 4,749,233 square meters excluding the potential acquisition of 841,243 square meter which is presently the negotiation is in process.

Accounts Payable and Accrued Expenses

This account consists of:

	2024	2023
Trade payables	₱36,253,206	₱40,689,416
Customers' deposits	35,624,541	11,878,129
Accrued expenses	1,436,106	1,469,019
Statutory payables	1,571,879	363,378
Others	192,657	192,657
	₱75,078,390	₱54,592,599

Key Performance Indicators

The Company operates in one business segment, the real estate. The following Key Performance Indicators were adopted by the corporation in order to measure the profitability of the Company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

	As of Dec 31, 2022	As of Dec 31, 2023	As of Dec 31, 2024
Current Ratio (1)	6.1435: 1	5.4235: 1	7.2516 : 1
Debt to Equity Ratio (2)	1 : 0.1392	1 : 0.1453	1 : 0.1219
Earnings (Loss) per Share (3)	(1 : 0.0015)	(1 : 0.0073)	1 : 0.2594
Earnings (Loss) before interest and Income Taxes (4)	(P2.798) million	(P14.337) million	P442.364 million
Return on Equity	(0.0016)	(0.01443)	0.19710

- 1) Current Assets / Current Liabilities
- 2) Total Liabilities / Stockholders' Equity
- 3) Net Income / Outstanding Shares
- 4) Net Income plus Interest Expenses and Provision for Income Tax
- 5) Net Income / Average Stockholder's Equity

Other than the above mentioned trend, specifically the trend introduced by new player in real estate company the Ayala Land, Inc., and the Avida Land Corporation has made a significant impact resulted to a price per square meter increased. There are no known trends, events or uncertainties with significant impact on net sales, or income that will have a material impact on liquidity or that would trigger direct or contingent liability, including default or acceleration of obligation other than what was mentioned in the Plan of Operation, The Company has not found any future cash flow problem that would trigger the default or breach of note, loan, lease or other indebtedness or financing arrangement requiring it to make payments of any significant amount. None the trade payables have been unpaid within the staled trade terms. There is no material deficiency in any nature identified and there were no internal and external source of liquidity.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period

There were material commitments for capital expenditures specifically the acquisition of parcels of land in relation to Company's land banking activity details of which already described above.

There are no known trends events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There is no material change from period to period including vertical and horizontal analyses of any material item, except for land acquisition the details of which is already described in the above captioned land banking activity.

(2) Analysis of Financial Condition and Results of Operations.

The full detail of the analysis of financial condition and results of operations is stated in the audited financial statement which is form part of this report.

Cash

Cash in banks earn interest at the respective bank deposit rates. Interest income earned from cash with banks and cash equivalents amounted to P2.9 million, P2,345, and P2,270 in 2024, 2023, and 2022 respectively.

The account consists of:

	As of Dec 31, 2024	As of Dec 31, 2023
Cash on hand	P32,281	P32,281
Cash in bank	71,009,277	1,957,427
Cash and Cash Equivalent	121,831,259	-
Total	P192,872,817	P1,989,708

Receivables

	As of Dec 31, 2024	As of Dec 31, 2023
Trade receivables	₱693,371,243	₱331,293,932
Advances to officers, employees & other receivables	4,254,040	3,432,974
Total	697,625,283	334,726,906
Less: Noncurrent portion of trade receivables	156,636,085	158,276,064
Total	₱540,989,198	₱176,450,842

Trade receivables pertain to the Company's outstanding receivable balance from its sale of real estate inventories. These are collectible in monthly installments over a period of one to ten years.

Total receivables from SLRDI and SLI pertaining to sales related to its agreement for remittance to the Company amounted to ₱171.5million and ₱187.1 million as at December 31, 2024 and 2023, respectively (see Note 15 of attached audited financial report).

Income from interests and penalties arising from late payment of these receivables amounting to ₱2.6 million in 2024, ₱4.8 million in 2023 and ₱4.5 million in 2022 are recognized under "Interests, penalties and other income" in the statements of comprehensive income (see Note 14 of attached audited financial report).

Advances to officers, employees and other receivables are noninterest-bearing receivables that are due within 12 months from the reporting date.

Real Estate Inventories

This account mainly pertains to land developed for a residential subdivision under the project agreement with SLRDI and includes other lots owned and held for sale by the Company.

As discussed in Note 15 of attached audited financial report, the Company and SLRDI began their regular activities in 2003 based on their project agreement. As at December 31, 2024 and 2023, the projects with SLRDI are 100% completed based on the physical completion report provided by the project's supervising engineer

Movements of this account are accounted as follows:

	As of Dec 31, 2024	As of Dec 31, 2023
Balance at beginning of year	₱893,298,213	₱894,771,529
Cost of land sold	(66,745,240)	(1,473,316)
Development cost	-	-
Balance at end of year	₱826,552,973	₱893,298,213

Based on management's evaluation, the NRV of the real estate inventories is substantially higher than its cost, hence, no write-down was recognized in 2024, 2023 and 2022.

Cost of inventories sold recognized in the statements of comprehensive income amounted to ₱66.7million in 2024, ₱1.5 million in 2023 and ₱2.8 million in 2022

Input VAT

Input VAT amounting to ₱0.00 million and ₱57.80 million as at December 31, 2024 and 2023, respectively, pertains to the 12% indirect tax paid by the Company in the course of the Company's trade or business on local purchase of goods or services which can be applied against the Company's output VAT. Management has assessed that these are recoverable in future periods, all the Input VAT have been fully utilized from the payment of Output vat during the year.

Investment Properties

The Company's investment properties which are carried at cost consist of land currently held for long-term capital appreciation amounting to ₱674.1 million as at December 31, 2024 and 2023.

Based on the Company's latest appraisal report dated March 15, 2023, the fair value of the investment properties amounted to ₱2,587.9 million. The valuation was performed by a qualified independent appraiser and the valuation techniques used and key inputs to valuation on the investment properties areas follows:

Property	Valuation Technique	Significant Unobservable Inputs	Range
Land	Market Data Approach	Price per square meter	₱1,200 - ₱1,500

Price per square meter is the estimated value prevailing in the real estate market depending on the location, area, shape and time element.

The fair valuation techniques used as at December 31, 2024 and 2023 are categorized as Level 2 in the fair value hierarchy. Significant increases (decreases) in price per square meter would result in a significantly higher (lower) fair value of the property

Property and Equipment.

Details and movements of this account are as follows:

	2024				
	Office Condominium Unit	Building and Improvements	Hauling and Transportation Equipment	Furniture, Fixtures and Other Equipment	Total
Cost					
Balance at beginning of year	₱46,047,004	₱12,143,398	₱5,964,870	₱6,803,345	₱70,958,617
Additions	—	—	8,230,714	46,204	8,276,918
Balance at end of year	46,047,004	12,143,398	14,195,584	6,849,549	79,235,535
Accumulated Depreciation					
Balance at beginning of year	46,047,004	12,143,398	5,355,732	6,677,256	70,223,390
Depreciation	—	—	304,699	58,639	363,338

Balance at end of year	46,047,004	12,143,398	5,660,431	6,735,895	70,586,728
Carrying Amount	P-	P-	P8,535,153	P113,654	P8,648,807

The cost of the fully depreciated property and equipment still being used in operations amounted to P69.5 million and P 67.6millionas at December 31, 2024 and 2023, respectively.

No property and equipment were pledged as security to the Company's obligations in 2024, 2023 and 2022.

Land Banking Activities-San Jose Del Monte, Bulacan

On November 29, 2019 the Company signed a Joint Venture Agreement with Sta. Lucia Land, Inc. (SLand for brevity), a Publicly Listed Corporation to handle the development of more or less 300 hectares of land owned by the Company and SLand shall develop and subdivide the property to be able to have it ready for sale and that will form part of Annex of the existing Colinas Verdes Subdivision Project.

On May 08, 2018 the company signed a Deed of Absolute Sale to acquire land from Rodolfo M. Cuenca, located in San Jose del Monte, Bulacan. with a total lot area of Fifty Thousand Ninety-Four (50,094) square meter. On October 12, 2017 the company signed a Deed of Absolute Sale to acquire land from Paramount Finance Corporation, located in San Jose del Monte, Bulacan with a total lot area of Ten Thousand (10,000) square meter. On September 19, 2016 the company signed a contract to sell to acquire land from Insular Life Assurance Company LTD., located in San Jose Del Monte, Bulacan with a total lot area of Five Hundred Eighty Thousand One Hundred Fifty-Four (580,154) square meters for or less. The contract covers an installment term without interest and payable until September 16, 2020. On February 21, 2014 the company signed a memorandum of understanding with Marga Capital Holdings, Inc. to acquire land located at Barrio Tungkong Mangga, City of San Jose Del Monte Bulacan with a total area of Three Hundred Sixty Thousand Square Meters (360,000 sq.m.), The contract covers an installment term without interest. On December 19, 2012, the company signed another contract to acquire land from BDO Strategic Holdings, Inc. located at San Jose Del Monte, Bulacan with a total lot area of Nine Hundred Twenty-Six Thousand Five Hundred Fifty (926,550) square meters. The contract covers a Ten (10) years installment terms with fixed interest rate of 8% per annum. On August 24, 2012 the company entered a contract to sell with Don Manuel Corporation a domestic Corporation owner of parcels of land located at San Jose Del Monte, Bulacan with a total lot area of Four Hundred Ten Thousand Three Hundred Seventy-Seven (410,377) square meters. The contract excludes Twenty-One Thousand Eight Hundred Thirty-Six (21,836) square meters being occupied by the National Transmission Corporation. Thus, the net saleable lot acquired is Three Hundred Eighty-Eight Thousand Five Hundred Forty-One (388,541) square meters payable via installment terms over a period of three (3) years.

Land Banking Activities- City of Laoag, Ilocos Norte

On November 24, 2019 the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On November 20, 2018, the company signed a contract to sell to acquire land from Hugo Nat D. Juan, located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Thirteen Thousand One Hundred Eight Six (13,186) square meters via installment purchase repayable into three (3) equal payments. on November 18, 2016, the company

signed a deed of absolute sell to acquire *via-cash purchase land* from Manuel M. Bonoan located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Fifty Seven Thousand Two Hundred Eleven (57,211) square meter. on October 8, 2015 the company signed a unilateral Deed of Absolute Sell to acquire on installment of more or less 169,904 square meters of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment terms without interest payable until April 19, 2019. On June 3, 2014 the company entered into a Memorandum of Agreement (MOA) with Emma F. Almazan, to acquire more or less 116,576 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

As at end of December 31, 2024 the Company has already consolidated more or less 2,385,151 square meters of parcels of land making to the total land area for expansion of 4,749,233 square meters excluding the potential acquisition of 841,243 square meter which is presently the negotiation is in process.

Accounts Payable and Accrued Expenses

This account consists of:

	2024	2023
Trade payables		
Related party	P33,718,652	P35,045,224
Third parties	4,904,410	5,644,192
Customers' deposits	30,151,462	11,878,129
Statutory payables	5,852,905	363,378
Accrued expenses	258,304	1,469,019
Others	192,657	192,657
	P75,078,390	P54,592,599

Trade payables are unsecured, non interest-bearing and are generally due and demandable.

Customers' deposits include reservation fees and collections received from prospective buyers which are and to be applied against the total contract price of the real estate sale.

Statutory payables include VAT payable, withholding taxes payable and government contributions payable which are normally remitted within the next month.

Accrued expenses include accruals for professional fees, utilities, salaries and wages and outside services which are normally settled in the next 12 months.

Year 2023

(1) Management's Discussion and Status of Operation

As mentioned above in year 2023 CoVid-19 is still a thing and should be taken seriously regardless of fewer case numbers, updated booster vaccines and the fact that life seemingly returning to normal. This catastrophe has been a bad experience to call from year 2019, 2020, 2021, 2022 and even in year 2023, while the Covid-19 is still the worlds issues of concern. Another issue shaken the world is the Israel and Gaza war resulting to tragic loss of life and the risks to peace in Israel, Gaza, and the rest of the region, the world-wide economy was affected in terms of the prices of oil and other commodities drastically gone high for entire of year 2023 because of the turmoil, but no matter how hard life hits these challenges has taught a lesson especially the importance and value of unity in times of great disaster. These obstacles

cling us together as one solid entity and community ready to strive to be able to overcome the hurdles.

The performance of the Company in terms of revenue decreased by 39.536%, sales for the year is P25.988million, as compared to is P42.982 million in year 2022 and P36.661 million in Year 2021. This performance is directly attributed to the marketing strategies which is already implemented, specifically the holding on of some Inventory for a much better price and “new normal” in operation following the declaration of the National Government to classify the entire Metro Manila under the lowest Covid-19 the alert level-1, management read it as a good signal for a much better scenario in the near future.

The above strategies are already conclusive, where some buyers have already reserved more or less 12,652square meters of subdivided lot at the price of P13,000.00 to P23,000.00per square meter, much higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

The Company is using “Project Percentage of Completion” (PPOC) in the recognition of revenue, the residential area of Phase 1, Phase 2 & Phase 3 are 100%complete, while the Countryclub is likewise 100% complete as of December 31, 2023. The Company uses the PPOC in determining sales during the period.

Table I – The comparative figures of the results of operations for the three (3) year period ending December 31, 2023 with comparative figures of year 2022 and 2021 for the same period

	For the Years Ended December 31			% Change	% Change
<i>In millions (Php)</i>	Year 2021	Year 2022	Year 2023	2021 vs 2022	2022 vs 2023
Revenue	43.197	47.523	30.832	10.014%	(35.12%)
Expenses	63.004	50.321	55.690	(20.131%)	10.67%
Net Income (loss) before tax	(19.806)	(2.798)	(24.858)	(85.876%)	788.42%

Table II – The comparative figures of revenues consist of: (1) Sales from real estate business, (2) Interest Income from installments sales of real estate business, and (3) Other Income for the years ended December 31, 2023 with comparative figures of year 2022 and 2021 for the same period

	For the Years Ended December 31			% Change	% Change
<i>In millions (Php)</i>	Year 2021	Year 2022	Year 2023	2021 vs 2022	2022 vs 2023
Income from Real Estate	36.661	42.983	25.988	17.240%	(39.536%)
Accretion of interest Income from installment sales	6.106	4.277	4.573	(29.955%)	12.381%
Other Income	0.430	0.265	0.271	(38.431%)	(42.748%)
Total Revenue	43.197	47.524	30.832	10.014%	(38.834%)

As part of the land banking activities of the Company started in year 2012 total land acquisition as of December 31, 2023 detailed as follows:

Acquired from	Lot area (inSq.m.)	Value of Land	Payment made	Balance Payable
<i>All in Sn Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	6,618,779.27	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
MargaDev't Corporation	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Sub-total</i>	<i>2,385,151</i>	<i>870,887,230.17</i>	<i>870,887,230.17</i>	<i>-0-</i>
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
<i>Sub-total</i>	<i>721,700</i>	<i>229,672,600.00</i>	<i>-0-</i>	<i>229,672,000.00</i>
Total (Sn Jose Del Monte)	3,106,851	1,100,559,230.17	870,887,230.17	229,672,000.00
Add; Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et all	286,480	80,559,106.61	73,925,936.61	6,633,170.00
Emma Almazan	11,862	2,526,670.00	1,254,456.00	1,272,214.00
Hugo Nat D. Juan	13,186	4,615,100.00	4,615,100.00	-0-
	368,739	118,880,879.61	110,975,495.61	7,905,384.00
Total land banking	3,475,590	1,219,440,109.78	981,862,725.78	237,577,384.00

Key Performance Indicators

The Company operates in one business segment, the real estate. The following Key Performance Indicators were adopted by the corporation in order to measure the profitability of the Company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

	As of Dec 31, 2021	As of Dec 31, 2022	As of Dec 31, 2023
Current Ratio (1)	5.8525 : 1	6.1435: 1	5.4235: 1
Debt to Equity Ratio (2)	1 : 0.1454	1 : 0.1392	1 : 0.1453
Earnings (Loss) per Share (3)	(1 : 0.0060)	(1 : 0.0015)	(1 : 0.0073)
Earnings (Loss) before interest and Income Taxes (4)	(P19.806) million	(P2.798) million	(P24.858) million
Return on Equity	(0.0068)	(0.0016)	(0.01443)

- 1) Current Assets / Current Liabilities
- 2) Total Liabilities / Stockholders' Equity
- 3) Net Income / Outstanding Shares
- 4) Net Income plus Interest Expenses and Provision for Income Tax
- 5) Net Income / Average Stockholder's Equity

Other than the above-mentioned trend, specifically the trend introduced by new player in real estate company the Ayala Land, Inc., and the Avida Land Corporation has made a significant impact resulted to a price per square meter increased. There are no known trends,

events or uncertainties with significant impact on net sales, or income that will have a material impact on liquidity or that would trigger direct or contingent liability, including default or acceleration of obligation other than what was mentioned in the Plan of Operation, The Company has not found any future cash flow problem that would trigger the default or breach of note, loan, lease or other indebtedness or financing arrangement requiring it to make payments of any significant amount. None the trade payables have been unpaid within the staled trade terms. There is no material deficiency in any nature identified and there were no internal and external source of liquidity.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period

There were material commitments for capital expenditures specifically the acquisition of parcels of land in relation to Company's land banking activity details of which already described above.

There are no known trends events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There is no material change from period to period including vertical and horizontal analyses of any material item, except for land acquisition the details of which is already described in the above captioned land banking activity.

(2) Analysis of Financial Condition and Results of Operations.

The full detail of the analysis of financial condition and results of operations is stated in the audited financial statement which is form part of this report.

Cash

Cash in banks earn interest at the respective bank deposit rates. Interest income earned from cash with banks and cash equivalentents amounted to ₱2,345, ₱2,270, and ₱3,565 in 2023, 2022 and 2021 respectively.

The account consists of:

	As of Dec 31, 2023	As of Dec 31, 2022
Cash on hand	₱32,281	₱32,281
Cash in bank	1,957,427	3,462,062
Total	₱1,989,708	₱3,494,343

Receivables

	As of Dec 31, 2023	As of Dec 31, 2022
Trade receivables	₱331,293,932	₱328,782,767

Advances to officers, employees & other receivables	3,432,974	3,071,210
Total	334,726,906	331,853,977
Less: Noncurrent portion of trade receivables	158,276,064	160,043,932
Total	₱176,450,842	₱171,810,045

Trade receivables pertain to the Company's outstanding receivable balance from its sale of real estate inventories in relation to its joint operations with SLRDI. These are collectible in monthly installments over a period of one to ten (10) years

Income from interests and penalties arising from late payment of these receivables amounting to ₱4.5 million, ₱4.1 million and ₱4.6 million in 2023, 2022, and 2021, respectively, are recognized under "Interests, penalties and other income" in the statements of comprehensive income.

Advances to officers, employees and other receivables are noninterest-bearing receivables that are due within 12 months from the reporting date.

Real Estate Inventories

This account mainly pertains to land developed for a residential subdivision under the project agreement with SLRDI and includes other lots owned and held for sale by the Company.

The Company and SLRDI began regular activities in 2005 based on their project agreement, As of December 31, 2023 and 2022, the projects with SLRDI are 100% completed based on the physical completion report provided by the project's supervising engineer.

Movements of this account are accounted as follows:

	As of Dec 31, 2023	As of Dec 31, 2022
Balance at beginning of year	₱894,771,529	₱895,120,087
Cost of land sold	(1,473,316)	(2,311,348)
Development cost	-	1,962,790
Balance at end of year	₱893,298,213	₱894,771,529

Based on management's evaluation, the NRV of the real estate inventories is substantially higher than its cost, hence, no write-down was recognized in 2023, 2022 and 2021. The amount of real estate inventories recognized under "Cost of real estate sales" in the statements of comprehensive income amounting to ₱4.1 million, ₱7.3 million and ₱11.3 million in 2023, 2022 and 2021 respectively., consists of the cost of the land sold and directly attributable costs of selling the real estate inventories amounting to ₱2.6million, ₱5.0 million, ₱4.7 million in 2023, 2022 and 2021, respectively .

Input VAT

Input VAT amounting to ₱57.8 million and ₱60.4 million as at December 31, 2023 and 2022, respectively, pertains to the 12% indirect tax paid by the Company in the course of the Company's trade or business on local purchase of goods or services which can be applied against the Company's output VAT. Management has assessed that these are recoverable in future periods.

Investment Properties

The Company's investment properties which are carried at cost consist of land currently held for long-term capital appreciation amounting to ₱674.1 million as at December 31, 2023 and 2022.

Based on the Company's latest appraisal report dated March 15, 2023, the fair value of the investment properties amounted to ₱2,587.9 million. The valuation was performed by a qualified independent appraiser and the valuation techniques used and key inputs to valuation on the investment properties are as follows:

Property Valuation Technique Significant Unobservable Inputs Range
Land Market Data Approach Price per square meter ₱1,200 - ₱1,500

Price per square meter is the estimated value prevailing in the real estate market depending on the location, area, shape and time element. The fair valuation techniques used as at December 31, 2023 and 2022 are categorized as Level 3 in the fair value hierarchy. Significant increases (decreases) in price per square meter would result in a significantly higher (lower) fair value of the property.

Property and Equipment.

Details and movements of this account are as follows:

	2023				
	Office Condominium Unit	Building and Improvements	Hauling and Transportation Equipment	Furniture, Fixtures and Other Equipment	Total
Cost					
Balance at beginning of year	₱46,047,004	₱12,143,398	₱5,964,870	₱6,764,328	₱70,919,600
Additions	—	—	—	39,017	39,017
Balance at end of year	46,047,004	12,143,398	5,964,870	6,803,345	70,958,617
Accumulated Depreciation					
Balance at beginning of year	46,017,773	12,143,398	5,024,339	6,583,227	69,768,737
Depreciation	29,231	—	331,393	94,029	454,653
Balance at end of year	46,047,004	12,143,398	5,355,732	6,677,256	70,223,390
Carrying Amount	₱—	₱—	₱609,138	₱126,089	₱735,227

Fully depreciated property and equipment still being used in operations amounted to ₱67.6 million and ₱21.6 million as at December 31, 2023 and 2022, respectively.

No property and equipment were pledged as security to the Company's obligations in 2023, 2022 and 2021.

Land Banking Activities-San Jose Del Monte, Bulacan

On November 29, 2019 the Company signed a Joint Venture Agreement with Sta. Lucia Land, Inc. (SLand for brevity), a Publicly Listed Corporation to handle the development of more or less 300 hectares of land owned by the Company and SLand shall develop and subdivide the property to be able to have it ready for sale and that will form part of Annex of the existing Colinas Verdes Subdivision Project.

On May 08, 2018 the company signed a Deed of Absolute Sale to acquire land from Rodolfo M. Cuenca, located in San Jose del Monte, Bulacan. with a total lot area of Fifty Thousand Ninety-Four (50,094) square meter. On October 12, 2017 the company signed a Deed of Absolute Sale to acquire land from Paramount Finance Corporation, located in San Jose del

Monte, Bulacan with a total lot area of Ten Thousand (10,000) square meter. On September 19, 2016 the company signed a contract to sell to acquire land from Insular Life Assurance Company LTD., located in San Jose Del Monte, Bulacan with a total lot area of Five Hundred Eighty Thousand One Hundred Fifty-Four (580,154) square meters for or less. The contract covers an installment term without interest and payable until September 16, 2020. On February 21, 2014 the company signed a memorandum of understanding with Marga Capital Holdings, Inc. to acquire land located at Barrio Tungkong Mangga, City of San Jose Del Monte Bulacan with a total area of Three Hundred Sixty Thousand Square Meters (360,000 sq.m.), The contract covers an installment term without interest. On December 19, 2012, the company signed another contract to acquire land from BDO Strategic Holdings, Inc. located at San Jose Del Monte, Bulacan with a total lot area of Nine Hundred Twenty-Six Thousand Five Hundred Fifty (926,550) square meters. The contract covers a Ten (10) years installment terms with fixed interest rate of 8% per annum. On August 24, 2012 the company entered a contract to sell with Don Manuel Corporation a domestic Corporation owner of parcels of land located at San Jose Del Monte, Bulacan with a total lot area of Four Hundred Ten Thousand Three Hundred Seventy-Seven (410,377) square meters. The contract excludes Twenty-One Thousand Eight Hundred Thirty-Six (21,836) square meters being occupied by the National Transmission Corporation. Thus, the net saleable lot acquired is Three Hundred Eighty-Eight Thousand Five Hundred Forty-One (388,541) square meters payable via installment terms over a period of three (3) years.

Land Banking Activities- City of Laoag, Ilocos Norte

On November 24, 2019 the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On November 20, 2018, the company signed a contract to sell to acquire land from Hugo Nat D. Juan, located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Thirteen Thousand One Hundred Eight Six (13,186) square meters via installment purchase repayable into three (3) equal payments. On November 18, 2016, the company signed a deed of absolute sell to acquire *via-cash purchase land* from Manuel M. Bonoan located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Fifty Seven Thousand Two Hundred Eleven (57,211) square meter. On October 8, 2015 the company signed a unilateral Deed of Absolute Sell to acquire on installment of more or less 169,904 square meters of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment terms without interest payable until April 19, 2019. On June 3, 2014 the company entered into a Memorandum of Agreement (MOA) with Emma F. Almazan, to acquire more or less 116,576 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

As at end of December 31, 2023 the Company has already consolidated more or less 2,385,151 square meters of parcels of land making to the total land area for expansion of 4,749,233 square meters excluding the potential acquisition of 841,243 square meter which is presently the negotiation is in process.

Accounts Payable and Accrued Expenses

This account consists of:

	2023	2022
Trade payables	₱40,689,416	₱34,553,572
Customers' deposits	11,878,129	7,456,644
Accrued expenses	1,469,019	2,396,021
Statutory payables	363,378	381,767
Others	192,657	192,657
	₱54,592,599	₱44,980,661

Year 2022

(1) Management's Discussion and Status of Operation

The performance of the Company in terms of revenue increased by 17.24%, sales for the year is P42.983million as compared with the P36.661 million in Year 2021. This performance is directly attributed to the marketing strategies which is already implemented, specifically the holding on of some Inventory for a much better price and “new normal” in operation following the declaration of the National Government to classify the entire Metro Manila under the lowest Covid-19 the alert level-1, management read it as a good signal for a much better scenario in the near future.

During the Covid-19 pandemic management uses the lock-down to revisit the Companies existing strategies and policies. The Company focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies. Even further, the Company also under took fine-tuning the whole system, maintaining and improving **Colinas Verdes**, the subdivision's brand name and position to the market, sustaining and promoting strengths and advantages of the entire system, stabilizing organizational structure, conceptualizing training programs for both staff and management groups, ensuring financial resources for the operation of the whole system without compromising low cost but promoting instead effective cash management program and fund flow management.

The above strategies are already conclusive, where some buyers have already reserved more or less 12,652square meters of subdivided lot at the price of P13,000.00 to P23,000.00per square meter, much higher than the P7,500.00 per square meter, which is the average selling price when the company implemented its strategy in year 2014 by to hold-on to market its inventory for a much higher margin.

The Company is using “Project Percentage of Completion” (PPOC) in the recognition of revenue, the residential area of Phase 1, Phase 2 & Phase 3 are 100%complete, while the Countryclub is likewise 100% complete as of December 31, 2022. The Company uses the PPOC in determining sales during the period.

Table I – The comparative figures of the results of operations for the three (3) years period ending December 31, 2022 with comparative figures of year 2021 and 2020 for the same period

	For the Years Ended December 31			% Change	% Change
<i>In millions (Php)</i>	Year 2020	Year 2021	Year 2022	2020 vs 2021	2021 vs 2022
Revenue	26.151	43.197	47.523	65.183%	10.014%
Expenses	46.249	63.004	50.321	36.228%	(20.131%)
Net Income (loss) before tax	(20.098)	(19.806)	(2.798)	(01.453%)	(85.876%)

Table II – The comparative figures of revenues consist of: (1) Sales from real estate business, (2) Interest Income from installments sales of real estate business, and(3) Other Income for the years ended December 31, 2022with comparative figures of year 2021 for the same period

In Millions (Php)	For the years ended December 31		% Change
	Year 2021	Year 2022	2021 vs 2022
Income from Real Estate Business	36.661	42.983	17.240%
Accretion of interest from installment sales	6.106	4.277	(29.955%)
Other Income	0.430	0.265	(38.431%)
Total Revenue	43.197	47.524	10.014%

As part of the land banking activities of the Company started in year 2012 total land Acquisition as of December 31, 2022, detailed as follows:

Acquired from	Lot area (inSq.m)	Value of Land	Payment made	Balance Payable
<i>All in Sn Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	6,618,779.27	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
Marga Dev't Corporation	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Sub-total</i>	<i>2,385,151</i>	<i>870,887,230.17</i>	<i>870,887,230.17</i>	<i>-0-</i>
Pagrel Corporation	344,500	103,350,000.00	Under negotiation	103,350,000.00
Apena Foods Product, Inc.	377,200	126,322,000.00	Under negotiation	126,322,000.00
<i>Sub-total</i>	<i>721,700</i>	<i>229,672,600.00</i>	<i>-0-</i>	<i>229,672,000.00</i>
Total (Sn Jose Del Monte)	3,106,851	1,100,559,230.17	870,887,230.17	229,672,000.00
Add; Northern Luzon Area				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et al	286,480	80,559,106.61	73,925,936.61	6,633,170.00
Emma Almazan	11,862	2,526,670.00	1,254,456.00	1,272,214.00
Hugo Nat D. Juan	13,186	4,615,100.00	4,615,100.00	-0-
	368,739	118,880,879.61	110,975,495.61	7,905,384.00
Total land banking	3,475,590	1,219,440,109.78	981,862,725.78	237,577,384.00

Key Performance Indicators

The Company operates in one business segment, the real estate. The following Key Performance Indicators were adopted by the corporation in order to measure the profitability of the Company and to provide management with a measure on the financial strength, liquidity and ability to maximize the value of its stockholders' investments.

	As of Dec 31, 2020	As of Dec 31, 2021	As of Dec 31, 2022
Current Ratio (1)	6.1989 : 1	5.8525 : 1	6.1435: 1
Debt to Equity Ratio (2)	1: 0.1414	1 : 0.1454	1 : 0.1392
Earnings (Loss) per Share (3)	(1: 0.0076)	(1 : 0.0060)	(1 : 0.0015)
Earnings (Loss) before interest and Income Taxes (4)	(P20.098) million	(P19.806) million	(P2.798) million
Return on Equity	(0.0084)	(0.0068)	(0.0016)

- 1) Current Assets / Current Liabilities
- 2) Total Liabilities / Stockholders' Equity
- 3) Net Income / Outstanding Shares
- 4) Net Income plus Interest Expenses and Provision for Income Tax
- 5) Net Income / Average Stockholder's Equity

Other than the above-mentioned trend, specifically the trend introduced by new player in real estate company the Ayala Land, Inc., and the Avida Land Corporation has made a significant impact resulted to a price per square meter increased. There are no known trends, events or uncertainties with significant impact on net sales, or income that will have a material impact on liquidity or that would trigger direct or contingent liability, including default or acceleration of obligation other than what was mentioned in the Plan of Operation, The Company has not found any future cash flow problem that would trigger the default or breach of note, loan, lease or other indebtedness or financing arrangement requiring it to make payments of any significant amount. None the trade payables have been unpaid within the stated trade terms. There is no material deficiency in any nature identified and there were no internal and external source of liquidity.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period

There were material commitments for capital expenditures specifically the acquisition of parcels of land in relation to Company's land banking activity details of which already described above.

There are no known trends events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There is no material change from period to period including vertical and horizontal analyses of any material item, except for land acquisition the details of which is already described in the above captioned land banking activity.

(2) Analysis of Financial Condition and Results of Operations.

The full detail of the analysis of financial condition and results of operations is stated in the audited financial statement which is form part of this report.

Cash

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods up to three months depending on the immediate cash requirements of the Company and earn interest at the respective deposit rates. Interest income earned from cash with banks and cash equivalents amounted to ₱0.002 million, ₱0.004 million, and ₱0.024 million in 2022, 2021 and 2020, respectively.

Receivables

Trade receivables mainly represent the Company's outstanding balance in the sale of real estate. These receivables pertain to amounts due from SLRDI and other customers.

Receivables from SLRDI pertain to collections by SLRDI from customers for remittance to the Company. These are noninterest-bearing and are due on demand. Receivables from customers consist of interest-bearing and noninterest-bearing receivables which are collectible in monthly installments over a period of one to five years. Income from interests and penalties arising from late payment of these receivables amounting to ₱4.5 million, ₱6.5 million and ₱6.1 million in 2022, 2021 and 2020, respectively, are recognized as "Interests, penalties and other income" in the "Other Income (Expense)" section in the statement of comprehensive income.

Advances to officers and employees and others are noninterest-bearing receivables and are due within 12 months from the reporting date

Real Estate Inventory.

This account pertains to land developed for residential subdivisions under the project agreement with SLRDI. As discussed in Note 18 to the financial statements, the Company, together with SLRDI, began their regular activities in 2005 based on their project agreement. As of December 31, 2022, the residential area of Phase 1, Phase 2, and Phase 3 are 100% completed, based on the physical completion report provided by the project's supervising engineer

Property and Equipment.

The movement in property and equipment account pertains to the recognition of provision for depreciation by the Company amounting to ₱2.493 million, and the retired/Sold of none performing equipment, there were no acquisition of additional property and equipment during the year.

Depreciation expense is presented as part of "General and administrative expenses" in the statements of comprehensive income.

Fully depreciated property and equipment with cost of ₱21.6 million and ₱21.6 million are still being used in operations as of December 31, 2022 and 2021, respectively.

No property and equipment were pledged as security to the Company's obligations in 2022, 2021 and 2020.

Land Banking Activities-San Jose Del Monte, Bulacan

On November 29, 2019 the Company signed a Joint Venture Agreement with Sta. Lucia Land, Inc. (SLand for brevity), as Publicly Listed Corporation to handle the development of more or less 300 hectares of land owned by the Company and SLand shall develop and subdivide the property to be able to have it ready for sale and that will form part of Annex of the existing Colinas Verdes Subdivision Project.

On May 08, 2018 the company signed a Deed of Absolute Sell to acquire land from Rodolfo M. Cuenca, located in San Jose del Monte, Bulacan. with a total lot area of Fifty Thousand Ninety-Four (50,094) square meter. On October 12, 2017 the company signed a Deed of Absolute Sell to acquire land from Paramount Finance Corporation, located in San Jose del Monte, Bulacan with a total lot area of Ten Thousand (10,000) square meter. On September 19, 2016 the company signed a contract to sell to acquire land from Insular Life Assurance Company LTD., located in San Jose Del Monte, Bulacan with a total lot area of Five Hundred Eighty Thousand One Hundred Fifty-Four (580,154) square meters for or less. The contract covers an installment term without interest and payable until September 16, 2020. On February 21, 2014 the company signed a memorandum of understanding with Marga Capital Holdings, Inc. to acquire land located at Barrio Tungkong Mangga, City of San Jose Del Monte Bulacan with a total area of Three Hundred Sixty Thousand Square Meters (360,000 sq.m.), The contract covers an installment term without interest. On December 19, 2012, the company signed another contract to acquire land from BDO Strategic Holdings, Inc. located at San Jose Del Monte, Bulacan with a total lot area of Nine Hundred Twenty-Six Thousand Five Hundred Fifty (926,550) square meters. The contract covers a Ten (10) years installment terms with fixed interest rate of 8% per annum. On August 24, 2012 the company entered a contract to sell with Don Manuel Corporation a domestic Corporation owner of parcels of land located at San Jose Del Monte, Bulacan with a total lot area of Four Hundred Ten Thousand Three Hundred Seventy-Seven (410,377) square meters. The contract excludes Twenty-One Thousand Eight Hundred Thirty-Six (21,836) square meters being occupied by the National Transmission Corporation. Thus, the net saleable lot acquired is Three Hundred Eighty-Eight Thousand Five Hundred Forty-One (388,541) square meters payable via installment terms over a period of three (3) years.

Land Banking Activities- City of Laoag, Ilocos Norte

On November 24, 2019 the company entered into a Purchase Agreement (PO) with Emma F. Almazan, to acquire more or less 11,862 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

On November 20, 2018, the company signed a contract to sell to acquire land from Hugo Nat D. Juan, located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Thirteen Thousand One Hundred Eight-Six (13,186) square meters via installment purchase repayable into three (3) equal payments. On November 18, 2016, the company signed a deed of absolute sell to acquire *via-cash purchase land* from Manuel M. Bonoan located also in Barangay Balacad, City of Laoag, Ilocos Norte with a total lot area of Fifty-Seven Thousand

Two Hundred Eleven (57,211) square meter. On October 8, 2015 the company signed a unilateral Deed of Absolute Sell to acquire on installment of more or less 169,904 square meters of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment terms without interest payable until April 19, 2019. On June 3, 2014 the company entered into a Memorandum of Agreement (MOA) with Emma F. Almazan, to acquire more or less 116,576 square meters of parcels of land located in Barangay Balacad, City of Laoag, Ilocos Norte, the contract covers an installment term without interest.

As at end of December 31, 2020 the Company has already consolidated more or less 2,385,151 square meters of parcels of land making to the total land area for expansion of 4,749,233 square meters excluding the potential acquisition of 841,243 square meter which is presently the negotiation is in process.

ITEM 7. FINANCIAL STATEMENTS

The Audited Financial Report, Financial Supplementary and as well as Statement of Management's Responsibility for Financial Statement for the year ended December 31, 2024 has been incorporated hereto under caption "Annex A"

ITEM 8. CHANGES IN *and* DISAGREEMENTS WITH ACCOUNTANTSON ACCOUNTING *and* FINANCIAL DISCLOSURE.

The Company has no disagreement with the Reyes Tacandong & Co. regarding matters of accounting principle, practice, auditing scope and procedure.

Aggregate fees for the audit services for those fiscal years

Period covered	Amount of fees
Reyes Tacandong & Co.	
Year 2024	₱575,000.00
Year 2023	₱550,000.00
Year 2022	₱550,000.00

PART III–CONTROL *and* COMPENSATION INFORMATION

ITEM 9. DIRECTORS *and* EXECUTIVE OFFICERS

(1) Directors and Executive Officers

The incumbent directors and executive officers of the Company are as follows:

Name	Age	Position Held	Citizenship
Gregorio Ma. Araneta III	76	Chairman and CEO	Filipino
Luis M. Araneta	39	Director – President	Filipino
Crisanto Roy B. Alcid	53	Director - Treasurer	Filipino
Cesar Zalamea	80	Director	Filipino
Alfonso Araneta	40	Director	Filipino
Francisco A. Segovia	68	Director	Filipino
Antonio O. Cojuangco	74	Independent Director	Filipino
Lazaro Dellas Ilagas Madara	74	Independent Director	Filipino
Tarcisio M. Medalla	75	Independent Director	Filipino
Christine P. Base	54	Corporate Secretary	Filipino
Jose O. Eustaquio III	76	Chief Finance Officer	Filipino

Directors

GREGORIO MA. ARANETA III, 76 years old, Filipino, is the Chairman of the Board, CEO and Director of the Company. He is President and Chairman of ARAZA Resources Corporation and Carmel Development Corporation, Chairman of Gregorio Araneta Inc., Gregorio Araneta Management Corporation, and Gamma Holdings Corporation. He is the President and Chairman of Energy Oil and Gas Holdings, Inc., He is the President and Chairman of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. He is the Chairman of Philweb Corporation. He is also a director of ISM Telecommunications, Inc., He is the Chairman of Alluma Energy Management Solution, Inc., He is the Chairman of Pontus LNG Power Corporation, He is the Chairman of Hermosa Solar Energy Inc, Philweb Corporation Mr. Araneta studied at the University of San Francisco and Ateneo de Manila University where he earned his Bachelor of Arts Degree in Economics.

CRISANTO ROY B. ALCID, 53years old, Filipino, is currently the President of Araneta Properties, Inc., He is also the President of Philweb Corporation, He is also the President of Envirotech Inc. and Roycomm Holdings, Inc. He holds directorship in various companies namely: Carmel Development Corporation, Gregorio Araneta, Inc., ARAZA Resources, Inc. HE. Heacock Resource Corporation, Gamma Holdings, Midrac Realty, Inc., Philippine Coastal Storage & Pipeline Corporation, Alluma Energy Management Solution, Inc., and Pontus LNG Power Corporation. Formerly, he was connected with Ayala Land, Asiastream Development Bank and Citibank N.A. Mr. Alcid

obtained his degree in Bachelor of Science in Management Engineering from Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

CESAR C. ZALAMEA, 80 years old, is one of the TOYM Awardees of 1964. He is a former Senior Vice-President and AIG Global Investment Group-Asia President & CEO. Cesar Zalamea retired from AIG after more than 50 years of service.

Mr. Zalamea joined the American International organization in the Philippines as an investment analyst in 1954 and served from 1969-1981 as President of the Philippine American Life Insurance Company (Philamlife), AIG's life insurance in the Philippines. He held posts in the government of the Philippines on two occasions, serving first as Deputy Director General of the Presidential Economic Staff and later as Chairman and CEO of the Development Bank of the Philippines. Mr. Zalamea was elected AIG Vice President, Investments in 1997 and AIG Senior Vice President, Investments in 2002. He has headed the AIG investment units in Asia since 1986, first as Managing Director of AIG Investment Corporation (Asia) Ltd., and subsequently as President & CEO of AIGGIG Asia.

LAZARO DELLAS LIAGAS MADARA, 74 years old, Filipino, is one of the Directors of the Company. He is a member of Integrated Bar of the Philippines, a former member of Chamber of Thrift Banks of the Philippines, a former associate of De Santos Balgos Law Offices, a former Corporate Legal Officer of Guevent Investment Development Corporation, a former Treasury/Credit and Collection Head of DMG Incorporated, a former Treasurer/Chief Finance Officer of Ultra International Development Corporation, a former Corporate Officer of Trigold Property Ventures, Inc., a former Board of Director of The Professional Group, Inc., a former Finance Manager/Treasurer of Wise, Inc., a former EVP, CFO and Board of Director of Wise Holdings, Inc., and Wise Securities, Inc. and will as Wise Investment, Inc., and a member of 1st Client Advisory Board of Citibank Private Investment Group. New York City, USA.

FRANCISCO ARANETA SEGOVIA, 68 years old, Filipino, graduate from Ateneo de Manila University College - Business Management 1979, He holds directorship in Segovia & Co., Inc., S&A Industrial Corporation, RFM Corporation, He is a Director - Vice Chairman / CEO of FEATI University, He is also a Director / CEO of RPMC Resources Inc., and Swift Foods Inc.

ALFONSO ARANETA, 40 years old, Filipino, is currently the Executive Vice-President and Director of Envirotest, Inc., Vice President and Director of Carmel Development, Inc., Vice-President and Director of Gregorio Araneta, Inc. Concurrently, he is a Director of ARAZA Resources Corp., ATSI PETC, Inc. Pagrel, Inc., Gamma Properties, Inc., Securicor Security Investigation Services, Inc., and Alumma Foods, Inc., He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc., He is the President of Alluma Energy Management Solution, Inc., He is the President of Pontus LNG Power Corporation, He is the Director of Hermosa Solar Energy Inc, Mr. Araneta, graduated at De La Salle-College of St. Benilde, Manila where he earned his degree in Bachelor of Science in Business Administration.

LUIS M. ARANETA, 39 years old, Filipino, is currently the Business Development Manager of Araneta Properties, Inc. He was elected Director of the Company in 2012. He is a director of Philweb Corporation He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc, Director of PAGREL, Inc., He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. and Corporate Secretary of Gamma Properties, Inc., He is the Treasurer of Alluma Energy Management Solution, Inc., He is the Treasurer of Pontus LNG Power Corporation, He is the Treasurer of Hermosa Solar Energy Inc, Mr. Araneta, studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

ANTONIO O. COJUANGCO, 74 years old, Filipino, is currently a Chairman of Tanghalang Pilipino Foundation, Inc., He is Chairman of Ballet Philippine Foundation, Inc., He is Chairman and President of Calatagan Golf Club, Inc., He is Chairman of Cinemalaya Foundation, Inc., He is Chairman of Directories Philippine Corp., He is Chairman of Manila Symphony Orchestra Foundation, Inc., He is Chairman of Nabasan Subic Development Corp., He is Vice-Chairman of Radio Veritas-Global Broadcasting System, Inc., and He is Director of Shan Properties, Inc.

TARCISIO M. MEDALLA, 75 years old, Filipino, is currently a Chairman and CEO of Paxys, Inc., He is director of LNG Pacific Corporation Limited, He is Non-Executive Director of Pacific Online System Corp., and He is Non-Executive Director of Total Gaming Technologies, Inc.

(2) Key Officers

The members of the management team aside from those mentioned above are as follows:

CHRISTINE P. BASE, 54 years old, Filipino, is currently the Managing Partner in Base and Nazal, Attorneys. She is also a Securities, Corporate, and Tax Lawyer and the Managing Director of Legisforum, Inc. She is a Director and the Corporate Secretary of various companies like Anchor Land Holdings Inc., Araneta Properties Inc., SBS Philippines Corporation, Asiabest Group International, Inc., and Asiasec Equities Inc. She was a Senior Associate of Pacis and Reyes, Attorneys and an Auditor, and a Tax Lawyer at Sycip, Gorres, Velayo & Co. She graduated from Ateneo de Manila University School of Law with a degree of Juris Doctor and passed the Bar Examination in 1997. Ms. Base is also a Certified Public Accountant, graduated from De La Salle University with a Bachelor of Science Degree in Commerce Major in Accounting.

JOSE O. EUSTAQUIO, III, 76 years old, Filipino, is presently the Chief Financial Officer of Araneta Properties, Inc., He is presently the Chief Financial Officer of Altaraza Development Corporation, He was a consultant of Honda Cars Makati and Honda Cars Cebu from 2007 to 2008. In 1987, he was the Financial Control Officer of Ayala Corporation (Control and Analysis Division). He was the Chief Financial Officer of Philweb Corporation. He was the Chief Finance Officer of Ayala Corporation for Ayala Theaters Management, Inc., Ayala Property Management Corporation, and

Ayala Alabang Commercial Corporation from 1982 to 1987. He was a staff Auditor of Sycip, Gorres, Velayo & Co. Mr. Eustaquio III is a Certified Public Accountant. He graduated from Philippine School of Business Administration with a Bachelor of Science Degree in Commerce Major in Accounting.

(3) Significant Employees

There were no employees identified for disclosure to which the operational decisions and strategies of the Company are entirely dependent on them.

(4) Family relationship.

Mr. Luis M. Araneta and Mr. Alfonso M. Araneta are the sons of Mr. Gregorio Ma. Araneta III, while Francisco A. Segovia is related to the fourth civil degree of consanguinity. There are no family relationships within the fourth degree among the rest of the members of the Board of Directors and Senior Officers of the Company.

(5) Involvement in Certain Legal Proceedings

The Company is not aware of any bankruptcy petition of any civil or criminal legal proceedings filed against any one of its directors or executive officers during the past three (3) years. Except for a court case filed by the Bureau of Internal Revenue Examiner against Araneta Properties, Inc. (ARA), officers due to none compliance and submission of the required document in relation to ARA's BIR examination of books for the 2019 Income Tax Return, the LOA was served in 2019 during pandemics which ARA's offices is closed from April 2019 until August 2021, the Court has already issued resolution acquitting Properties, Inc. (ARA), officers.

ITEM 10. MONTHLY EXECUTIVE COMPENSATION

(1) Compensation Table

Compensation of the Chief Executive Officer and Managers of the Company are accrued and paid for the years 2024, 2023 and 2022 detailed below. All other directors of the Company assumed their positions and served the Company without any compensation.

Name and Principal Function	Fiscal Year	Salary	Bonus	Other Compensation
Gregorio Ma. Araneta III * Director and CEO	2022			
	2023			
	2024			
Luis M. Araneta * President (promoted in 2024) & Project Dev., Officer	2022			
	2023			
	2024			
Crisanto Roy Alcoid	2022			

Treasurer	2023 2024			
Jose O. Eustaquio III* Chief Finance Officer	2022 2023 2024			
TOTAL FOR THE GROUP	2022 2023 2024	9,070,800.00 9,070,800.00 9,070,800.00		
Other Officers as a group unnamed	2022 2023 2024	5,624,000.00 5,624,000.00 5,624,000.00		

* Key officers

Employment contracts of all Supervisors and Rank are all hired as long-term employment period until regularization or termination of any cause.

(2) Compensation of Directors and Officers

(a) Standard Arrangements

Compensation of the Chief Executive Officer and Managers of the Company are accrued and paid for the years 2024, 2023 and 2022. All other directors of the Company assumed their positions and served the Company without any compensation.

(b) Other Arrangements

No compensatory arrangements were executed during the last three (3) years of operations other than the compensation arrangements mentioned above.

(3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Employment contracts of all supervisors and rank in file employees are standard.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS *and* MANAGEMENT

(1) Security Ownership of Certain Record and Beneficial Owners

There were no delinquent stocks of the Company as of December 31, 2024. The direct and indirect record and beneficial owners of more than five percent (5%) of the Company's voting securities as of December 31, 2024 are as follows:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares	Nature of ownership	Percent Held
Common	Gregorio Araneta, Inc. 6/F Adamson Center Suite A, 121 Leviste St., Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	390,277, 500	Direct	20.00%
Common	Carmel Development Inc. 21/F Citibank Tower, Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	499,999,997	Direct	25.62%
Common	LBC Express, Inc. General Aviation Center, Domestic Airport Compound, Pasay City, Metro Manila	Nominee: Gregorio Ma. Araneta III	Filipino	194,818,074	Direct	10.00%
Common	Olongapo Mabuhay Express Corp. LBC Compound Aviation, Airport Road, Pasay City	Nominee: Santiago Araneta	Filipino	124,855,422	Direct	6.4%
Common	Gamma Properties, Inc. 21/F Citibank Tower Paseo de Roxas, Makati City	Nominee:	Filipino	264,472,892	Direct	13.55%

(2) Security Ownership of Management

The following is a summary of the aggregate shareholdings of the Company's directors and executive officers in the Company and the percentage of their shareholdings as of December 31, 2024

Title of class	Name and address of beneficial owner	No. of Shares & Nature of beneficial ownership	Citizenship	Nature of ownership	Percent of class (5)
Common	Gregorio Ma. Araneta 21/F Citibank Tower, Paseo de Roxas, Makati City	120,060	Filipino	<i>r&b</i>	0.01%
Common	Francisco A. Segovia Metro Manila	1,000	Filipino	<i>r&b</i>	0.00%
Common	Antonio O. Cojuanco	1	Filipino	<i>r&b</i>	0.00%
Common	Lazaro Dellas Llagas Madara	1	Filipino	<i>r&b</i>	0.00%
Common	Francisco A. Segovia	1	Filipino	<i>r&b</i>	0.00%
Common	Crisanto Roy B. Alcid 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	<i>r&b</i>	0.00%
Common	Alfonso Araneta 21/F Citibank Tower, Paseo de Roxas, Makati City	500,001	Filipino	<i>r&b</i>	0.02%
Common	Luis Araneta 21/F Citibank Tower, Paseo de Roxas, Makati City	500,001	Filipino	<i>r&b</i>	0.02%
Common	Cesar Zalamea 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	<i>r&b</i>	0.00%
Total		1,121,067			0.05%

r – record ownership

b – beneficial ownership

ITEM 12. CERTAIN RELATIONSHIPS and RELATED PARTY TRANSACTIONS

As of 31st December 2024 stockholders Gregorio Araneta Inc., Carmel Development Inc., Gamma Properties, Inc., and LBC Express, Inc. held more than (10%) each of the securities of the Company broken down as follows:

SECURITY	CLASS	AMOUNT	NATURE	PERCENTAGE
Gregorio Araneta, Inc.	Common	390,277,500	Direct	20%
Carmel Development, Inc.	Common	499,999,997	Direct	25.62%
LBC Express, Inc.	Common	194,818,074	Direct	10%
Olongapo Mabuhay Express	Common	124,855,422	Direct	6.4%
Gamma Properties Inc.	Common	264,472,892	Direct	13.55%

Messrs. Gregorio Ma. Araneta III and Francisco A. Segovia are related to the fourth civil degree of consanguinity. Moreover, Mr. Alfonso Araneta as well as Mr. Luis Araneta are children of Mr. Gregorio Ma. Araneta III. There are no other family relationships within the fourth degree among the rest of the members of the Board of Directors and Senior Officers of the Company.

PART IV. CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

The Company has promulgated a Manual on Corporate Governance that took effect in 2002 which was revised on 2023. The Manual continues to guide the activities of the Company and compliance therewith has been consistently observed.

There has been no deviation from the Company's Manual on Corporate Governance.

The Company believes that its Manual on Corporate Governance is in line with the leading practices and principles on good governance, and such, is in full compliance.

The Company will improve its Manual Corporate Governance when appropriate and warranted, in the Board of Directors' best judgment. In addition, it will be improved when a regulatory agency such as the SEC requires the inclusion of a specific provision.

The Board

There is an effective and appropriately constituted Board who received relevant information required to properly accomplish their duties.

The Nomination Committee is mandated to ensure that there is a formal and transparent procedure for the appointment of new Directors of the Board. When appropriate, every director

shall receive training, taking into account his individual qualifications and experience. Training is also available on an ongoing basis to meet individual needs.

The term of office of all directors, including independent directors and officers shall be one (1) year and until the successors are duly elected and qualified.

Board Process

Members of the Board shall meet when necessary, throughout the year to adopt and review its key strategic and operational matters; approve and review major investments and funding decision; adopt and monitor appropriate internal control; and ensure that the principal risks of the Company are identified and properly managed.

The Board shall work on an agreed agenda as it reviews the key activities of the business.

The Corporate Secretary is responsible to the Board and is available to individual Directors in respect of Board procedures. Atty. Christine P. Base holds the post.

Committees

The Board has established a number of committees with specific mandates to deal with certain aspects of its business. All of the Committees have defined terms of reference.

Audit Committee

The Audit Committee functions under the terms of reference approved by the Board. It meets at least twice a year and its roles include the review of the financial and internal reporting process, the system of internal control and management of risks and the external and internal audit process. The Audit Committee reviews the scope and results of the audit with external auditors and obtains external legal or other independent professional advice where necessary.

Other functions of the Audit Committee include the recommendation of the appointment or re-appointment of external auditors and the review of audit fees.

Nomination Committee

The Committee assesses and recommends to the Board candidates for appointment of executive and non-executive directors' positions. The Committee also makes recommendations to the Board on its composition. The Committee meets as required.

Remuneration Committee

The Remuneration Committee is responsible in determining the Company's policy on executive remuneration and in specifying the remuneration and compensation packages on the employment or early termination from office of each of the executive directors of the Company. All decisions of the Remuneration Committee are only recommendatory and they are referred to the Board for final approval. The Remuneration Committee also monitors the compensation packages of other senior executives in the group below the Board level. The Committee meets as required.

Compliance Officer

The Compliance Officer (CO) is responsible for ensuring that the Company's corporate principles are consistently adhered to throughout the organization. The CO acts independently and her role is to supply the top management with the necessary information on whether the

organization's decisions comply with professional rules and regulations, internal directives, regulatory authorities, and the statutory law.

As indicated in the SEC Memorandum Circular No. 15 Series of 2017, all publicly listed companies shall submit a fully accomplished Integrated Annual Corporate Governance Report (I-ACGR) on May 30 of the following year for every year that the company remains listed in the PSE.

PART VI – EXHIBITS *and* SCHEDULES

ITEM 14. EXHIBITS AND SCHEDULES

(a) Reports on SEC Form 17-C

Date of Report	Nature of Item Reported
February 21, 2024	Appointment of new President
	Appointment of new Treasurer
April 1, 2024	Termination and Appointment of the STA
April 8, 2024	2023 Annual Report (SEC Form 17-A)
	2023 Audited Financial Statements for the period ending December 31, 2023
May 15, 2024	Approval of the Financial Statement of the Corporation for the First Quarter ending March 31, 2024.
August 13, 2024	Approval of the Financial Statement of the Corporation for the 2nd Quarter ending June 30, 2024
September 30, 2024	Postponement of the ASM
November 8, 2024	<i>hereby approves to postpone the Annual Stockholders' Meeting of the Corporation from November 29, 2024 to December 12, 2024.</i>
	Approval of the Financial Statement of the Corporation for the 3rd Quarter ending Sept. 30, 2024
December 12, 2024	Annual Stockholders' Meeting and Organizational Meeting of Board of Directors

(b) Exhibits

- 1) Annex A Report on Sustainability
- 1) Annex B General Notes to Financial Statement (pls. see Audited Financial Report)
- 2) Annex ____ Balance Sheet
- 3) Annex ____ Income Statement
- 4) Annex ____ Schedules

Schedule A. - Marketable Securities (current marketable equity securities and other short-term cash investments).

Schedule B. - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties).

Schedule C. -Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Schedule D. - Long-Term Debt

Schedule E. - Indebtedness to Related Parties

Schedule F. - Guarantees of Securities of Other Issuer

Schedule G. - Capital Stock

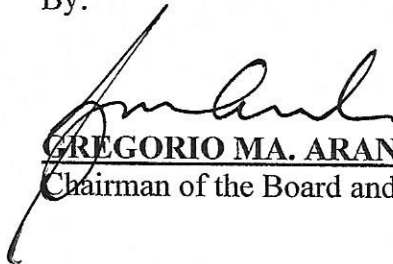
Schedule H. - Security of Ownership/Ownership held by CEO

SIGNATURES

Pursuant to the requirements of Securities Regulation of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, the City of Makati on APR 11 2025.

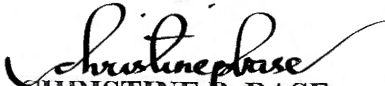
ARANETA PROPERTIES, INC.
(Issuer)

By:


GREGORIO MA. ARANETA
Chairman of the Board and CEO


LUIS M. ARANETA
President


JOSE O. EUSTAQUIO III
Chief Finance Officer



CHRISTINE P. BASE
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 11 2025 day of , 2025 affiant(s) exhibiting to me their valid identification card:

NAME	I.D. NUMBER	DATE OF ISSUE/PLACE OF ISSUE
Gregorio Ma. Araneta III	Passport No. XX1328189	June 04, 2008/Manila, Philippines
Luis M. Araneta	Passport# P7004623B	June 17, 2021 Manila, Phil.
Christine P. Base	Passport No. XX4766696	Oct 15, 2009 Manila, Philippines
Jose O. Eustaquio III	Senior Citizen ID No. 13828	August 22, 2007

known to me and known to be the same persons who executed the foregoing instrument and acknowledge to me that the same are their free and voluntary act and deed.

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Book No. VII
Series of 20 25


ATTY. CESAR T. VERANO
NOTARY PUBLIC MAKATI CITY
APPOINTMENT NO: M-029
VALID UNTIL DECEMBER 31, 2025
ISSUED ON: DECEMBER 15, 2023
TR NO: MKT 10465510 / 01-02-2025 / MAKATI CITY
IBP NO.: 484720 ROLL NO.: 29024
MCLE COMPLIANCE NO.: VII-0023845
VALID UNTIL DECEMBER 31, 2025
OFFICE ADDRESS: #2733 G/F CARREON BLDG
MIDA ST., BRGY. POBLACION MAKATI CITY

SCHEDULE A**Marketable Securities - (Current Marketable Equity Securities and Other Short-term Cash Investments**

Name of Issuing Entity and association of each issue (1)	Number of shares or Principal amount of bonds and notes	Amount shown in the balance sheet (2)	Value based on market quotation at balance sheet date (3)	Income received and accrued
	NONE - NOT APPLICABLE			

SCHEDULE B**Amounts of Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than related Parties).**

Name and Designation of debtor (1)	Balance at Beginning of period	Additions	Amount collected/ Liquidated and reclass (2)	Amounts written off And allowance For D/A (3)	Balance at end of the period
Receivable from Trade	331,293,932	795,664,091	433,586,780	-0-	693,371,243
Advances to suppliers, officers & employee	3,432,974	13,633,878	12,812,812	-0-	4,254,040
Total	334,726,906	809,297,960	466,399,592	-0-	697,625,283
Less: noncurrent portion of trade receivable	158,276,064	-0-	1,639,979	-0-	156,636,085
Current portion	176,450,842	809,297,969	444,759,613	-0-	540,989,198

SCHEDULE C**Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements****In Stock, and Other Investments**

Name of Issuing entity and description of investments (1)	Number of shares of Principal amount of bonds And Notes (2)	Amounts in Pesos	Equity in earnings (losses) of Investees for the period (3)	Distribution of earnings by Investees (5)	Number of shares of principal amount of bonds and note (6)	Amount in Pesos (7)	Dividends received from Investments not accounted for by the equity method
Tagaytay Midland	1	1,000,000	n/a	n/a	n/a	n/a	n/a
Subic Yacht Club, Inc	1	1,500,000	n/a	n/a	n/a	n/a	n/a
Alphaland Balesin Island	1	1,000,000	n/a	n/a	n/a	n/a	n/a
Colinas Verdes Country Club	1	700,000	n/a	n/a	n/a	n/a	n/a
Total		4,200,000					
Comprehensive income (FVOCI)		150,000					
Net		4,350,000					

SCHEDULE D**Long-term Debt**

Description (1)	Beginning Balance	Additions At costs Reclassification (2)	Charged to Cost and Expenses (provision for D/A) or Writ off	Others Additions (Deduction/Sold) Input tax applies to Recoverable Tax (VAT) and statutory Income tax	Balance at End of Period
Investment property	674,056,173	-0-	-0-	-0-	674,056,173
Prepaid Rentals & Others	273,688	-0-	273,688	-0-	-0-
Prepaid Taxes	6,056,727	2,025,484	8,075,663	-0-	6,548
Input Vat	57,770,328	-0-	-0-	57,770,328	-0-
Total	738,156,916	2,025,484	8,349,351	57,770,328	674,062,721

SCHEDULE E

Indebtedness to Related Parties

Title of Issue and Type of Obligation (1)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet (2)	Amount shown under caption "Long-term debt" in related balance sheet (3)
Liability for purchased of land	115,305,608	115,305,608	-0-

SCHEDULE F

Guarantees of Securities of other Issuer

Name of Related	Balance at beginning of period	Balance at end of period
None	n/a	n/a

SCHEDULE G

Capital Stock

Name of issuing entity of securities guaranteed by the Company for which this statement is filed	Title of issue of each of securities guaranteed	Total amount guaranteed and outstanding (2)	Amount owned by person for which statement is filed	Nature of guarantee (3)
None	n/a	n/a	n/a	n/a

SCHEDULE H (1)

Capital Stock

Title of Issue	Common
Number of shares authorized	5,000,000,000
Number of shares issued and outstanding	1,951,387,570
Number of shares reserved for options, warrants, conversion & etc.	None
Number of shares held by related parties	1,345,950,993
Shares held by Directors, officers & employees	121,067
Others	605,315,510

SCHEDULE H (2)

Capital Stock track record

Date of registration (SEC approval)	Description	Number of shares (in 000's)	Par value Per share	Amount of share (in 000's)
1988	Capital upon registration Class A Class B	30,000,000 20,000,000	P0.01 0.01	P300,000 200,000
1992	Change of par value from P0.01 to P1.00 Class A Class B	150,000 100,000	P1.00 1.00	P150,000 100,000
1994	Change of par value from P1.00 to P0.30 Class A Class B	150,000 100,000	P0.30 0.30	P45,000 30,000
1995	Increased in authorized Capital stock and removal of classification of shares of stock	1,000,000	P0.30	P300,000

1996	Increased in authorized Capital stock and change of par value from P0.30 to P1.00	5,000,000	P1.00	P5,000,000
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As at December 31, 2024 and 2023, the Company has issued and outstanding common shares of 1,951,387,570 at par value of P =1.00 a share. The Company has 2,120 stockholders and 2,130 stockholders as at December 31, 2024 and 2023, respectively.

SCHEDULE J(1)

Security ownership of certain beneficial owners and managements

Name of Company	Class	Number of shares	Nature	Percentage
Carmel Development, Inc. (of which 99% held by Gregorio Ma. Araneta III)	Common	499,999,997	Direct	25.62%
Gregorio Araneta, Inc. (of which 18% held by Gregorio Ma. Araneta III)	Common	390,277,500	Direct	20.00%
Gamma Properties, Inc. (of which 50% held by Gregorio Ma. Araneta III)	Common	136,000,000	Direct	6.97%
Olongapo Mabuhay Express Corp. (of which 80% held by Ma. Joy A. Cruz)	Common	124,855,422	Direct	6.40%

SCHEDULE J(2)

Ownership held by CEO and four (4) highly compensated executive officers

Name of Executive	Position	Total ownership held	Compensation
Gregorio Ma. Araneta III	Chairman / CEO and Director	53% of outstanding shares	n/a
Crisanto Roy B. Alcid	Treasurer and Director	1 share	n/a
Luis M. Araneta	President and Director & Project Dev' Officer	1 share	n/a
RobertinaFuerte	Management Officer	None	n/a

SCHEDULE K (1)

Supplemental Statement of Financial Report

Property, Plant and Equipment

Classifications	Beginning Balance	Additions	Retired or Reclass	Balance
Office condominium unit	46,047,004	-0-	-0-	46,047,004
Building and Improvements	12,143,398	-0-	-0-	12,143,398
Machinery and Equipment	-0-	-0-	-0-	-0-
Transportation & Hauling Equipt	5,964,870	8,230,714	-0-	14,195,584
Furniture, Fixtures & Other Equipt	6,803,345	46,204	-0-	6,849,549
Total (at cost)	70,958,617	8,276,918	-0-	79,235,535

SCHEDULE K (2)

Supplemental Statement of Financial Report

Accumulated Depreciation - Property, Plant and Equipment

Classifications	Beginning Balance	Additions	Retired or Reclass	Balance
Office condominium unit	46,047,004	-0-	-0-	46,047,004
Building and Improvements	12,143,398	-0-	-0-	12,143,398
Machinery and Equipment	-0-	-0-	-0-	-0-
Transportation & Hauling Equipment	5,355,732	304,699	-0-	5,660,431
Furniture, Fixtures & Other Equipment	6,677,256	58,639	-0-	6,735,895
Total (at cost)	70,223,390	363,338	-0-	70,586,728

PART VII- ARANETA PROPERTIES INC. (ARA)

SUSTAINABILITY REPORT ANNEX 2024

Contextual Information

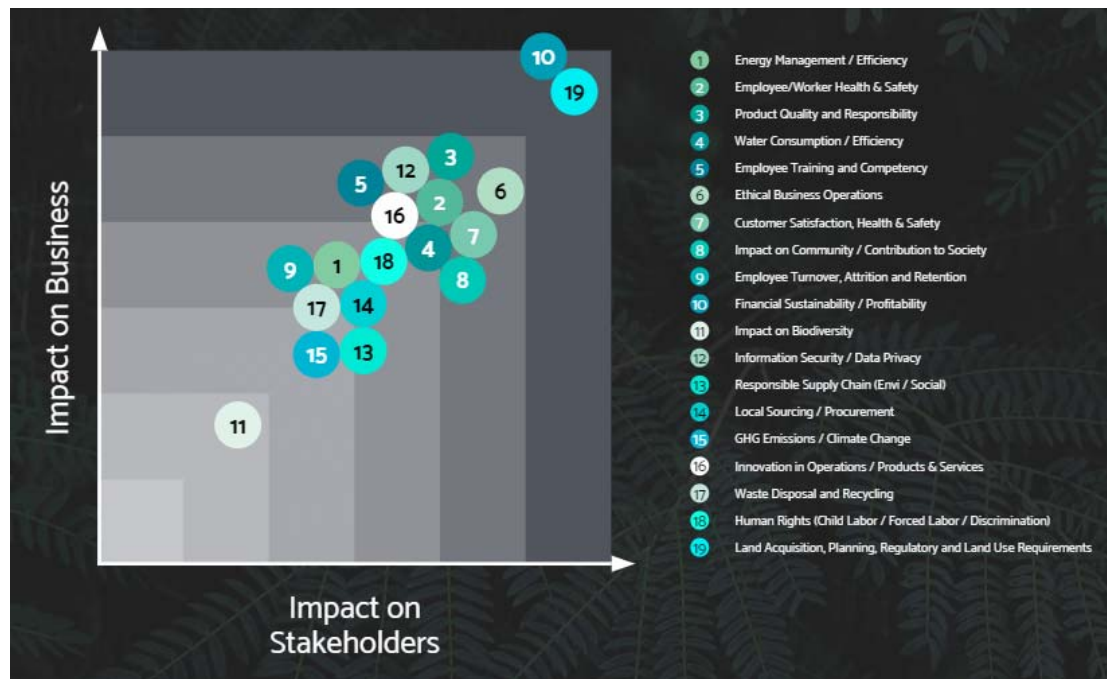
Name of Corporation	ARANETA PROPERTIES INC. (ARA)
Location of Headquarters	21 st Floor BDO Towers Valero Condo Corp.,corner Villar & Valero Streets, Makati City
Location of Operations	Araneta Properties Inc. Corporate Office (Head Office) 21 st Floor BDO Towers Valero Condo Corp., cornerVillar& Valero Streets, Makati City Colinas Verdes Subdivision and Country Club (Colinas Verdes) San Jose Del Monte, Bulacan City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	This Annex reports on the operations of the Head Office and Colinas Verdes .
Business Model , including Primary Activities, Brands, Products, and Services	<p>ARA is primarily engaged as a real estate business with its main objective to acquire, develop, and sell properties for a much higher margin. The Company models its owned lands into commercial, residential, and mixed-use developments similar to the Ayala Business District of Makati, the Trinoma of Quezon City, the Filinvest City of Ayala Alabang, or the Nuvali of Sta. Rosa City. This is in line with its goal of making, San Jose Del Monte, Bulacan as the Queen City of the North.</p> <p>ARA owns 2,364,082 square meters (sqm) an idle cogonal land converted into residential/subdivision now named Colinas Verdes Subdivision and Country Club (Colinas Verdes).</p> <p>Colinas Verdes is being developed through a joint venture partnership with Sta. Lucia Realty and Development, Inc. (SLRDI).The Joint Venture Agreement between ARA and SLRDI allows the Company, as the owner of the land, to be entitled to forty percent (40%) of the net proceeds; while SLRDI is entitled to sixty percent (60%) on cash or lot override. As the implement or of the master-plan, SLRDI has to carry all the required development such as road preparation, drainage system, pavement of roads, curbs, gutters, sidewalks, water systems, deep well or water tank, electrical system, perimeters or security walls, landscaping, and development of parkways or open spaces at their own cost.</p> <p>The Company continues to venture its land banking activities to other parts of the country, particularly in Luzon.ARA has already acquired from various suppliers 2,385,151sqm raw land in San Jose Del Monte, Bulacan, and 356,877sqm raw land in the Ilocos Region for future development. In Manticao, Misamis Oriental, it has owned 173,479sqm residential land complemented with foreshore (beach area) with 13,796sqm.</p> <p>Information on the operating and financial highlights of ARA can be accessed through its website at https://www.aranetaproperties.com/</p>
Reporting period	January 1 to December 31, 2024
Highest ranking person responsible for this report	Gregorio Ma. Araneta III CEO and Chairman of the Board

Materiality Process

Accustomed to the timely reporting on its financial standing, ARA is extending the reporting practice of its sustainability performance, enveloping the economic, environmental, and social aspects of the Company. In its 5th year report, the Company deems necessary to fully understand the context of Sustainability and its importance in recognizing material areas.

Reference material is provided in which ARA can study the sustainability context, sustainability reporting practice and framework, and principle of materiality, including the identification of material topics. With this material, the Company is knowledgeable in determining what issues matter to its business operations and to its stakeholders that include employees, investors, suppliers, contractors, and the government.

This leads to the Materiality Assessment that is participated by a team of professionals who have notable experiences on the overall operations of the Company. Following the Materiality Principle of the Global Reporting Initiative (GRI), the Management is guided in identifying, assessing, and prioritizing material topics for ARA through an online survey tool. The results of the assessment are shown below:



These topics are perceived by their criticality to impact the business and the stakeholders. Those with high and medium criticality are elaborated in this report while those perceived with low criticality are deemed either as low importance to disclose or not applicable to ARA's nature of business.

Each material topic answers to a standard/s set by the GRI that helps monitor ARA's performance towards a more sustainable business (see Table A). Additionally, ARA recognizes its operations to have significant contributions to some of the Sustainable Development Goals (SDGs) of the United Nations (UN).

Table A. Alignment of Material Topics to GRI Standards and UN SDGs

Criticality	Material Topic	Relevant GRI Standard	Contribution to SDGs
High	Financial Sustainability / Profitability	GRI 201: Economic Performance	SDG 1: No Poverty SDG 8: Decent Work and Economic Growth
High	Land Acquisition, Planning, Regulatory, and Land Use Requirements	GRI 304: Biodiversity GRI 307: Environmental Compliance GRI 413: Local Communities GRI 419: Socioeconomic Compliance	SDG 11: Sustainable Cities and Communities SDG 16: Peace, Justice and Strong Institutions
High	Product Quality and Responsibility	GRI 102-2: Activities, brands, products, and services GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	SDG 12: Responsible Consumption and Production SDG 16: Peace, Justice and Strong Institutions
High	Ethical Business Operations	GRI 205: Anti-corruption	SDG 16: Peace, Justice and Strong Institutions
High	Information Security / Data Privacy	GRI 418: Customer Privacy	SDG 16: Peace, Justice and Strong Institutions
High	Employee / Worker Health & Safety	GRI 403: Occupational Health and Safety	SDG 3: Good Health and Well-being SDG 8: Decent Work and Economic Growth
High	Customer Satisfaction, Health & Safety	GRI 416: Customer Health and Safety	SDG 3: Good Health and Well-being
Medium	Innovation in Operations / Products & Services	GRI 102-2: Activities, brands, products, and services	SDG 9: Industry, Innovation, and Infrastructure
Medium	Water Consumption / Efficiency	GRI 303: Water and Effluents GRI 306: Effluents and Waste	SDG 6: Clean Water and Sanitation

Medium	Employee Training and Competency	GRI 404: Trainings	SDG 4: Quality Education SDG 8: Decent Work and Economic Growth
Medium	Impact on Community / Contribution to Society	GRI 203: Indirect Economic Impacts GRI 413: Local Communities	SDG 10: Reduced Inequalities
Medium	Human Rights (Child Labor / Forced Labor / Discrimination)	GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 411: Rights of Indigenous Peoples GRI 412: Human Rights Assessment	SDG 8: Decent Work and Economic Growth SDG 10: Reduced Inequalities
Medium	Energy Management/ Efficiency	GRI 302: Energy	SDG 7: Affordable and Clean Energy
Medium	Local Sourcing / Procurement	GRI 102-9: Supply chain GRI 204: Procurement Practice	SDG 12: Responsible Consumption and Production
Medium	Waste Disposal and Recycling	GRI 306: Effluents and Waste	SDG 11: Sustainable Cities and Communities SDG 12: Responsible Consumption and Production
Medium	Employee Turnover, Attrition and Retention	GRI 401: Employment GRI 402: Labor/Management Relations	SDG 1: No Poverty SDG 8: Decent Work and Economic Growth
Medium	Responsible Supply Chain (Envi / Social)	GRI 102-9: Supply chain GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	SDG 9: Industry, Innovation, and Infrastructure SDG 12: Responsible Consumption and Production
Medium	GHG Emissions / Climate Change	GRI 305: Emissions	SDG 13: Climate Action
Low	Impact on Biodiversity	GRI 304: Biodiversity	SDG 15: Life on Land

1 see [GRA 102-46](#) for more guidance

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (2024)	Amount (2023)	Units
Direct economic value generated (revenue)	712.245	30.831	M Php
Direct economic value distributed:			
a. Employee wages and benefits	26.775	23.983	M Php
b. Security Services	9.950	6.990	M Php
c. Payments to suppliers, other operating cost	18.176	12.280	M Php
d. Dividends given to stockholders	-0-	-0-	M Php
e. Interest payments to loan providers	-0-	-0-	M Php
f. Taxes paid to local and national government	3.192	8.366	M Php
g. Investments to community (e.g. donation, CSR)	-0-	-0-	M Php

Impact and Management Approach

ARA has been maintaining its financial performance, having not gone through a bankruptcy, receivership, or similar proceeding. Majority of the generated revenue derives from our external customers. While it gains revenue from real estate and land banking activities, we were able to distribute our earnings to stakeholders that include our employees, security personnel, suppliers, government, and loan providers. About 16.21% of our earnings go to the government, 46.46% as wages and benefits (including retirement benefits) to our employees, 13.54% to loan providers, and 23.79% are paid to suppliers, contractors, and other vendors.

All our employees enjoy a competitive compensation and benefit package that respects their well-being, including the needs of their families. Training is also provided to enhance their competencies in their individual fields to fostering more productive and efficient workplace in ARA. Employee benefits and training are thoroughly discussed in the social section of this report.

The Company has registered a net Income after income tax of ₱422.365 million and (₱14.337) million in 2024 and 2023, respectively, Reeling from the devastating effect of the Covid-19 pandemic another world economic certainties to consider that hit the world-wide economy was the Israel and Gaza war conflict that has a direct impact from business demands

This challenged ARA to thrive in its real estate business and find ways to stand and get back from its original objective to gain profit by way of implementing marketing strategy as planned. The Company has partnered with reputable real estate companies to develop its owned lands. Colinas Verdes, a joint venture project with SLRDI, was expanded and is at 99% completion during the reporting year and will expect a boost in revenues as it reaches 100% occupancy of all the upper-middle and high-end residential units

The Company has maintained its Smelting Plant Property that consists approximately 17.3 hectares of industrial/residential land. In January 1996, the smelting operation was stopped due to the depressed market for ferrochrome and increased production costs. This led to the decision of changing the business nature into land and property development, however maintaining smelting operations as secondary purpose.

Risks and Management Approach

All risks of the real estate market such as price volatility of materials, natural catastrophes, downward movements in the Philippine economy, among others, also impact the Company's financial standing. The occurrence of any of these risks may force ARA to pay amounts for any damage or increased costs for any materials, utilities, and such.

ARA, through the Board, ensures that sound risk controls are implemented. Although it is currently developing its enterprise risk management (ERM), any risks are minimized through the Company policies which intend to identify opportunities that achieve the Company's objectives.

Opportunities and Management Approach

The Company is committed in improving its business and strategies that ensure profitability and financial sustainability. ARA focused on managing and developing a new high margin inventory, increasing efficiency on land banking, and enhancing perspective for more marketing strategies that increase economic value to the business. In this regard, ARA would be able to boost its growth and performance while developing and attaining the needs of its employees, clients, and other stakeholders in hopes of achieving the best township developments in the country.

Climate-related risks and opportunities

The Board oversees that the Company has internal controls, including a sound enterprise risk management (ERM) framework, in place to effectively identify monitor, assess, and manage key business risks. In line with this, the Company is continuously monitoring and enhancing its risk management systems and is currently developing a formal enterprise-wide integrated risk management framework for a more comprehensive and coordinated risk response strategy. ARA believes that climate-related risks and events caused by the 2-degree Celsius increase in the global temperature may significantly affect its business and its stakeholders. This is yet to consider by the Company as part of its ERM system.

Procurement Practices

Proportion spending of local and imported suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers ¹	100	%

1-Suppliers of goods and services that are readily available to market locally that does not need to go through with importation process

Impacts, Risks, Opportunities and Management Approach

In 2024, all supplies, fixtures, and equipment in the Head Office are sourced locally. As part of its procurement practice, ARA checks on the availability, quality, and price of the requirements from local suppliers. This allows us to have faster transactions and timely delivery of requirements. No risks and opportunities are identified in relation to this topic.

Anti-corruption

Training and Communication on Anti-corruption Policies and Procedures

Disclosure	Quantity (2024)	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors & management that have received anti-corruption training	100	%
Percentage of employees that have been received anti-corruption training	0	%

Incidents of Corruption

Disclosure	Quantity (2024)	Units
Number of incidents in which directors were removed or disciplined for corruption	0	%
Number of incidents in which employees were dismissed or disciplined for corruption	0	%
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	%

Impacts, Risks, Opportunities and Management Approach

It is the duty of the Board to adopt an anti-corruption policy and program in the Company's Code of Conduct. Hence, these policies, programs, and practices on anti-corruption and violations to such are effectively communicated to all employees, business partners, and directors and management of ARA. The Revised Manual of Corporate Governance is made available in our company website that can be accessed at <https://www.aranetaproperties.com/investors.html>.

Board and Management members participate in annual training on corporate governance held on December 17, 2024. The said training also discusses anti-corruption along with other governance discussions.

Violation of anti-corruption policies is treated as unacceptable acts in the Company. Persons and/or other parties who committed such will be addressed in accordance with ARA's Employee Manual.

There are no reported incidents of corruption since the Company started its operation in 1996. Because of this, ARA continues to strictly implement anti-corruption policies and procedures and communicate them to all its stakeholders

Resource Management

Energy consumption within the organization

Disclosure	Quantity (2024)	Units
Energy consumption (electricity)	24,316.32	kWh
Energy consumption (gasoline) ¹	2,104.58	L
Energy consumption (diesel) ¹	3,245.12	L
Energy consumption (LPG)	N/A	GJ
Energy consumption (renewable sources of electricity)	N/A	kWh

1-Diesel and gasoline are the cumulative consumption of the service vehicles owned by ARA.

Reduction of energy consumption

Disclosure	Quantity (2024)	Units
Energy consumption (electricity)	-0-	kWh
Energy consumption (gasoline)	-0-	GJ
Energy consumption (diesel)	-0-	GJ
Energy consumption (LPG)	66	GJ

Impacts, Risks, and Management Approach

Energy has provided the Company smooth flow of transactions and activities throughout 2024. Diesel and gasoline enabled us to travel to and from project sites and other significant locations of the business. Electricity allowed uninterrupted operations in the Head Office and maximized the use of all equipment such as computers, air conditioning units, and light fixtures.

The Company implemented energy reduction initiatives starting in the Head Office. for instance, switching to energy-saving or LED lights, switching off of office lights during break-time, fifteen (15) minutes automatic screen saver mode for all computer units when idle, and migration to inverter type of electronic office fixtures, such as air-conditioning units and refrigerator. These initiatives would help us save consumption, thus lessens the cost of electricity.

Risks, Opportunities, and Management Approach

Interruption in the supply of power may decrease the productivity of the Company. During the reporting year, there was a minimal occurrence of power interruptions that caused significant downtimes in our operations. ARA also recognizes that any factors that would influence the price change of electricity and fuel may have apparent impacts on the operating costs of the Company.

Since the Company is end-user of electricity, the Company shoulders the burden of cost change, cost savings is already in place. In case of power interruptions, ARA has installed transformers that assist the computer to operate for, at least, an hour to process data and to allow ample time for shutdown. We also consider shifting to using low consumption rates appliances & electronic devices.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	N/A	Cubic meters
Water consumption	5.43 ¹	Cubic meters
Water recycled and reused	N/A	Cubic meters

1-Figure reflects the average consumption of drinking water in 2024. Data collection on consumption for domestic uses in the Head Office.

Impacts, Risks, Opportunities and Management Approach

Water is a necessity in offices. We understand that for every liter of water that we consume, we could potentially deprive communities or agriculture the water they need. Our water needs are supplied by a third-party water service provider, Manila Water Company. The contribution of the Company to rationalize water consumption is limited as the Head Office operations are dependent on the provisions of the Condominium Association.

Water withdrawal and consumption in Colinas Verdes are monitored by SLRDI, hence ARA has no pertinent information on said topic.

Due to the location of the Head Office, ARA has no significant opportunities related to this topic. For future developments, we will be in constant coordination with our partners to deliver better designs and construction systems by using renewable materials, and by increasing efficiency through more economical and environmental-friendly activities.

Ecosystems and Biodiversity

There are no impacts and risks identified in our operation since our projects are not within or adjacent to biodiversity, ecosystems, or high-risk areas. Land acquisition studies are conducted before the implementation of any master-plans. Before the commencement of the Colinas Verdes project, ARA administered a high and rigid level of defining, identifying, and mitigating possible landslide-prone areas through a land integrity survey.

Environmental Impact Management

GHG

Disclosure	Quantity (2024)	Units
Direct GHG Emissions (Scope 1) ¹	12.44	TonnesCO ₂ e
Indirect GHG Emissions (Scope 2)	14.67	TonnesCO ₂ e

1-Emissions for Scope 1 are based on the diesel and gasoline consumption of service vehicles owned by ARA.

Air Pollutants

Disclosure	Quantity (2024)	Units
Nitrous Oxides (NO _x)	N/A	TonnesCO ₂ e
Sulphur Oxides (SO _x)	N/A	TonnesCO ₂ e
Persistent Organic Pollutants (POPs)	N/A	TonnesCO ₂ e
Volatile Organic Compounds (VOCs)	N/A	TonnesCO ₂ e
Hazardous Air Pollutants (HAP)	N/A	TonnesCO ₂ e
Particulate Matter (PM)	N/A	TonnesCO ₂ e

Impacts, Risks, Opportunities, and Management Approach

ARA is cognizant of the fact that emissions are the primary contributor to global warming which causes climate change. Our emissions are attributable to diesel and gasoline consumption of our company vehicles, and to the electricity consumption of our Head Office. All initiatives and practices to lessen our emissions are discussed under the Energy disclosures.

In 2024, we see the opportunity to improve our monitoring of emissions and air pollutants that will serve as our baseline information to lessen our emissions in future developments.

Solid and Hazardous Wastes

Solid waste

Disclosure	Quantity (2024)	Units
Total solid waste generated	No formal data in 2024.	Kg
Reusable		Kg
Recyclable		Kg
Composted		Kg
Incinerated		Kg
Residuals /landfill		Kg

Hazardous waste

Disclosure	Quantity (2024)	Units
Total hazardous waste generated	No formal data in 2024	Kg
Total hazardous waste transported		Kg

Impacts, Risks and Management Approach

The Joint Venture Agreement granted SRLDI full responsibility as the property developer of Colinas Verdes. All development and construction activities, including waste management, are implemented by SLRDI. However, data and related information on the hauling, disposal, and collection of wastes generated are not fully monitored during the reporting year. ARA will optimize possible interventions to explore other options and find variables to collect data for disclosure in the next reporting year.

For this year, this topic discloses solid and hazardous wastes collected from our Head Office. All generated wastes are disposed of through a collection funnel flow that directs to the garbage deck located in the ground level area of the building. The operation and maintenance of said facility are managed and controlled by the Citibank Tower Administration.

Improper management of wastes may indirectly affect the environment, causing health problems to employees of the Head Office, and nearby communities and residents of Colinas Verdes. Hence, our project plans include waste management practices and our employees in the Head Office observe proper segregation and disposal of wastes as well to prevent the proliferation of health and environmental risks.

Opportunities and Management Approach

In improving our waste management practices, ARA is looking for more responsible ways to rationalize and recycle scratch papers and other possible recyclable supplies. We will continue to practice the proper segregation of biodegradable and non-biodegradable wastes.

Effluents

Data and related information for this topic are unavailable as of the reporting year. Hence, we are studying approaches to measure effluents in our project sites to further improve disclosures on this topic.

Environmental compliance

Non-Compliance with Environmental Law and Regulations

Disclosure	Quantity (2024)	Units
Total amount of monetary fines for non-compliance with environmental laws and /or regulations	0	Php
Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
Number of cases resolved through dispute resolution mechanism	0	#

Impacts, Risks and Management Approach

Engaged as a real estate business, ARA, through SLRDI, is required to obtain approval of the following documents to ensure sustainable and environment-friendly business activities:

- Environmental Compliance Certificate (ECC) as required by the DENR;
- Land Use License as required by the Housing and Land Use Regulatory Board (HLURB); and
- Zoning and Location Mapping Survey as required by the Local Government Office.

Failure to obtain clearance from said government requirements may impede the development of the projects, hence causing additional costs and delayed delivery and turnover of projects to our clients. Issues on non-compliance are prevented through regular monitoring and total ECC awareness on the part of the Developer to ensure full compliance with the regulatory requirements.

Opportunities and Management Approach

ARA continues to adhere to all environmental laws and regulations. Regular monitoring of compliance of SLRDI is strictly conducted to assure an uninterrupted and legal flow of operations.

SOCIAL

Employee Management Employee Hiring and Benefits

Employee data

Disclosure	Quantity (2024)	Units
Total number of employees	25 ¹	#
a. Number of female employees	12 ¹	#
b. Number of male employees	13 ¹	#
Attrition rate	0	Rate
Ratio of lowest paid employee against minimum wage	0 ²	Ratio

1-Figures reflect the headcount of employees in the Head Office and project site.

2-All employees are above minimum wage.

Employees benefits

List of Benefits	Y/N	% of male employees who availed for the year	% of female employees who availed for the year
SSS	Y	2	3
PhilHealth	Y	-0-	-0-
Pag-IBIG	Y	5	7
Parental Leaves	Y	0	0
Vacation Leaves ¹	Y	100%	100%
Sick Leaves ¹	Y	100%	100%
Medical benefits (aside from PhilHealth) ²	Y	P132,295	P132,365
Housing assistance (aside from Pag-IBIG Fund)	Y	none	none
Retirement fund (aside from SSS)	Y	none	none

Further Education support	Y	none	None
Company Stock Option Plan	N	N/A	N/A
Telecom allowance	Y	40%	40%
Transportation Allowance	Y	8	9
Flexible - working hours	Y	100%	100%
Rice Subsidy	N	N/A	N/A

1-Vacation Leaves are scheduled during the year while sick leaves are availed when it occurs. If 50% of sick leave credits are unused, they are monetized and converted to cash at year-end.

2-100% of employees are covered with at least PhP40,000.00 per year for entry-level. The number of employees who availed the in-house funded HMO benefits will be accounted for moving forward which will be disclosed in the next reporting year total cost of medical and dental related expenses for the year is P264,660.

Diversity and Equal Opportunity

Disclosure	Quantity (2024)	Units
% of female workers in the workforce	12	%
% of male workers in the workforce	13	%
Number of employees from indigenous communities	0	#
Number of employees above 50 years of age (Vulnerable sector)	14	#

Impacts, Risks, Opportunities, and Management Approach

ARA employs human resource policies that provide remuneration that is competitive and fair and encourages a competency-based recruitment process. In 2024, the Company boasts no turnovers as a result of full compliance of wages order, payments of overtime pay, service incentive leave, and health care programs.

The Management has a non-hand policy and standard rate in hiring new employees. Ordinary employees are given above minimum daily wages set by the Tripartite Wages and Productivity Wages Board, while professionals are based on the industry prevailing rates.

However, there may be issues of job mismatch that may fail to fulfil the duties and responsibilities required by the Company. In case of this issue, the Company has a Grievance Committee to address this in accordance with human resource policies.

The Management plans to provide facilities that would cater to the needs of employees deemed as under the vulnerable group. Review of human resource policies, including conflict of interest situations, compensation programs, and management succession plans is regularly conducted by the Board as part of its internal control responsibilities. This is a continuous commitment to improving policies at hand that would help retain talents in the Company.

Employee Training and Development

Disclosure	Quantity (2024)	Units
Total training hours provided to employees	Due to limited access, training hours will be	
a. Female employees		Hours

b. Male employees	disclosed in the next reporting year.	Hours
Average training hours provided to employees		
a. Female employees		Hours/employee
b. Male employees		Hours/employee

Impacts and Management Approach

Continuous learning and development of our employees provide them the competencies to hone and perform better in their individual fields and become more productive. This contributes to the further realization of the Company's growth plans as benefited from employees' enhanced knowledge of their respective areas. Employees are obliged to participate in mandatory continuing legal education (MCLE), in continuing professional education (CPE) or other seminars such as taxation.

The level of training hours is strategically decided based on employees' positions. For top management, training hours are determined by the Board; for supervisors and rank & file employees, the managers determine the training hours.

Risks and Management Approach

Employees may have stagnant working status and development due to the insufficient provision of skills training. Thus, it is treated as a risk to the Company as this may hinder the implementation of growth plans. Hence, ARA, through its HR, constantly conducts monitoring of its employees' development.

Opportunities and Management Approach

ARA ensures to be in-the-know of all recent developments in the real estate industry, internal and administrative processes, and other operations the Company conducts. We have, at hand, a comprehensive policy on learning and education that is subject to updates depending on the present trends.

Labor-Management Relations

Disclosure	Quantity (2024)	Units
% of employees covered with Collective Bargaining Agreements(CBA)	N/A	%
Number of consultations conducted with employees concerning employee-related policies	0	#

Impacts, Risks and Management Approach

During the reporting year, employees were not subjected to CBA and no labor union was formed in our Company. We maintain a healthy workplace where the relationship of employees and management are harmonious, and concerns are heard of. In case of conflicts, the Grievance Committee handles them in accordance with the employee manual.

Upon hiring of new employees, Employee Manual and related Corporate Discipline are provided. Prior to the implementation of new employee policies, we conduct consultations with employees through the dissemination of surveys that ask how will the policy/ies affect them.

Opportunities and Management Approach

The Company's whistle blowing policy is still currently formulated. This policy aims to establish avenues for employees to freely raise their concerns on illegal or unethical activities without the fear of punishment and to allow them direct access to an independent member of the Board delegated to handle such concerns.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity (2024)	Units
Safe Man-Hours (average per day)	6.4	Man-hours
Number of work-related injuries	0	#
Number of work-related fatalities	0	#
Number of work-related ill-health	0	#
Number of safety drills ¹	4	#

¹-This disclosure only includes information in the Head Office.

Impacts, Risks, and Management Approach

The health and safety of our employees is a priority of ARA. We believe creating a symbiotic environment where the health, safety, and welfare of employees are considered is significant to realize the Company's goals.

Hence, the Company protects its employees' health and safety through participation in safety drills. Additionally, all employees are entitled to insurances from SSS, PhilHealth, in-house health coverage, and retirement benefits to relieve employees of a portion of expenses for any occurrence of health-related issues.

Opportunities and Management Approach

We will establish a data management system to effectively collect data on OHS for all our projects. We aim to report better disclosures in the succeeding period.

Labor Laws and Human Rights

Disclosure	Quantity (2024)	Units
Number of legal actions or employee grievances involving forced or child labor	0	#

Disclosure	Y/N	If yes, cite reference in the Company Policy
Forced labor	Y	Employee Manual
Child labor	Y	Employee Manual
Human Rights	Y	Employee Manual

Impacts, Risks, and Management Approach

The Company complies with the highest labor standards that disallow any violations of labor laws and human rights (e.g. harassment and bullying) in the workplace. Child labor, forced labor, and violation of human rights in the workplace may directly manifest in our employees' productivity and well-being.

It is the Board's responsibility to establish policies, programs, and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance. Hence, all employees are provided with individual copies of the Employee Manual as their reference on ARA's policies and procedures and as a guide on how to conduct themselves of the Company's culture and ethics.

Opportunities and Management Approach

ARA regularly reviews its policies and procedures, including those that pertain to labor laws and human rights, through quarterly or special Board meetings as part of its facilitation of effective performance management. This is to align all efforts and strategies to ARA's overall direction.

Supply Chain Management

As the landowner, ARA is responsible for the monitoring of the performance of the joint venture project. Hence, the accreditation of suppliers is not material to the Company.

This allows ARA the opportunity to formalize supplier accreditation policy, including environmental and social criteria, to extend its accountability of assuring the individual responsibilities of parties on those aspects while ensuring a high-quality work standard in all its projects.

Relationship with Community

Significant Impacts on Local Communities

Operations with Significant impacts on local communities:

Colinas Verdes Subdivision and Country Club

Aside from being a residential community, Colinas Verdes offers amenities that provide leisure to residents. Amenities are discussed under the "Customer Satisfaction" topic of this report.

Location:Colinas Verdes is located at San Jose Del Monte, Bulacan (SJDMB), a southern portion of Central Luzon

Vulnerable groups: Everyone including vulnerable groups are served.

Impact on Indigenous peoples: No negative impacts on indigenous groups as there are no identified IPs during land acquisition study.

Community rights and concerns of communities: It allows the residents to exercise their rights to own property, to rest and leisure, and to a standard of living adequate for the health and well-being of an individual, including food, clothing, housing and medical care and necessary social services.

Mitigating Measures: Operations have no significant negative impact hence it requires no mitigating measures.

Free and Prior Informed Consent (FPIC) is not material to ARA as there are no operations that are within or adjacent to ancestral domains of indigenous peoples.

Impacts, Risks, Opportunities, and Management Approach

Prior to the implementation of the Colinas Verdes project, there were no identified negative impacts on any vulnerable groups 100% no refugees affected, and no person/s were displaced since the project is built on idle and cogonal land.

ARA sees its land banking business as an investment that creates positive benefits to communities in San Jose Del Monte and may extend to nearby communities such as Caloocan City. Began with Colinas Verdes, this provided more infrastructure and employment opportunities that effectively increases the zonal value of the land and market value of the property.

The Company has yet to formalize procedure and approach in accounting community impact disclosures for the year 2023 which will be disclosed in the next reporting year.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third-party conduct the customer satisfaction ratings (Y/N)?
Customers satisfaction survey	No surveys were done in 2024	N/A

Impacts, Risks, Opportunities, and Management Approach

Colinas Verdes is built wherein residents get to enjoy a pristine life. It offers amenities that allow the residents to balance work or study with leisure activities. The Country Club includes the following facilities:

- Swimming Pool & Wading Pool
- Tennis Court
- Badminton Court
- Basketball Court
- Bowling Lanes
- Jogging Paths
- Massage and Sauna
- Game Room
- Children's Playground

The Company believes that the customer is always right. We provide avenues where customers or residents raise their concerns regarding any unlikely occurrences in the subdivision. Security personnel in Colinas Verdes are the front-end persons to whom our customers or residents may communicate with. During contract agreements with buyers, ARA employees hand out their business cards to buyers for any questions or concerns on the transaction.

However, for 2024 ARA has no data available to measure client satisfaction and method in collecting such concerns from clients. Hence, we see this as an opportunity for the Company to improve the disclosure for this topic in the next reporting years. The Management will discuss with the Board on policies that recognize the welfare of customers and other stakeholders who hold interest in ARA.

Health and Safety

Disclosure	Quantity (2024)	Units
Number of substantiated complaints on product or service health and safety	0	#
Number of complaints addressed	0	#

Impacts, Risks, Opportunities, and Management Approach

As of the reporting year, no complaints about health and safety were raised by homeowners in Colinas Verdes. ARA and SLRDI ensure all homeowners are protected from any harm while inside the property. Part of the subdivision's master-plan is a 24-hour security gate and guardhouse where our security personnel screen visitors before entry. A perimeter fence is built around the property to prevent any unauthorized access.

Any incidents on the health and safety of residents that are caused by lapses in the development of the property may affect the reputation of Colinas Verdes, hence may also affect ARA and SLRDI's management. To avoid such incidents, ARA continues to implement and strengthen security protocols to ensure the safety of residents and visitors in Colinas Verdes.

Marketing and labeling

The Company commissioned Orchard Property Marketing Corporation (OPMC) as the official marketer for our Colinas Verdes project. The joint venture agreement allowed OPMC, an independent marketing firm, to sell projects developed by SLRDI. Hence, this topic is not material to ARA.

However, our marketing strategies have been favorable to our increased sales over the years. ARA fine-tuned its whole system that maintains and improves Colinas Verdes as the subdivision's brand name and gained its position to the market. This has enhanced the perspective for more marketing strategies as it competes with other real estate industry players.

Customer/S Privacy

Disclosure	Quantity	Units
Number of substantiated complaints on customers privacy	0	#

Number of complaints addressed	0	#
Number of customers, users, and account holders whose information is used for secondary purposes	0	#

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	0	#

Impacts and Management Approach

ARA received no complaints or any issues related to violation of customer privacy and data security. This is attributed to the defined policy of the Company stating that only the buyer has the authority to ask for any document/s related to the transaction with ARA.

Risks and Management Approach

We recognize the existence of data breaches, leaks, thefts, losses, and use of customer information for secondary purposes. In cases for the occurrence of said risks, ARA delegates the Legal Officers to handle and address complaints concerning customer privacy and data security.

In establishing solutions in data security, it will protect the related parties such as, but not limited to, client, suppliers, and stakeholders with business interest to the Company. We will draw the line to be able to formulate some regulations or solution to be able to expand the existing protocols to ensure data security protection and secrecy or confidentiality.

Opportunities and Management Approach

With the present trend in wireless convergence, specifically the on-line and internet transaction, some establishments with weak privacy protection are the usual victim of privacy breach like the commonly known as account hacking. The Management will revisit systems and protocols at hand to be able to upgrade and strengthen the present procedure to ensure privacy and/or to protect customer data.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development

Real Estate Development



ARA helps families achieve their dreams of owning a home. This is rooted in a deep understanding of the needs of customers and builds for them a house that meets their needs wherever they are in their journey towards financial freedom. Knowing that Bulacan's population steadily grows five percent annually, our residential developments was expanded

to meet the housing requirements in the said province. In 2024, the project has built a total of 467 residential units with 446 units occupied.

To ensure the comfort of residents, Colinas Verdes is equipped with various infrastructures that are reliable and accessible to support their basic needs. With its strategic location, Colinas Verdes is adjacent to transportation modes such as the Metro Rail Transit Line 7 (MRT-7) and commercial areas such as shopping centers that offer movement and access for residents.

Our business also provides employment opportunities that contribute to the economic growth in the local community where we operate. Specifically, our construction activities require enough labor workers to finish our projects in accordance with the project schedules. The development of the Colinas Verdes project has also benefited 20 security personnel to implement security measures as residents enjoy the services in the subdivision.

Potential Negative Impact of Contribution

Working on its responsibility as landowners and land developers, ARA recognizes the potential impacts its operations bring to the people and to the environment. These are the following:

- Increased demand for basic services such as water and electricity
- Increase waste generation
- Increase in traffic volume and air pollution in the area
- Increased wastewater discharge

Management Approach to Negative Impact

It is the Company's goal to develop lands into spaces that benefit the physical and social well-being of its customers. Our developments are patterned after the master-plan that is designed by Duany-Plater-Zyberk (DPZ), a Florida-based firm that applies the concept of new urbanism. ARA's lands are converted into communities where people get to enjoy residing in neighborhoods that encourage them to interact with their built and natural surroundings. We seek to establish communities where people do not see the need to travel to the Central Business Districts (CBDs) to satisfy their needs, lessening the movement to Metro Manila.

Anchoring on the principles of sustainable development, the Company and its partner developers are studying the feasibility of investing in environmentally responsible technologies and facilities that would ensure maximum efficiency in the use of energy and water, would manage wastes, and control any pollution in the air and water.